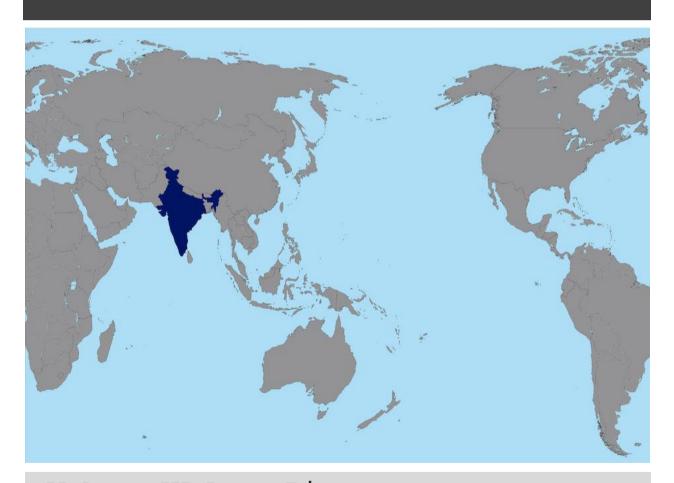


# DPG INDO-PACIFIC MONITOR MAY 2022



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### **Delhi Policy Group**

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# DPG INDO-PACIFIC MONITOR Volume III, Issue 5 May 2022

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Founded in 1994, the Delhi Policy Group (DPG) is among India's oldest think tanks with its primary focus on strategic and international issues of critical national interest. DPG is a non-partisan institution and is independently funded by a non-profit Trust. Over past decades, DPG has established itself in both domestic and international circles and is widely recognised today among the top security think tanks of India and of Asia's major powers.

Since 2016, in keeping with India's increasing global profile, DPG has expanded its focus areas to include India's regional and global role and its policies in the Indo-Pacific. In a realist environment, DPG remains mindful of the need to align India's ambitions with matching strategies and capabilities, from diplomatic initiatives to security policy and military modernisation.

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### DPG INDO-PACIFIC MONITOR

This publication is a monthly analytical survey of developments and policy trends that impact India's interests and define its challenges across the extended Indo-Pacific maritime space, which has become the primary theatre of global geopolitical contestation. It is authored by Cmde. Lalit Kapur (Retd.), DPG Senior Fellow for Maritime Strategy, based on open source reports and publications. Your comments and feedback may be send at lalit@dpg.org.in. To subscribe, please click here.

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# Contents

Abstract	
The US ASEAN Special Summit	3
Understanding China's Global Security Initiative	
President Biden's Visit to East Asia	
Launch of the Indo-Pacific Economic Framework	12
The Fourth Quad Summit	16
Shipbuilding for the Indian Navy	19
Other Indo-Pacific Developments	23



### DPG INDO-PACIFIC MONITOR

### May 2022

### **Abstract**

The first ever US-ASEAN Special Summit held in the US brought eight ASEAN Leaders and the Philippines Foreign Minister to Washington D.C. on May 12-13. Outgoing Philippines President Rodrigo Duterte did not attend, while Myanmar's chair was symbolically kept vacant. The summit joint statement was spread across eight pillars and announced the intent to establish an ASEAN-US Comprehensive Strategic Partnership, remarkably similar to the ASEAN-China partnership established in November 2021. ASEAN thus maintained its equidistant approach towards the two great powers, and also did not join in denunciations of Russia over the Ukraine war

A Global Security Initiative was propounded by President Xi Jinping at the Boao Forum and elaborated upon by the Chinese Vice Foreign Minister Le Yucheng on May 6. At its heart, it is a call for Asian cooperation and solidarity and the creation of a new type of security that replaces confrontation, alliances and a zero-sum approach with dialogue, partnership and win-win results, notwithstanding China's economic and military assertions throughout Asia. The gulf between China's words and deeds has, however, become too large to be hidden in plain sight.

President Joe Biden made his first visit to Asia, touring South Korea and Japan from May 20-24 and strengthening alliance commitments with both countries. The Joint Statement on completion of the South Korean leg focused on the North Korean threat, but contained no reference to China. In Japan, however, China was the primary focus. The visit also resulted in the formal launch the US Indo-Pacific Economic Framework with the participation of leaders from 12 Indo-Pacific countries, including India as a founding member, on May 23.

The second in-person Quad Summit, and the fourth overall, took place in Tokyo on May 24, with leaders from the US, Australia, India and Japan recommitting themselves to Quadrilateral cooperation. Significant developments included the launch of the Indo-Pacific Maritime Domain Initiative, the establishment of a HADR partnership, the commitment to invest over \$ 50 billion for quality infrastructure in the Indo-Pacific over the next five years, and the launch of the Quad Fellowship for STEM education in the US.





May 17 was an important day for India's warship building, with the hulls of two frontline warships being launched concurrently by the Defence Minister Rajnath Singh. This issue covers the implications for India's shipyards.

In other Indo-Pacific developments, a new South Korean government under President Yoon Seok-youl assumed office on May 10. Anthony Albanese was sworn in as Australia's 31st Prime Minister on May 23. Bongbong Marcos won Presidential elections held in the Philippines on May 9 and will assume office on June 30. China's Foreign Minister Wang Yi visited eight South Pacific Island nations with a 20-man delegation, hoping to bring them into China's fold, achieving only partial success. Fiji joined the US-led Indo-Pacific Economic Framework as a founding member. North Korea continued with a series of missile tests during the month, raising security concerns in East Asia, while USS Ronald Reagan completed a long maintenance period in Yokosuka and joined USS Abraham Lincoln in deployment to the Western Pacific. USS Port Royal carried out a Taiwan Straits transit on May 10.



### The US ASEAN Special Summit

The US-ASEAN Special Summit, spread over two days, ended on May 13. Intended "to reaffirm the United States' enduring commitment to Southeast Asia and underscore the importance of US-ASEAN cooperation in ensuring security, prosperity and respect for human rights"<sup>1</sup>, the summit brought eight ASEAN leaders and the Foreign Minister of the Philippines to the US for the first ever US-ASEAN summit held in Washington DC. Myanmar's chair at the summit table remained vacant.



President Biden with ASEAN leaders at the White House on May 13, 2022. Source: White House Twitter

<sup>&</sup>lt;sup>1</sup> Fact Sheet: US-ASEAN Special Summit in Washington DC, https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/12/fact-sheet-u-s-asean-special-summit-in-washington-dc/



The 28 paragraph joint statement spreads across eight pillars: pandemic recovery; strengthening economic ties and connectivity; promoting maritime cooperation; people-to-people connectivity; sub-regional development; leveraging technologies and innovation; climate change; and preserving the peace<sup>2</sup>. It contains commitments galore, but lists little by way of delivery.

In November 2021, the ASEAN-China commemorative special summit had announced "the establishment of an ASEAN-China Comprehensive Strategic Partnership that is meaningful, substantive and mutually beneficial"<sup>3</sup>. The US-ASEAN Special Summit announced the intent to "establish an ASEAN-US Comprehensive Strategic Partnership that is meaningful, substantive and mutually beneficial at the 10<sup>th</sup> ASEAN-US Summit in November 2022"<sup>4</sup>. There were other commonalities. Both statements touched upon the importance of the relationship to ASEAN. Both appreciated the support provided to tackle COVID-19. Both reaffirmed the importance of adhering to key principles, shared values and norms enshrined in the UN Charter, the ASEAN Charter and the Treaty of Amity and Cooperation in Southeast Asia. Both recognized ASEAN centrality and the principles of the ASEAN Outlook on the Indo-Pacific (AOIP). Both paid substantial attention to economic cooperation.

ASEAN's primarily focus being economic, it is useful to compare what China and the US placed on the table. China had, in November 2021, committed to ASEAN assistance worth \$ 1.5 billion to help fight COVID and aid economic recovery, as well as to buy over \$ 150 billion of agricultural produce from ASEAN over the next five years. The US offer is \$ 150 million (10% of China's offer). The US said it had provided over \$ 12.1 billion in developmental and over \$1.4 billion in humanitarian assistance to SE Asian allies and partners since 2002; included \$ 800 million in the FY 2023 budget request for SE Asian partners; and achieved two-way trade amounting to over \$ 360 billion in 2020<sup>5</sup>. In comparison, in 2021 alone, China-ASEAN trade was \$ 878.2 billion (ASEAN was China's largest trading partner for the second year running); China invested \$ 14.35 billion in ASEAN; it signed project contracts worth \$ 60.64 billion with ASEAN countries

<sup>&</sup>lt;sup>2</sup> ASEAN-US Special Summit, 2022 Joint Vision Statement, <a href="https://asean.org/wp-content/uploads/2022/05/Final-ASEAN-US-Special-Summit-2022-Joint-Vision-Statement.pdf">https://asean.org/wp-content/uploads/2022/05/Final-ASEAN-US-Special-Summit-2022-Joint-Vision-Statement.pdf</a>

<sup>&</sup>lt;sup>3</sup> Joint Statement of the ASEAN-China Special Summit to Commemorate the 30<sup>th</sup> Anniversary of ASEAN-China Dialogue Relations: Comprehensive Strategic Partnership for Peace, Security, Prosperity and Sustainable Development, <a href="https://asean.org/wp-content/uploads/2021/11/Joint-Statement-30th-Anniversary-of-ASEAN-China-Dialogue-Relations-Final.pdf">https://asean.org/wp-content/uploads/2021/11/Joint-Statement-30th-Anniversary-of-ASEAN-China-Dialogue-Relations-Final.pdf</a>

<sup>&</sup>lt;sup>4</sup> ASEAN-US Special Summit, 2022, Joint Vision Statement, <a href="https://asean.org/wp-content/uploads/2022/05/Final-ASEAN-US-Special-Summit-2022-Joint-Vision-Statement.pdf">https://asean.org/wp-content/uploads/2022/05/Final-ASEAN-US-Special-Summit-2022-Joint-Vision-Statement.pdf</a>

<sup>&</sup>lt;sup>5</sup> Fact Sheet, Op Cit.





and completed projects worth \$ 32.69 billion<sup>6</sup>. China is, moreover, a member of the Regional Comprehensive Economic Partnership (RCEP), which some estimates say could boost the GDP of member countries to over \$ 100 trillion by 2050. The US withdrawal from the TPP calls into question the US outlook on FTAs. The Indo-Pacific Economic Framework contemplated by the US is still hazy, though seven Southeast Asian countries have signed on, the exceptions being Cambodia, Laos and Myanmar.

It is on the maritime security pillar that the US stands on surer footing, more so as it is on this front that the region faces China's grey zone challenge. The US commitment is towards capacity building and enhanced cooperation between law enforcement agencies, so as to enhance maritime domain awareness, search and rescue capability, maritime security and curb IUU fishing. A USCG Attaché will be posted to the US mission in ASEAN. A cutter will be deployed to Southeast Asia and Oceania for security cooperation and to act as a training platform. A USCG team will be placed in the region to support maritime law enforcement agencies in Southeast Asia. Surplus USCG cutters being replaced by new ones will be transferred to regional countries to increase their law enforcement capacity. In addition, there were ritual statements made by both China and the US about ASEAN centrality, compliance with international law including UNCLOS, maintaining peace, security and stability in the region, the benefits of having the South China Sea as a sea of peace, practical measures to reduce tensions and risk of accidents or misunderstanding, full and effective implementation of the 2002 Declaration on the Conduct of Parties in the South China Sea, and maintaining a conducive environment to enable conclusion of a Code of Conduct.

Commitments under health cooperation, technology and people-to-people ties pillars by both China and the US are similar. The difference lies in the fact that the credibility of the US is higher: an education in the US is preferred to one in China; China's vaccines haven't proven as effective. The credibility of US commitments under the climate change pillar must be weighed against the continued failure of developed nations to honour their commitments for financial assistance to less developed countries under the 2015 Paris Agreement. China and the US both committed to development of the Mekong sub-region, although with different intentions: the reality that Southeast Asian nations have to deal with is that China is in a position to strangle water flows in the Mekong River, and they don't possess the power to do much about it.

<sup>&</sup>lt;sup>6</sup> Brief Status of China – ASEAN Economic and Trade Cooperation in 2021, <a href="http://bn.china-embassy.gov.cn/eng/zwgx/202201/t20220129\_10636735.htm">http://bn.china-embassy.gov.cn/eng/zwgx/202201/t20220129\_10636735.htm</a>



On the regional front, the US-ASEAN joint statement supported ASEAN efforts to preserve Southeast Asia as a Nuclear Weapons-Free Zone, though the US stopped short of announcing its readiness to sign the Protocol to the Bangkok Treaty<sup>7</sup>, as China had done<sup>8</sup>. There was a renewed call for timely and complete implementation of the Five-Point Consensus on Myanmar, notwithstanding the fact that one year after the FPC, there are no signs of movement towards its implementation. On Ukraine, the two sides continued to "reaffirm our respect for sovereignty, political independence, and territorial integrity". They underlined "the importance of immediate cessation of hostilities and creating an enabling environment for peaceful resolution".

Southeast Asia remains geographically central to the Indo-Pacific. Institutionally, ASEAN offers unmatched forums for dialogue. The reality, however, is that Southeast Asian nations have little choice but to work with China. The dragon's proximity, its military might and control over the flow of Mekong River give it the ability to throttle the lifeline for downstream nations. The impact is much greater on nations of erstwhile Indo-China, including Myanmar, Thailand, Cambodia, Laos and Vietnam. China is well on its way to developing similar overwhelming power over other ASEAN nations abutting the South China Sea: Brunei, Malaysia, Indonesia and the Philippines. Even Singapore, which shares no land border and has no claims in the South China Sea, is impacted due to financial linkages. Southeast Asia has long acknowledged the need for an external balancer, a role traditionally performed by the US. This acknowledgement drives its engagement with the US.

But Southeast Asian confidence in the US has been shaken. It may have been the US withdrawal from Vietnam that triggered the formation of ASEAN, but the organisation expanded and carved out a space for itself. The US, meanwhile, made strategic errors in first opening up completely to China and deluding itself that the dragon could be converted into a responsible stakeholder. Then, when China began its assertion in the Scarborough Shoal, the US looked the other way and failed to support its long term ally, the Philippines. When China militarised the South China Sea islands beginning 2015, the Obama administration chose to rely on speeches and subterfuge instead of standing up. It took a maverick like Trump to change the US approach to China from strategic engagement to strategic competition, but his

<sup>&</sup>lt;sup>7</sup> Treaty on South East Asia Nuclear Weapon Free Zone (Bangkok Treaty), <a href="https://www.legal-tools.org/doc/b5518d/pdf/">https://www.legal-tools.org/doc/b5518d/pdf/</a>

<sup>&</sup>lt;sup>8</sup> "For a Shared Future and Our Common Home", Speech by H.E. Xi Jinping, https://www.fmprc.gov.cn/mfa\_eng/zxxx\_662805/t1919473.shtml



withdrawal from the TPP meant that the US had abandoned the economic field to China.

Global geopolitical competition has returned with a bang. The US has been talking of a pivot to Asia for over a decade, and has even taken some steps, like the messy withdrawal from Afghanistan, towards executing it. Ukraine has, however, once again generated doubt about whether the US can truly focus on the Indo-Pacific. This US-ASEAN Special Summit is an attempt to redress the situation. It does make some gestures that provide continued hope to the region, including the Taiwan Straits transit by USS Port Royal just two days before the summit (a FONOP in the South China Sea would perhaps have created a greater impact), but whether the US will remain a reliable balancer or will only talk about it remains to be seen.

Meanwhile, to remain central, ASEAN must remain useful for all external stakeholders, including not just China and the US, but also Japan, Australia and India. The usefulness of ASEAN in the present era of geopolitical competition is debatable. ASEAN has to find a way to move ahead and find a solution to at least regional problems, as in Myanmar. If it cannot, its continued utility will be in question. Given Southeast Asia's critical location at the juncture of the Indian and Pacific Oceans, future developments will continue to be of major interest to India.

### Understanding China's Global Security Initiative

Delivering the keynote speech<sup>9</sup> at the Boao Forum for Asia Annual Conference on April 21 this year, President Xi Jinping proposed a Global Security Initiative (GSI). The GSI has rapidly become the new narrative China is trying to sell to the world: it was explained by Vice Foreign Minister Le Yucheng in his keynote at the Online Dialogue of Global Think Tanks of 20 countries on May 6<sup>10</sup>, and alluded to by Xi Jinping in his address at the opening session of the BRICS Foreign Ministers' Meeting on May 19<sup>11</sup>.

What does the GSI encompass? At heart, it is a continuation of China's self-image as "a champion of world peace and a positive force for global security"; an extension of Xi Jinping's earlier call for building a community with a shared

<sup>&</sup>lt;sup>9</sup> Xi Jinping Delivers a Keynote Speech at the Opening Ceremony of the Boao Forum for Asia Annual Conference 2022,

https://www.fmprc.gov.cn/mfa\_eng/zxxx\_662805/202204/t20220421\_10671083.html

<sup>&</sup>lt;sup>10</sup> To Safeguard World Peace and Tranquility Acting on the Global Security Initiative, https://www.fmprc.gov.cn/mfa\_eng/wjbxw/202205/t20220506\_10682621.html

<sup>&</sup>lt;sup>11</sup> President Xi Jinping Delivers a Video Address At the Opening Session of the BRICS Foreign Ministers' Meeting, https://www.fmprc.gov.cn/mfa\_eng/zxxx\_662805/202205/t20220519\_10689497.html



(Chinese) vision for mankind. As the unprecedented change and challenge that confronts the world becomes evident, it is a siren call for Asian cooperation and solidarity; the creation of a new type of security that replaces confrontation, alliances and a zero-sum approach with dialogue, partnership and win-win results.

Le Yucheng advanced five priorities to operationalise the GSI. First, nations must stay committed to international law and universally recognised norms of international relations, with major countries in particular leading by the power of example and not by the example of their power or claims to exceptionalism. Second, nations must stay committed to the principle of indivisible security and reject attempts to advance their own security at the expense of others. Third, they should stay committed to global solidarity and cooperation, rejecting attempts to revive bloc politics and ideological confrontation. Fourth was the commitment to opposing unilateral sanctions and rejecting the attempt to turn a regional crisis into a global one. Finally, he adduced the importance of staying committed to security and stability in the Asia-Pacific, rejecting attempts to allow turmoil or war to arise in this region.

The gulf between China's words and deeds, however, will not have escaped discerning readers. Talk about commitment to international law and universally recognised norms of international relations comes up against China's own example of wilful disregard for the final and binding 2016 award of the Permanent Court of Arbitration in the South China Sea arbitral case (in sharp contrast, India promptly accepted the PCA verdict in the arbitration case brought before it by Bangladesh, settling a prolonged dispute and creating the ground for a sharp upswing in bilateral relations). The same disregard of international law is evident in its building the CPEC through what is India's territory in Kashmir, its use of hostage diplomacy in holding Canadian citizens Michael Spavor and Michael Kovrig to obtain the release of Huawei CEO Meng Wanzhou, or the arbitrary detention of Australian citizens Cheng Li and Yang Hengjun to bring pressure to bear on Australia.

Similarly, talk of indivisible security comes up against actions such as China's militarisation of the South China Sea islands, the unilateral imposition of China's administrative control over the region, its coercive activity in the East China Sea, the setting up of dual use facilities throughout the Indian Ocean and, most recently, in the treaty it has concluded with the Solomon Islands. Shibboleths about global solidarity and cooperation come up against China's continuing efforts to enhance its own influence, ranging from North Korea and Pakistan to South Africa and Fiji, using pliable elites and suborning national institutions. Its complaints about opposing unilateral sanctions come up



against its own unilateral (and often unstated) use of coercive sanctions against Australia, South Korea, the Philippines, Mongolia and Lithuania, among others. The demand to reject attempts to turn regional crises into a global one contradicts its third demand for global solidarity and cooperation in security matters. And its preaching about security and stability in the Asia-Pacific, or to set aside territorial issues and see the broader picture (as it advises India) is little more than telling nations to set aside China's change of the status quo through salami-slicing and grey zone coercion.

The timing of China's GSI is significant – it came just days after President Biden announced that he was looking forward to meeting Prime Minister Modi in Japan<sup>12</sup> on or around May 24<sup>th</sup>. The considerable differences between the outlooks of China and Europe on security matters had already shown up at the China-EU summit on April 01, raising concern that Europe (and NATO) would also play a larger hand in Indo-Pacific Security. China has, therefore, decided to launch its own counter-narrative and move towards creation of a new security architecture that serves its objectives. The call could also be an appeal directed towards the US, to return to a G-II that rules the world together. Whether anyone will bite remains to be seen.

### President Biden's Visit to East Asia

A week before Japan hosted President Biden for his first visit to Asia, China's Foreign Minister Wang Yi interacted with his Japanese counterpart Yoshimasa Hayashi virtually. Wang Yi warned Hayashi of the Chinese view that Japan and the US are joining hands to confront China. Observing that Japan and the US are allies while China and Japan have concluded a treaty of peace and friendship, he said that cooperation between Japan and the US should not provoke bloc confrontation, let alone harm China's sovereignty, security and development interests. China hoped that Japan "will learn from historical lessons, bear in mind regional peace and stability and act prudently, rather than pull the chestnuts from the fire for others and take the wrong path of beggarthy-neighbour" He had, two days before that extended a similar caution to his South Korean counterpart Park Jin, seeking mutual respect, win-win cooperation and commitments to safeguarding peace and to openness and

<sup>&</sup>lt;sup>12</sup> Remarks by President Biden and Prime Minister Modi of India Before Bilateral Meeting, https://www.whitehouse.gov/briefing-room/speeches-remarks/2022/04/11/remarks-by-president-biden-and-prime-minister-modi-of-india-before-bilateral-meeting/

<sup>&</sup>lt;sup>13</sup> "Wang Yi Makes Clear the Position on the Negative Moves by Japan and the US against China.

https://www.fmprc.gov.cn/mfa\_eng/zxxx\_662805/202205/t20220518\_10688362.html



inclusiveness, while offering the lure of China's market to "Provide a steady stream of power for the ROK's long-term development" <sup>14</sup>.

The warning does not seem to have found receptive ears. Japan and the US duly affirmed "a partnership that is stronger and deeper than at any time in its history" <sup>15</sup>.

They called on China to stand with the international community in unequivocally condemning Russia's action in Ukraine. They discussed continuing actions by China that are inconsistent with the international rulesbased order, including coercion by economic and other means. Calling on China to contribute to arrangements that reduce nuclear risks, increase transparency and advance nuclear disarmament, they agreed to work together to strengthen deterrence and maintain peace and stability in the region. They opposed China's unilateral attempts to change the status quo in the East China Sea, opposed China's unlawful maritime claims, militarisation of features and coercive activities in the South China Sea, and reiterated the need for peaceful resolution of cross-Taiwan Strait issues. They voiced concern about the nontransparent PRC-Solomon Islands security agreement and shared serious and ongoing concern about developments in Hong Kong and human rights issues in Xinjiang. Prime Minister Kishida vowed to fundamentally reinforce Japan's defence capabilities and secure the substantial increase of defence budget needed for this purpose. Meanwhile, President Biden reiterated the US commitment to defence of Japan backed by the full range of capabilities, including nuclear, and reaffirmed that Article V of the Mutual Cooperation and Security Treaty applies to the Senkaku Islands. To add insult to injury, when asked whether he was "willing to get involved militarily to defend Taiwan, if it comes to that", his reply was an unequivocal "Yes"16. He elaborated, ""We agree with the One China policy, we've signed on to it and all the attendant agreements made from there. But the idea that – that it can be taken by force – just taken by force – is just not appropriate. It will dislocate the entire region and be another action similar to what happened in Ukraine. And so, it's a burden that is even stronger" 17. PM Kishida had earlier "affirmed that our two countries' basic position on Taiwan remains unchanged, and underscored the

<sup>&</sup>lt;sup>14</sup> Wang Yi Holds Virtual Meeting with ROK's New Foreign Minister Park Jin, https://www.fmprc.gov.cn/mfa\_eng/zxxx\_662805/202205/t20220517\_10687073.html

<sup>&</sup>lt;sup>15</sup> Japan-US Joint Leaders' Statement: Strengthening the Free and Open International Order, <a href="https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/23/japan-u-s-joint-leaders-statement-strengthening-the-free-and-open-international-order/">https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/23/japan-u-s-joint-leaders-statement-strengthening-the-free-and-open-international-order/</a>

Remarks by President Biden and Prime Minister Kishida Fumio of Japan in Joint Press Conference, <a href="https://www.whitehouse.gov/briefing-room/speeches-remarks/2022/05/23/remarks-by-president-biden-and-prime-minister-fumio-kishida-of-japan-in-joint-press-conference/">https://www.whitehouse.gov/briefing-room/speeches-remarks/2022/05/23/remarks-by-president-biden-and-prime-minister-fumio-kishida-of-japan-in-joint-press-conference/</a>



importance of peace and stability of Taiwan Straits, which is an indispensable element for peace and security of the international community". He had categorically stated that unilateral attempts to change the status quo by force should never be tolerated in the Indo-Pacific and confirmed that this includes Japan's acquiring "enemy base strike capability". For China, contemplating assimilation of Taiwan by force, this could not have been good news.

From China's perspective, the security picture from President Biden's visit to South Korea days after President Yoon Suk Yeol assumed office was slightly better, in that China was not mentioned even once in the US-South Korea Joint Statement. Biden reaffirmed the extended US deterrence commitment to South Korea using the full range of US defence capabilities 18, including nuclear, conventional and missile defence – a major development after his predecessor had frequently spoken of removing US troops from the ROK after administration was unable to convince South Korea to increase support costs from \$ 900 million to \$ 5 billion<sup>19</sup>. They agreed to reactivate the high-level Extended Deterrence Strategy and Consultation Group, which had been suspended in 2018. They also committed to further strengthening deterrence by reinforcing the combined defence posture, and to discussions to expand the scope and scale of combined military exercises and training on and around the Korean Peninsula. The US agreed to "deploy strategic US military assets in a timely and coordinated manner as necessary, as well as to enhance such measures and identify new or additional steps to reinforce deterrence in the face of DPRK destabilising activities<sup>20</sup>. President Yoon spoke of formulating the ROK's own Indo-Pacific Strategy Framework while welcoming the US Indo-Pacific Strategy. President Biden welcomed President Yoon's interest in the Quad, noted complementary ROK strengths, and the two leaders agreed to cooperate on infrastructure financing, including digital infrastructure, in third The two also emphasised the importance of ROK-US-Japan countries. trilateral cooperation to effectively address common economic challenges. All in all, the joint statement can be said to have largely reversed China's achievements in undermining the US-ROK alliance over the last decade.

President Biden's visit has done much to renew its alliances with South Korea and Japan, both adversely impacted under the Trump administration. It helps

<sup>&</sup>lt;sup>18</sup> United States – Republic of Korea leaders' Joint Statement, <a href="https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/21/united-states-republic-of-korea-leaders-joint-statement/">https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/21/united-states-republic-of-korea-leaders-joint-statement/</a>

<sup>&</sup>lt;sup>19</sup> Trump's Korea Policy was even more reckless than we thought, https://www.washingtonpost.com/opinions/2022/05/10/mark-esper-trump-reckless-north-korea-south-korea/

<sup>&</sup>lt;sup>20</sup> US-ROK Joint Leaders' Statement, Op Cit.



counter the narrative that the US is so distracted by developments in Ukraine that it has no time for the Indo-Pacific. It has laid the foundations of the new US economic vision for the region, spelt out in the Indo-Pacific Economic Framework (IPEF) and indicated to China that all will not be smooth sailing for its thrust for economic centrality in Asia. The subsequent Quad Summit (both the IPEF and the Quad Summit are discussed in separate commentaries) has highlighted growing opposition to China's unilateralism on the security front. President Biden's words on defending Taiwan, notwithstanding his administration's subsequent clarification, will give pause to those in China calling for its assimilation by force.

The visit is indubitably a setback for China's regional agenda. China will have to grapple with the reality that its asymmetric security and economic capabilities coupled with manipulation of the narrative may not suffice to shape the region as it desires. Unless it rethinks its policies, great power competition, even contestation, in Asia is destined to continue for the foreseeable future.

### Launch of the Indo-Pacific Economic Framework

The official notification by the US of its withdrawal from the Trans-Pacific Partnership (TPP) on January 30, 2017<sup>21</sup> had abruptly cut short the Obama vision of leading "economies from across the Pacific into a single trading community so as to create not only more, but better growth"22. Other countries went ahead as Canada, Mexico, Peru, Chile, New Zealand, Australia, Singapore, Malaysia, Brunei, Vietnam and Japan signed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) on December 30, 2018. Assumption of office by President Biden did not lead to the US seeking to join the CPTPP, effectively cutting US out of negotiations governing the rules of trade in what it called the world's fastest growing and economically most dynamic region. China meanwhile not only concluded the RCEP (which India walked out of), but also sought to join the CPTPP, with its economy inevitably giving it a strong voice in shaping the rules governing trade. On May 23, 2022, President Biden took a tentative first step towards clawing back economic leadership with the launch of the Indo-Pacific Economic Framework (IPEF), in the company of leaders from Australia, Brunei, India, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Thailand and

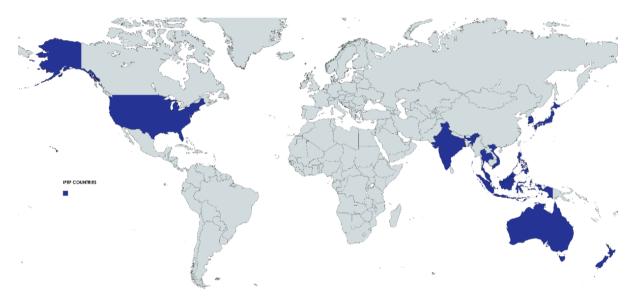
<sup>&</sup>lt;sup>21</sup> USTR Letter to TPP Depository, <a href="https://ustr.gov/sites/default/files/files/Press/Releases/1-30-17%20USTR%20Letter%20to%20TPP%20Depositary.pdf">https://ustr.gov/sites/default/files/files/Press/Releases/1-30-17%20USTR%20Letter%20to%20TPP%20Depositary.pdf</a>

<sup>&</sup>lt;sup>22</sup> Hillary Clinton, America's Pacific Century <a href="https://foreignpolicy.com/2011/10/11/americas-pacific-century/">https://foreignpolicy.com/2011/10/11/americas-pacific-century/</a>



Vietnam, a grouping representing 40% of the world GDP<sup>23</sup>. Other countries could join as the IPEF moves forward<sup>24</sup>.

The IPEF acknowledges that the economic policy interests of partner countries are intertwined and deepening economic engagement among them is crucial for continued growth, peace and prosperity<sup>25</sup>. It recognises that "the COVID-19 pandemic has underscored the imperative of working closely together to ensure that economic recovery and advancement are grounded in resilience, sustainability and inclusivity"<sup>26</sup>. It accepts that long term economic competitiveness will be defined by the ability of partners to harness technology, promote innovation, participate in the digital economy, justly transition energy systems and achieve energy security, and tackle the climate crisis in a manner that produces equitable, inclusive growth and improves socio-economic welfare. It identifies four pillars to achieve these ends: trade; supply chains; clean energy, decarbonisation and infrastructure; and tax and anti-corruption.



Indo-Pacific Economic Forum Countries. Source: Author

The trade pillar seeks to interconnect the economies with high-standard, inclusive, free and fair trade commitments so as to fuel economic activity and

<sup>26</sup> Ibid.

<sup>&</sup>lt;sup>23</sup> Fact Sheet: In Asia President Biden and a Dozen Indo-Pacific Partners Launch the Indo-Pacific Economic Framework for Prosperity, <a href="https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/23/fact-sheet-in-asia-president-biden-and-a-dozen-indo-pacific-partners-launch-the-indo-pacific-economic-framework-for-prosperity/">https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/23/fact-sheet-in-asia-president-biden-and-a-dozen-indo-pacific-partners-launch-the-indo-pacific-economic-framework-for-prosperity/">https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/23/fact-sheet-in-asia-president-biden-and-a-dozen-indo-pacific-partners-launch-the-indo-pacific-economic-framework-for-prosperity/">https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/23/fact-sheet-in-asia-president-biden-and-a-dozen-indo-pacific-partners-launch-the-indo-pacific-economic-framework-for-prosperity/</a>

<sup>&</sup>lt;sup>24</sup> NSA Jake Sullivan, "On-the-Record Press Call on the Launch of the Indo-Pacific Economic Framework", <a href="https://www.whitehouse.gov/briefing-room/press-briefings/2022/05/23/on-the-record-press-call-on-the-launch-of-the-indo-pacific-economic-framework/">https://www.whitehouse.gov/briefing-room/press-briefings/2022/05/23/on-the-record-press-call-on-the-launch-of-the-indo-pacific-economic-framework/</a>

<sup>25</sup> Statement on Indo-Pacific Economic Framework for Prosperity, https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/23/statement-on-indo-pacific-economic-framework-for-prosperity/



investment, promote sustainable and inclusive growth and provide benefits to workers and consumers. These efforts include, but are not limited to, the digital sector, with the intent of ensuring that small and medium sized enterprises benefit from participation, while addressing issues such as online privacy and the discriminatory or unethical use of Artificial Intelligence, with stronger labour and environment standards and corporate accountability provisions. For the US, negotiations on this pillar will be led by the Katherine Tai, US Trade Representative. In parallel, the US will pursue accelerated implementation of the World Trade Organisation's Trade Facilitation Agreement, which will also address the movement of goods across borders. It will seek commitments from IPEF partners that facilitate agricultural trade through science-based decision making and the adoption of sound, transparent regulatory practices.

The supply chain pillar seeks to improve transparency, diversity, security and sustainability in supply chains to make them more resilient and better integrated. The intent is to coordinate crisis response, better anticipate and prevent disruptions and guard against price spikes by establishing early warning systems, mapping critical mineral supply chains, improving traceability in key sectors, and coordinating diversification efforts. The focus is also on ensuring improved logistical efficiency and support and access to key raw and processed materials, semiconductors, critical minerals and clean energy technology. For the US, negotiations this pillar and the following two will be led by the Commerce Secretary, Gina Raimondo.

The clean energy and infrastructure pillar intends to accelerate the development and deployment of clean energy technologies to decarbonise economies, including mobilising finance and enhancing connectivity by supporting the development of sustainable and durable infrastructure and providing technical assistance.

The fourth anti-corruption pillar seeks to promote fair competition by enacting and enforcing robust tax, anti-money laundering and anti-bribery regimes to curb tax evasion and corruption throughout the Indo-Pacific. This will include sharing of expertise and building the capacity necessary to advance accountable and transparent systems.

As was to be expected, China advised all concerned to see through the hidden plot and propounded "three shoulds and three shouldn'ts" to evaluate the IPEF<sup>27</sup>. The IPEF should promote free trade and should not engage in disguised

https://www.fmprc.gov.cn/mfa\_eng/wjb\_663304/wjbz\_663308/activities\_663312/202205/t2 0220523\_10691134.html

<sup>&</sup>lt;sup>27</sup> Wang i: There Should Be a Big Question Mark on the US Indo-Pacific Economic Framework,



protectionism; it should contribute to the world economy and shouldn't undermine the stability of the industrial chain; and it should promote openness and cooperation and shouldn't create geopolitical confrontation. The reality, however, is that China has long exploited ambiguities in WTO rules for its own purposes; it fears attempts to isolate it from industrial supply chains; and preaches win-win cooperation while practising China-win cooperation, using coercive means to change the status quo and procrastination to prolong negotiations indefinitely. It holds out the lure of its super-large market and 1.4 billion population while arbitrarily imposing sanctions on countries that don't follow its diktat. It is these realities that have prompted some of its biggest trading partners to become founding members of the IPEF.

What has been launched, however, is only a framework. Actual negotiations leading to agreements under each pillar are yet to commence. Questions about the US ability to steer the IPEF through the US Congress, and rising protectionism, remain.

The IPEF is certainly more ambitious than the TPP, which focused only on trade and was limited to the Pacific. Inclusion of India as a founding member vastly increases the geographic scope and brings in a market that could rival that of China. Much of ASEAN has joined: the holdouts are limited to Cambodia and Laos, while Myanmar, experiencing isolation following the military coup, was not invited. Notable is the absence of Taiwan, indicating that the US still follows the One-China Policy, but there were assurances that Taiwan would be separately engaged by the US. There is potential for expansion: Fiji announced its decision to join the IPEF as a founding member on May 26<sup>28</sup>. Founding members will determine the process and criteria to add new members. How successful it becomes will depend on the current US administration's ability to resist rising domestic protectionism; make the concessions required to create and maintain free, open and fair markets; and steer them through the US Congress. The agenda, as described by President Biden, is ambitious: no less than rewriting the economic rules of the road for the 21st century<sup>29</sup>. Time will tell to what extent it is achieved.

<sup>28</sup> Statement by National Security Advisor Jake Sullivan on Fiji Joining the Indo-Pacific Economic Framework for Prosperity, <a href="https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/26/statement-by-national-security-advisor-jake-sullivan-on-fiji-joining-the-indo-pacific-economic-framework-for-prosperity/">https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/26/statement-by-national-security-advisor-jake-sullivan-on-fiji-joining-the-indo-pacific-economic-framework-for-prosperity/</a>

<sup>&</sup>lt;sup>29</sup> Remarks by President Biden at the United States Naval Academy's Class of 2022 Graduation and Commissioning Ceremony, <a href="https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/27/remarks-by-president-biden-at-the-united-states-naval-academys-class-of-2022-graduation-and-commissioning-ceremony/">https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/27/remarks-by-president-biden-at-the-united-states-naval-academys-class-of-2022-graduation-and-commissioning-ceremony/</a>



### The Fourth Quad Summit

The second Quad Leaders' In-Person Summit and the fourth one overall took place in Tokyo on May 24, 2022. There is no dearth of commentators who hold the view that the Quad is not fulfilling its primary purpose, and as such risks becoming inconsequential<sup>30,31</sup>. On the other hand, former Australian Prime Minister Scott Morrison conceded defeat on May 23 before the election results were formally announced and before the Australian Labor Party had reached the 76 seats required for majority, to enable the presence of his successor Anthony Albanese, reflecting the Quad's importance in Australian eyes.



Prime Minister Anthony Albanese, President Joe Biden, Prime Minister Kishida Fumio and Prime Minister Narendra Modi at the Quad Summit in Tokyo, May 24, 2022.

Source: Kantei.go.jp

The Quad leaders renewed their "commitment to deliver on a positive and practical agenda, making the Indo-Pacific more resilient for the 21st century"<sup>32</sup>. Their commitments going ahead were spread across eight pillars: peace and

<sup>&</sup>lt;sup>30</sup> See for example Dhruva Jaishankar and Tanvi Madan in "The Quad Needs a Harder Edge", https://www.foreignaffairs.com/articles/world/2022-05-19/guad-needs-harder-edge;

<sup>&</sup>lt;sup>31</sup> Brahma Chellaney, "The Quad's Moment of Truth Has Arrived", https://chellaney.net/2022/05/28/the-quads-moment-of-truth-has-arrived/

<sup>&</sup>lt;sup>32</sup> Quad Joint Leaders' Statement, <a href="https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/24/quad-joint-leaders-statement/">https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/24/quad-joint-leaders-statement/</a>



stability, pandemic response, infrastructure, climate change, cybersecurity, critical and emerging technologies, fostering P-to-P contacts, Space, and maritime domain awareness. The point of note is that the peace and stability pillar remains limited to expressions of political belief, without necessarily acting to enforce them. The statement, "We strongly oppose any coercive, provocative or unilateral actions that seek to change the status quo and increase tensions in the area, such as the militarisation of disputed features, the dangerous use of coast guard vessels and maritime militia, and efforts to disrupt other countries' offshore exploitation activities" leaves no doubt about shared concern regarding China's assertion, but the expectation that the partnership, will act to prevent such assertion while alliances (such as the ones between the US and the Philippines, or Thailand, Japan, Australia or South Korea don't, appears somewhat strange. Equally strange is the expectation that the Quad will somehow prevent China's encroachment in the Himalayas without India taking on reciprocal mutual defence obligations!

In the event, the Quad leaders did well not to allow differences over Ukraine or Myanmar derail the partnership, notwithstanding speculation to this effect<sup>33</sup>. In the COVID-19 response pillar, the leaders highlighted that the Quad had pledged \$ 5.2 billion to the COVAX Advance market Commitment Mechanism designed to deliver vaccines to 92 low and middle income economies. It had also delivered 670 million doses (as against the one billion promised by the end of 2022), including 265 million to Indo-Pacific countries. Expansion of J&J vaccine production at the Biological E facility in India was being progressed, as was the process of obtaining WHO approval under the Emergency Use Listing process.

On infrastructure, the Quad partners committed to invest more than \$50 billion of infrastructure assistance and investment in the Indo-Pacific over the next five years. Notably, development finance institutions of the Quad countries met on the sidelines of the summit, indicating the priority leaders were assigning to this pillar.

On climate, the leaders launched the Quad Climate Change Adaptation and Mitigation Package – Q-CHAMP, with mitigation and adaptation as the two core themes. This encompasses ongoing activities such as the green shipping corridor framework, cooperation in clean hydrogen and methane emissions, climate information services and disaster risk reduction, as well as new cooperation in clean fuel Ammonia, carbon recycling, creating advancing carbon markets, climate-smart agriculture etc. They committed to further

<sup>&</sup>lt;sup>33</sup> Richard Javad Heydarian, "South Korea Emerges as Quad Alternative to India", https://asiatimes.com/2022/04/south-korea-emerges-as-quad-alternative-to-india/



expanding programmes in support of climate action between the partner countries and in the Indo-Pacific.

The joint statement set out the present position on the cybersecurity and critical and emerging technology fronts, making it clear that work towards delivery of results was in hand. The Quad fellowship was officially launched, with applications opened to bring the first batch of 100 international students to the US in the third quarter of 2023. On space, the leaders committed to improving public access to their earth observation satellite data and applications, and to develop applications that enable regional countries to respond to "extreme precipitation events".

The big announcement was the launch of a new Indo-Pacific Partnership for Maritime Domain Awareness (IPMDA), to enable regional partners to respond to humanitarian and natural disasters and combat illegal fishing. This will lead to regional information fusion centres obtaining and displaying information from all over the Indo-Pacific to partner nations, enabling tracking of not only Chinese (and other) fishing fleets, but also grey hulls. Establishment of the Quad HADR partnership, discussed at the virtual summit in March 2022, was also announced. The leaders agreed to meet for the next in-person summit in Australia in 2023.

For all the history ascribed to it, the Quad partnership is just over an year old. Quad 1.0, which was essentially a 'Tsunami Response Group', has little relevance to today's structure – the geopolitical conditions then were completely different. Quad 2.0, which saw its heyday in the Malabar 2007 exercise, died a natural death even if the Malabar Exercise continued, because the political environment did not support its continued life. Quad 3.0, which began on the sidelines of the Manila East Asia Summit in November 2017 and culminated in three ministerial level meetings, was essentially the political negotiation to shape the partnership objectives and agenda. Notably, no joint statements were issued till the present avatar, Quad 4.0, which can be said to have taken birth at the first Quad Virtual Summit, on March 12, 2021.

The first Joint Quad Statement<sup>34</sup> makes it clear that the Quad is an apex level political structure intended to coordinate policy, without the institutional coordinating elements that are an integral part of a military alliance. The commitment is to "respond to the economic and health impacts of COVID-19, combat climate change, and address shared challenges including in cyber

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<sup>&</sup>lt;sup>34</sup> Quad Leaders' Joint statement: "The Spirit of the Quad", <a href="https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/12/quad-leaders-joint-statement-the-spirit-of-the-quad/">https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/12/quad-leaders-joint-statement-the-spirit-of-the-quad/</a>



counterterrorism, quality critical technologies, infrastructure space, investment, and HADR as well as maritime domains". The Quad has not yet adopted an overt China-containment path despite Chinese propaganda to the contrary, though the potential remains. It is intended to shape the regional strategic environment, but through providing reassurance and public goods to regional nations, and not through exercising coercive force. It is by no stretch of imagination "Intended to serve as a bulwark against Chinese expansionism, from the South and East China Seas to the Himalayas"35. That task must be the preserve of military structures, including existing alliances and new ones such as AUKUS. The fact also is that these structures are being built in parallel, through the network of bilateral and trilateral partnership that have taken shape, as well as reciprocal access agreements, logistics support agreements, intelligence cooperation and common domain awareness platforms, and multiple joint exercises, including Malabar.

The question that must be asked is, will combining and formalising these military arrangements under the Quad framework deter China more effectively? The answer must be an unequivocal 'No'. Chinas is, in any case, proceeding on the assumption that the Quad is intended to contain it. The reality also is that despite so-called rock solid alliances, there is still doubt amongst US allies, including Japan, South Korea and the Philippines, about whether the alliance will stand. Former Japanese Prime Minister Shinzo Abe's views about Japan considering nuclear solutions, as well as President Yoon's push to have US strategic platforms stationed in South Korea, prove the point. This being the case, the militarisation of the Quad serves no real purpose beyond assisting China's narrative portraying it as an Asian NATO and spooking Southeast Asian countries.

Expectations from the Quad must, therefore, be tempered with reality. It is premature for the Quad to adopt an overt military agenda for the time being. Let it continue focus on providing public goods and delivering on the commitments made so far. China containment for the near term can be left to alliances, while Quad partners and others continue building the web of structures needed to enable an alliance to come into being at short notice, should it be required.

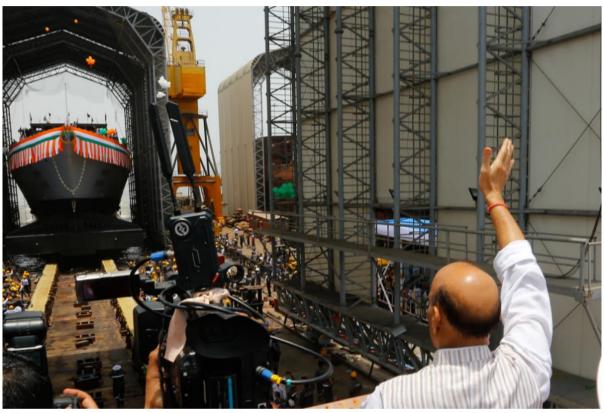
## Shipbuilding for the Indian Navy

56 years after Mrs Indira Gandhi launched INS Nilgiri at Mazagon Docks Limited (MDL) and began the saga of modern blue water warship construction

<sup>&</sup>lt;sup>35</sup> The Quad's Moment of Truth has arrived, <a href="https://chellaney.net/2022/05/28/the-quads-moment-of-truth-has-arrived/">https://chellaney.net/2022/05/28/the-quads-moment-of-truth-has-arrived/</a>



in India, MDL graduated to launching the hulls of two frontline warships on the same day for the first time. The concurrent launch of Surat and Udaygiri on May 17 by Shri Rajnath Singh, the Raksha Mantri<sup>36</sup>, is undoubtedly a step forward for India's shipbuilding. Both are slated to become frontline Indian Navy warships once they commission and earn the right to prefix 'INS' to their names. The question that arises is, why has it taken India's premier shipbuilder over five decades to do this? And is this good enough?



Shri Rajnath Singh Launches Yard 12652, the future INS Udaygiri, at Mazagon Docks on May 17, 2022. Source: PIB

Surat is the fourth (and last) ship of the Visakhapatnam-class and will become India's 10<sup>th</sup> indigenous destroyer when it joins the fleet three years hence. The Visakhapatnam class cost of roughly \$ 1.2 billion per ship compares favourably with that of contemporary destroyers of similar size: about \$ 1.3 billion each for the British Daring-class, and over \$ 2 billion each for the Australian Hobart-class. It is, however, higher than about \$ 900 million each for China's Type 052D (Luyang-Class). Surat will displace 7400 tons and will be propelled by two Zorya M36E gas turbines – procurement of spares to maintain them may become a challenge in the years ahead, depending on how quickly Ukraine and Zorya Mashproekt can recover from the ongoing conflict. Sensors will include an Israeli S-band AESA (Active Electronically Scanned Array) radar, an early

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<sup>&</sup>lt;sup>36</sup>RakshaMantri Launches Two Indigenous Frontline Warships...,https://pib.gov.in/PressReleasePage.aspx?PRID=1825981



warning radar built under licence by BEL (RAWL-02), the BEL HUMSA active/passive sonar, the NAGIN towed array and the DRDO Shakti EW suite. Weapons include 16 indigenous Brahmos land attack and anti-ship cruise missiles, 32 Barak-8 SAMs jointly developed by DRDO and the Israeli Aerospace Industries (IAI), four RBU-6000 ASW rocket launchers, four 533mm anti-submarine torpedo tubes, an Oto Melara 76mm naval gun, four AK-630 Close-In Weapon Systems and two 12.7 mm stabilised remote-controlled guns. The ship will also have four Kavach decoy launchers and two Mareech torpedo countermeasures systems and will carry two medium helicopters.

Udaygiri, on the other hand, will be the third ship of the seven-ship Nilgiri-class being built in parallel by MDL and GRSE Kolkota. She will become the 18<sup>th</sup> indigenous frigate when she commissions in 2024-25. The class will cost about \$ 520 million per ship, as compared to the \$ 390 million of the Japanese Mogami class frigates being built by Mitsubishi Heavy Industries, \$ 1.5 billion per ship for the Type 26 (City class) frigates on order for the Royal Navy (and substantially higher costs of \$ 2.75 billion per ship for the Australian Hunter class variants), and about \$ 700 million each for the FREMM class frigates being built for France, Italy, Egypt, Morocco and Indonesia. Somewhat smaller than the Visakhapatnam class, she will displace 6670 tons and be propelled by two 12V28/33D STC four strike MAN diesels and two LM-2500 gas turbines in a CODAG configuration. The weapon fit is similar to the Visakhapatnam class, but on a smaller scale.

India's warship building has certainly come a long way since the process was started by Government of India through the purchase of MDL in 1960. Three public-sector shipyards are functional today: MDL, which has already delivered 12 frigates and seven destroyers; Garden Reach Shipbuilders and Engineers (GRSE), which has delivered three Brahmaputra class frigates; and Goa Shipyard Limited (GSL), which has delivered missile boats and OPVs and will build two Talwar-class frigates. MDL has also delivered six submarines (two more are at different stages of construction). GRSE has delivered six corvettes of the Khukri/Kora classes and four more of the Kamorta-class as well as Landing Ships of different size. MDL and GSL have between them delivered eight missile boats. Cochin Shipyard and Hindustan Shipyard, Visakhapatnam have also contributed.

The order books for public sector shipyards remain full, with 39 warships of different types on order. In contrast, private sector shipyards have little to show for the substantial investment they have made in setting up the requisite infrastructure. Reliance Naval and Engineering Ltd has faced the ignominy of having the Indian Navy cancel the contract for building naval OPVs due to



prolonged delay in delivery and has gone bankrupt. Only L&T Shipbuilding has achieved success by delivering seven OPVs and a number of interceptor craft, that too ahead of schedule.

A shippard is an integrator: it sources numerous systems involved in the float, move and fight categories of a warship's capability from multiple sources and builds them together into a composite whole. The systems required can be categorised under three components. The float component includes shipstability and habitability-related systems that enable a warship and its crew to sustain themselves independently in the water; such as accommodation and ventilation; sanitation and waste disposal; food storage, preparation and distribution; power generation and distribution; and fire-fighting, flooding and damage control, life-saving and other related systems. These are now by and large available from indigenous sources. The move category includes the main engines, shafting and propellers, steering gear, fuel storage, replenishment and supply arrangements, lubrication etc. Indigenisation levels here are substantially lower, as is evident from the fact that Surat will depend on main engines sourced from Ukraine, creating an undesirable dependency that could entail a heavy cost in future availability. Even the Nilgiri-class frigates depend on propulsion arrangements made by foreign firms under licence, leading to savings only on labour costs. Design and production of home-grown propulsion systems (such as the Kaveri Marine gas turbine) is still work in progress. The third fight component comprises sensors, weapons, and There has been some progress in command and control arrangements. indigenising these: predominantly in missiles, communications, EW and hullmounted sonars.

However, given the reality that manifacturing sources for the move and fight components lie abroad, public sector shipyards are dependent on government approval for their purchase. They are also dependent on warship design provided by the Navy's Directorate of Naval Design and lack their own design capability. But that is where true value lies: in the design and development of warships embodying new concepts, that can improve or transform the capabilities of present day fighting ships. Limited vertical specialisation and absence of backward and forward integration limit the shipyard's output.

A comparison with China is relevant. The PLA (Navy) is currently building two classes of destroyers: the Type 055 Renhai Class which displace about 13000 tons (substantially higher than the displacement of the Visakhapatnam class) and with much heavier armament, and the Type 052D Luyang-II class of about the same size as INS Visakhapatnam. It is also building the Type 054A Jiangkai class frigates. Chinese shipyards churn out 7-8 ships of these three different



classes every year. This has been possible by faithfully executed policies of attaining self-sufficiency in carrying the nation's far larger external trade, combining of warship and commercial ship construction to enable economies of scale, and development of indigenous industry in collaboration with foreign manufacturers. Chinese policy-makers gave shipyards the freedom to not only source design capability from across the world, but also to source technology as required. The result has been turning China into amongst the world's most competitive and low-cost ship-builders that is now supplying nations in India's neighbourhood with frontline warships.

In contrast, India's shipbuilding industry remains handicapped by stifling bureaucratic control, financial constraints, low productivity, the absence of competition and the limited indigenous defence industrial base. The foundations of indigenous shipbuilding have been well-laid. It is now time to expand production substantially, not only for India's needs, but also for Asia's growing warship market. This will necessitate the removal of bureaucratic impediments, destruction of public sector monopolies and incentivisation of private sector entrepreneurship, innovation and efficiency. Unless India's shipyards are freed from bureaucratic shackles and their environment is made competitive, with private sector shipyards being provided an equal playing field, India's shipbuilding will continue to plod on at its slow and steady pace.

### Other Indo-Pacific Developments

### Change of Leadership

The leadership in two key Indo-Pacific countries underwent change during the month, while elections threw up one more that will change in June.

In South Korea, President Yoon Suk-yeol, whose People Power Party narrowly defeated the Lee Jae-myung led Democratic Party during the Presidential elections held on March 9, 2022, assumed office on May 9. The South Korean constitution limits the President to a single five-year term. His key cabinet members include Han Duck-soo as Prime Minister, Choo Kyung-ho as Deputy PM, Park Jin as Minister of Foreign Affairs, Lee Jong-Sup as Minister of National Defense and Kwon Youngse as the Minister of Unification. President Yoon supports closer cooperation with the US which may extend to the deployment of US strategic assets in South Korea<sup>37</sup>. He also supports the Republic of Korea joining the Quad and said so in his interaction with President

<sup>&</sup>lt;sup>37</sup> "With Yoon Suk-yeol at hem, South Korea is set for a foreign policy reset", https://www.japantimes.co.jp/news/2022/05/02/asia-pacific/politics-diplomacy-asia-pacific/south-korea-yoon-foreign-policy/



Biden on May 21. He seeks a reset in relations with Japan, raising the prospect of closer cooperation between the US and its two key East Asian partners. He is for a tougher stance towards North Korea and denuclearisation of the Korean Peninsula even as the DPRK goes on a missile testing binge, and will perhaps be less concerned about China's sensitivities on security matters, though he was careful to ensure that the word China was not mentioned in the US-ROK Joint Statement. As a first time politician, he is somewhat unfamiliar with India and may depend on advisers with regard to South Korea's India policy<sup>38</sup>.

In Australia, the Anthony Albanese led Australian Labor Party had secured 76 seats, sufficient for an outright majority with two seats yet to be called, as on May 31, 2022. The Liberal-National Party coalition led by former Australian Prime Minister Scott Morrison secured only 57 seats, with 'others' getting 16<sup>39</sup>. Morrison had, however, conceded defeat on May 23 to enable the swearing in of Albanese to enable his attending the Quad Summit on May 24. There is an expectation of continuity in Australia's policy towards India; in fact PM Modi met PM Albanese on the side lines of the Quad Summit and both leaders "affirmed their desire to continue the positive momentum in the bilateral relationship"<sup>40</sup>.

In the Philippines, provisional results indicated that Bongbong Marcos of the Federal Party of the Philippines (PFP) had won by a landslide, securing over 58.7% of the popular vote. Sara Duterte, daughter of the outgoing President Rodrigo Duterte, is the Vice President-elect. The final official results are yet to be declared and the new team will assume office on June 30.

### China's Activities

China's Director of the Office of the Central Commission for Foreign Affairs Yang Jiechi spoke to US National Security Adviser Jake Sullivan on May 18. Their discussions encompassed Ukraine, the situation on the Korean Peninsula and other international and regional issues<sup>41</sup>. China's readout of the call lists the advice and cautions China extended to the US, including abiding by the

<sup>&</sup>lt;sup>38</sup> Skand Tayal, "New Pez wants closer Seoul ties with US & India, and to join Quad", <a href="https://www.deccanchronicle.com/opinion/columnists/080522/skand-tayal-new-prez-wants-closer-seoul-ties-with-us-india-and-to.html">https://www.deccanchronicle.com/opinion/columnists/080522/skand-tayal-new-prez-wants-closer-seoul-ties-with-us-india-and-to.html</a>

<sup>&</sup>lt;sup>39</sup> Federal election 2022 results, May 31, 2022, <a href="https://www.smh.com.au/politics/federal-election-2022-results">https://www.smh.com.au/politics/federal-election-2022-results</a>

<sup>&</sup>lt;sup>40</sup> Prime Minister's Meeting With Australian Prime Minister on the Sidelines of the Quad Leaders' Summit, <a href="https://mea.gov.in/press-releases.htm?dtl/35356/Prime\_Ministers\_meeting\_with\_Australian\_Prime\_Minister\_on\_the\_sidelines\_of\_the\_Quad\_Leaders\_Summit">https://mea.gov.in/press-releases.htm?dtl/35356/Prime\_Ministers\_meeting\_with\_Australian\_Prime\_Minister\_on\_the\_sidelines\_of\_the\_Quad\_Leaders\_Summit</a>

 $<sup>^{\</sup>rm 41}$  Yang Jiechi Speaks with US National Security Advisor Jake Sullivan at Request on the Phone,

https://www.fmprc.gov.cn/mfa\_eng/zxxx\_662805/202205/t20220519\_10689446.html



consensus reached by Presidents Xi Jinping and Joe Biden on bilateral relations, and desisting from the series of erroneous words and deeds that interfere with China's internal affairs and ham China's interests. Yang Jiechi repeated China's narrative regarding the One-China Principle and cautioned the US against playing the Taiwan Card. He also claimed that "when it comes to relations with neighbouring countries, China always acts on the principle of amity, sincerity, mutual benefit, and inclusiveness, develops friendly relations, pursues mutual benefit and win-win outcomes, and shares weal and woe". He added, "Any act that undermines the fundamental and long-term interests of countries in the region out of selfish interests is short-lived and doomed to fail"<sup>42</sup>.

China's Foreign Minister Wang Yi set off on a 10-day tour of the Solomon Islands, Samoa, Kiribati, Fiji, Tonga, Vanuatu, Papua New Guinea, East Timor and the Federated States of Micronesia. Notably, his visit does not include Tuvalu, the Marshall Islands, Palau and Nauru, which still recognise Taiwan. Leaked documents before the tour indicated that China hoped the states would endorse a Common Developmental vision including in the fields of traditional and non-traditional security<sup>43</sup>. China's push as part of its "community with a shared future" has, however, reportedly run into a stumbling block as the region's Foreign Ministers failed to endorse a proposed security cooperation agreement with China<sup>44</sup>. The countries did, however, agree to cooperate on post-pandemic economic recovery, agriculture and disaster relief. Wang Yi, claimed success in obtaining a five-point consensus<sup>45</sup>, encompassing deepening the comprehensive strategic partnership; safeguarding national sovereignty, independence and dignity; pursuing common development and prosperity; advocating true multilateralism and promoting people-to-people exchanges.

The reported discovery of a "Great Wall of Naval Targets" in the Chinese Desert indicated that the PLA was testing its ability to hit ships in port with long-range

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<sup>&</sup>lt;sup>42</sup> Ibid.

<sup>&</sup>lt;sup>43</sup> China Plays for Influence in South Pacific With Security Proposal and Diplomatic Tour, <a href="https://edition.cnn.com/2022/05/26/asia/china-pacific-islands-security-pact-wang-yitour-intl-hnk/index.html">https://edition.cnn.com/2022/05/26/asia/china-pacific-islands-security-pact-wang-yitour-intl-hnk/index.html</a>

<sup>&</sup>lt;sup>44</sup> Pacific Island States Mull China Security Deal as Beijing Tries to Deepen Ties, https://www.scmp.com/news/china/diplomacy/article/3179748/pacific-island-states-turn-down-china-security-deal-despite

<sup>&</sup>lt;sup>45</sup> Wang Yi on Consensus Reached at Second China-Pacific Island Countries Foreign Ministers' Meeting,

 $<sup>\</sup>frac{https://www.fmprc.gov.cn/mfa\_eng/wjb\_663304/wjbz\_663308/activities\_663312/202205/t2\_0220531\_10694997.html}{(2009)}$ 





ballistic missiles<sup>46</sup>. The concern is that fleets could be decapitated before they can escape to open water or disperse.

### North Korea

A series of test missile launches by North Korea on May 04<sup>47</sup>, 07<sup>48</sup>, 12<sup>49</sup> and 25 led to joint condemnation by the Foreign Ministers of the US, Japan and South Korea<sup>50</sup>. The ministers expressed deep concern at the significant increase in the pace and scale of the DPRK's missile launches and regretted the failure of the UNSC Security Council to adopt a resolution in response to the blatant and repeated violations of UNSC resolutions despite the support of 13 members<sup>51</sup>. The US also announced sanctions on two North Korean and two Russian entities, blocking their property or interests in the US and prohibiting dealing with them<sup>52</sup>.

### **United States**

USS Port Royal carried out a routine transit of the Taiwan Strait on May 10, The last of the Ticonderoga Class cruisers, USS Port Royal was commissioned in July 1994, making her somewhat slightly newer than Moskva, hit by Neptune missiles in the Black Sea. The ship was due to be decommissioned in 2022, but has been kept on following directions from the US Congress. China claims it tracked and monitored the ship's movements and

<sup>&</sup>lt;sup>46</sup> Great Wall of Naval Targets Discovered in Chinese Desert, https://news.usni.org/2022/05/11/great-wall-of-naval-targets-discovered-in-chinesedesert

<sup>&</sup>lt;sup>47</sup> UNINDOPACOM Statement on DPRK Missile Launch, https://www.pacom.mil/Media/News/News-Article-View/Article/3019009/usindopacomstatement-on-dprk-missile-launch/

<sup>&</sup>lt;sup>48</sup> USINDOPACOM Statement on DPRK Missile Launch, https://www.pacom.mil/Media/News/News-Article-View/Article/3023731/usindopacomstatement-on-dprk-missile-launch/

<sup>&</sup>lt;sup>49</sup> USINDOPACOM Statement on DPRK Missile Launch, https://www.pacom.mil/Media/News/News-Article-View/Article/3028910/usindopacomstatement-on-dprk-missile-launch/

<sup>&</sup>lt;sup>50</sup> Joint Statement by Secretary of State Antony J. Blinken, Japanese Minister for Foreign Affairs Hayashi Yoshimasa, and Republic of Korea Minister of Foreign Affairs Park Jin, https://www.state.gov/joint-statement-by-secretary-of-state-antony-j-blinken-japaneseminister-for-foreign-affairs-hayashi-yoshimasa-and-republic-of-korea-minister-offoreign-affairs-park-jin/

<sup>51</sup> Ibid.

<sup>&</sup>lt;sup>52</sup> United States Targets the DPRK's Ballistic Missile and Weapons of Mass Destruction Programs, https://www.state.gov/united-states-targets-the-dprks-ballistic-missile-andweapons-of-mass-destruction-programs/

<sup>53 7</sup>th Fleet Cruiser Transits Taiwan Strait, https://www.pacom.mil/Media/News/News-Article-View/Article/3027135/7th-fleet-cruiser-transits-taiwan-strait/



described it as a provocative act intended to send wrong signals to Taiwan Independence separatist forces<sup>54</sup>.

USS Ronald Reagan, the US Navy's only forward-deployed aircraft carrier and its strike group departed Yokosuka on May 20 to support security and stability in the Indo-Pacific<sup>55</sup>. The ship had come into Yokosuka in January 2022 for a four-month maintenance period after a five-month deployment in the 5<sup>th</sup> and 7<sup>th</sup> Fleet areas of operation<sup>56</sup>.

A speech by Secretary of State Antony Blinken at the George Washington University on May 26 spelt out the Biden Administration's approach towards China<sup>57</sup>. Identifying China as "the only country with both the intent to reshape" the international order and increasingly, the economic, diplomatic, military and technological power to do it", he said the US would remain focused on the China challenge. "We cannot rely on Beijing to change its trajectory. So we will shape the strategic environment around Beijing to advance our vision for an open, inclusive international system", he said. He summed up the US strategy to do so in three words: "Invest, align, compete". The investment would be in the foundations of strength at home - innovation, competitiveness, democracy. Alignment would be with the network of allies and partners, acting with common purpose and in common cause. And the competition would be to defence US interests and build its vision for the future. He made clear that it was not the US intent to block China from its role as a major power, or stop China from growing its economy or advancing the interests of its people. But the US would defend and strengthen international law, agreements, principles and institutions that maintain peace and security, protect the rights of individuals and sovereign nations and make it possible for all countries to coexist and cooperate. China's spokesperson predictably described the speech as going to "great length to spread disinformation, play the so-called China threat, interfere in China's internal affairs and smear China's domestic and "The sole purpose is to contain and suppress China's foreign policy".

<sup>&</sup>lt;sup>54</sup> Chinese military slams US warship's transit through Taiwan Strait, http://eng.chinamil.com.cn/view/2022-05/11/content\_10154218.htm

<sup>&</sup>lt;sup>55</sup> USS Ronald Reagan Carrier Strike Group Departs Yokosuka for 2022 Deployment, https://www.pacom.mil/Media/News/News-Article-View/Article/3039451/uss-ronald-reagan-carrier-strike-group-departs-yokosuka-for-2022-deployment/

<sup>&</sup>lt;sup>56</sup> USS Reagan begins SRA following 5<sup>th</sup>, 7<sup>th</sup> Fleet deployments, https://www.navsea.navy.mil/Media/News/SavedNewsModule/Article/2904087/uss-reagan-begins-sra-following-5th-7th-fleet-deployments/

<sup>&</sup>lt;sup>57</sup> The Administration's Approach to the People's Republic of China, https://www.state.gov/the-administrations-approach-to-the-peoples-republic-of-china/





development and maintain the US hegemon. China deplores and rejects this", he said<sup>58</sup>.

### India

The Indian Navy continued its outreach in the Indian Ocean with the visit of INS Kolkota, deployed on the anti-piracy patrol in the Horn of Africa to Djibouti<sup>59</sup>. In parallel, ships of the First Training Squadron visited Jeddah, in Saudi Arabia<sup>60</sup>. INS Gharial visited Colombo, Male and Port Victoria, in the Seychelles, delivering medical supplies at the first two ports and three saluting guns and one 15m Wave Rider boat sourced by the Seychelles from Sri Lanka as part of Mission SAGAR IX<sup>61</sup>.

India successfully fired an extended range version of the Brahmos Air Launched Cruise Missile from a Su030 MKI aircraft on May 12. The missile enables precision strikes over land / marine targets at a range of 400 Km, provided target motion parameters can be given to the ac<sup>62</sup>.

IN ships Kora and Sumedha and Bangladesh Navy ships Ali Haider and Abu Ubaidah conducted the fourth Indian Navy-Bangladesh Navy Coordinate Patrol (COPPAT) along their international maritime boundary line on May 22 and 23<sup>63</sup>. After this, the IN ships were in Port Mongla for the Harbour Phase of Exercise Bongosagar, followed by a two day sea phase<sup>64</sup>. The six days the four ships spent together go a long way towards promoting mutual understanding and interoperability between the two navies.

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<sup>&</sup>lt;sup>58</sup> Foreign Ministry Spokesperson Wang Wenbin's Regular Press Conference on May 27, 2022, https://www.fmprc.gov.cn/mfa\_eng/xwfw\_665399/s2510\_665401/2511\_665403/202205/t20 220527\_10693733.html

Visit of INS Kolkota to Djibouti, <a href="https://indiannavy.nic.in/content/visit-ins-kolkata-djibouti">https://indiannavy.nic.in/content/visit-ins-kolkata-djibouti</a>
 Visit of 1TS to Jeddah, Saudi Arabia, <a href="https://indiannavy.nic.in/content/visit-1ts-jeddah-saudi-arabia">https://indiannavy.nic.in/content/visit-1ts-jeddah-saudi-arabia</a>

<sup>&</sup>lt;sup>61</sup> Deployment of INS Gharial – Mission Sagar IX, <a href="https://indiannavy.nic.in/content/deployment-ins-gharial-seychelles-%E2%80%93-mission-sagar-ix">https://indiannavy.nic.in/content/deployment-ins-gharial-seychelles-%E2%80%93-mission-sagar-ix</a>

<sup>&</sup>lt;sup>62</sup> Successful Firing of Extended Range Version of BraMos Air Launched Missile from SU-30MKI Aircraft, <a href="https://pib.gov.in/PressReleasePage.aspx?PRID=1824795">https://pib.gov.in/PressReleasePage.aspx?PRID=1824795</a>

<sup>&</sup>lt;sup>63</sup> Navies of Bangladesh and India to Undertake Coordinated Patrol, <a href="https://indiannavy.nic.in/content/navies-bangladesh-and-india-undertake-coordinated-patrol">https://indiannavy.nic.in/content/navies-bangladesh-and-india-undertake-coordinated-patrol</a>

<sup>&</sup>lt;sup>64</sup> Indian Navy – Bangladesh Navy Ex Bongosagar Commences, <u>https://indiannavy.nic.in/content/indian-navy-%E2%80%93-bangladesh-navy-bilateral-ex-bongosagar-commences</u>





Defence Minister Shri Rajnath Singh on board the Submarine INS Khanderi off Karwar on May 27, 2022. Source: PIB

The Indian Navy frigate INS Gomati, the last ship of the Godavari class commissioned on April 16, 1988, was decommissioned on May 28, 2022, after having completed 34 years of service<sup>65</sup>. Displacing about 3900 tons, the design married the stretched hull and propulsion system of the British Leander class with Dutch radars, Indian sonar and EW systems, with Soviet origin anti-ship and anti-aircraft missile systems became the platform on which Indian ship-designers displayed their ingenuity. The two missile and dunking sonar Seaking helicopters she carried provided a formidable punch. The ship will now be dismantled and shifted to Lucknow, to provide a monument to the nation's sailor on the banks of the Gomti River.

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<sup>&</sup>lt;sup>65</sup> INS Gomati Decommissioned after 34 years of Service, <u>https://indiannavy.nic.in/content/ins-gomati-decommissioned-after-34-years-service</u>



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