

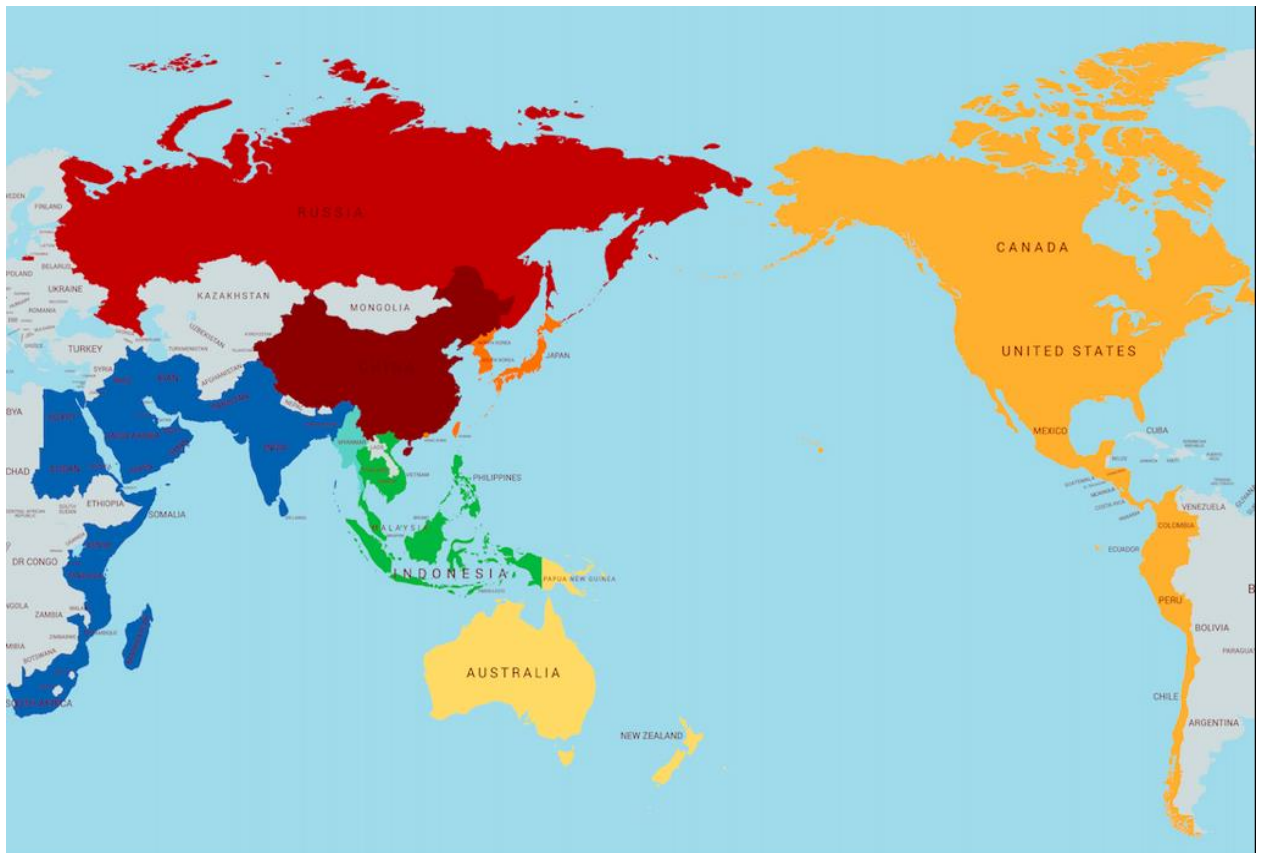


# Delhi Policy Group

Advancing India's Rise as a Leading Power



## DPG INDO-PACIFIC MONITOR



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Delhi Policy Group

Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003

[www.delhipolicygroup.org](http://www.delhipolicygroup.org)



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### ABOUT US

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.

At a time of disruptive change in the global order, DPG aims to deliver research based, relevant, reliable and realist policy perspectives to an actively engaged public, both at home and abroad. DPG is deeply committed to the growth of India's national power and purpose, the security and prosperity of the people of India and India's contributions to the global public good. We remain firmly anchored within these foundational principles which have defined DPG since its inception.

### 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, with the assistance of a team of DPG Research Associates comprising Anushka Nair, Angana Guha Roy, Antara Ghosal Singh, Libni Garg and Sanket Joshi, based on open source reports and publications. Your comments and feedback may be addressed to Anushka Nair at [anushka@dpg.org.in](mailto:anushka@dpg.org.in). To subscribe, please [click here](#).

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# DPG INDO-PACIFIC MONITOR

## Volume 1, Issue 6

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## THE INDO-PACIFIC OVERVIEW

**JUNE 2020**

### Major Developments

The month began with the release of an investigative report by the [Associated Press](#) spelling out how China had deliberately delayed releasing information regarding the Covid-19 virus and the WHO had adopted a strategy of publicly praising China to ensure its continued engagement, while privately pushing for greater cooperation. The strategy resulted in completely undermining the credibility of the WHO. The contents of the report were predictably denied by Chinese Foreign Ministry Spokesman Zhao Lijian. Meanwhile, COVID-19 continued its destructive march, having infected more than 10 million people as the month ended and the death toll had exceeded 500,000. On the positive side, over 5.1 million people worldwide had recovered from the pandemic after being infected.

The US, with over 2.6 million infections and 128,000 deaths, remained the [worst affected nation](#). It was followed by Brazil, with nearly 1.4 million infections. Russia, India and the United Kingdom were the next three worst affected. Africa had reported nearly four million infections and 10,000 fatalities, with South Africa being the hardest hit nation on the continent. The detection of a large number of coronavirus cases from Beijing's [Xinfadi](#) market led to the Fengtai suburb of the city being locked down during the month and [re-imposition of](#) travel restrictions.

It was not doom and gloom, however. New Zealand proclaimed its COVID free status in first week of June, with no new cases since the third week of May. Tokyo moved towards the final stage of [reopening](#) business activity, involving opening of entertainment and recreational facilities.

The IMF's [latest projections](#) indicated the global economy would contract by 4.9% in 2020, with recovery projected to be more gradual than previously forecast. The US economy was projected to contract by 8%, that of the Euro Area and UK by 10.2%, Japan by 5.8% and India by 4.5%. China, however, was projected to grow by 1%.

India (along with Kenya, Mexico, Ireland and Norway) was [elected](#) as a non-permanent member of the UN Security Council for a two year term beginning January 1, 2021. The United Nations commemorated the 75<sup>th</sup> anniversary of the signing of the UN Charter on June 26, 2020. The draft commemorative declaration saw the US, UK, Australia, Canada, New Zealand and India [objecting to](#) the inclusion of the phrase “to realise our shared vision of a common future” which was proposed by China and supported by Russia, Pakistan and Syria. A [British statement](#) explained the rationale for the objection. The declaration, as [finally delivered](#), did not include the phrase.



*U.S. Secretary of State Mike Pompeo addresses the Brussels Forum organised by the German Marshall Fund, June 25, 2020*

*Source: Mike Pompeo Twitter (@SecPompeo)*

Defense Ministers of the Five Eyes nations met virtually on June 22 & 23, 2020 and [committed to advancing cooperation](#) on supporting and defending the stable rules-based global order that is being increasingly challenged. Secretary of State Pompeo announced the creation of a new trans-Atlantic dialogue on China in his interaction with the Brussels Forum on June 25, 2020. His [opening statement](#) talked of a new realism in the EU regarding the Communist Party of China (CPC).

It also highlighted China's provocative actions in the South China Sea, deadly border confrontation with India, opaque nuclear programme and threats to peaceful neighbours; its numerous broken international commitments, including to the UN, WTO, WHO and the people of Hong Kong; and its predatory economic practices, including attempts to force business with Huawei, an arm of the Chinese surveillance state. Pompeo described as "nonsense" the belief of those who make money in China that "we must calm tensions and accept an increasingly belligerent CPC". He also committed the US to military repositioning to counter PLA threats to India, Vietnam, Malaysia, Indonesia, Philippines and in the South China Sea.

## Indian Ocean

Major incursions by China and its force build-up across the Line of Actual Control (LAC) in Ladakh, deploying its salami-slicing, rewriting history and changing facts on the ground strategy led to violent clashes resulting in the death of 20 Indian soldiers and of an unspecified number of Chinese PLA personnel in brutal hand-to-hand combat on June 15, 2020. The tepid response of India's external partners, including the Quad countries, exposed the inherent limitations of India's "strategic partnerships" in addressing its security concerns. A public outcry seeking the boycott of Chinese products and investments in India gathered steam, along with the beginnings of government-led action to decouple economically. India's [Ambassador in Beijing](#) warned China that trying to alter the status quo on the boundary by using force would "have repercussions on the broader bilateral relationship". India announced change in the rules of engagement for its military on the border and warned of [repercussions](#) if China continued to use force to alter the status quo at the LAC, signalling readiness to raise the stakes and accept risks of escalation to safeguard its territory.

Indian strategists varied in their assessments of China's border aggression and its impact. A [DPG paper argued](#) that it is high time to shed long held illusions about engagement and accommodation with China and squarely face the reality that India is entering into a period of strategic competition with China. A [recently retired Foreign Secretary](#) voiced concerns about any diversion of focus from the Indian Ocean. [Another opined](#) that India must prioritise national defence over other objectives. A former Indian [Ambassador to China](#) observed that for minor tactical gains on the ground, China had destroyed the trust and border management architecture built up over decades. Another wrote that the edifice [of bilateral relations that was so painstakingly constructed](#) after 1962 had been



dismantled, and that drawing parallels with that earlier conflict would be a grave error of judgement. An erstwhile [Special Secretary](#) in India's Cabinet Secretariat sought the jettisoning of the terms 'non-alignment' and 'strategic autonomy' from India's diplomatic lexicon and suggested 'strategic alignment' instead. On the other hand, a former [National Security Adviser opined](#) that this was not the right time for India to be seen as fronting for a US-led coalition seeking to put China in its place, highlighting a continuing divide in thinking. Irrespective of these viewpoints, there were indications that the continuing border standoff will mark an epochal change in India's outlook towards China and at the very least, a return to business as usual was unlikely.

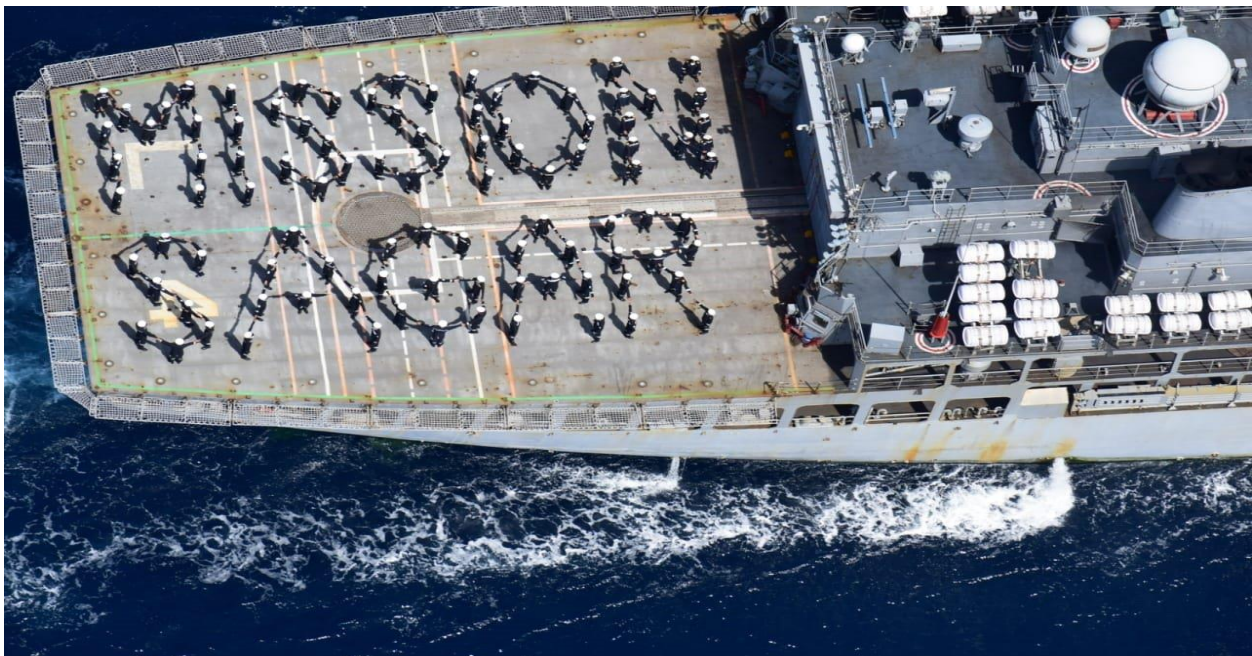


*An Indian army convoy moves on the Srinagar- Ladakh highway at Gagangir, north-east of Srinagar, India on June 17, 2020. Source: Associated Press*

A long planned India-Australia Summit was held on June 4, 2020 and resulted in the upgrading of the relationship to a [Comprehensive Strategic Partnership](#), the announcement of a [shared vision for maritime cooperation in the Indo-Pacific](#) and the signing of a [slew of agreements](#) relating to the cyber domain, mutual military logistics support, defence cooperation, science and technology, mining, public administration, vocational education and training, and water resources

management. The [shared vision for maritime cooperation in the Indo-Pacific](#) commits both countries to deepening navy-to-navy cooperation, enhancing maritime domain awareness and enhancing civil maritime cooperation between their law enforcement agencies and Coast Guards.

During the month, the Indian Navy continued with its Samudra Setu and SAGAR missions in the Indian Ocean, with INS Kesari carrying a gift of medicines to the [Seychelles](#) and other Indian Ocean countries, INS Shardul evacuating Indian personnel from [Iran on June 11](#) and INS Airavat evacuating another batch of citizens from the [Maldives on June 23](#).



*INS Kesari was deployed across the Indian Ocean Region for Mission SAGAR, June 2020.  
Source: Indian Navy Twitter*

China became Sri Lanka's [second largest](#) creditor after the Asian Development Bank, overtaking traditional financiers like Japan and the World Bank. India moved towards [positioning liaison officers](#) at the Regional Maritime Information Fusion Centre in Madagascar and at the European Maritime Surveillance Initiative in the Straits of Hormuz at Abu Dhabi by later this year.

[Satellite imagery](#) revealed new Chinese complexes in Gwadar involving unusually high security, including anti-vehicle berms, security fences, a high wall and elevated guard towers. The projection is that these could be barracks for a Chinese marine garrison. A new phase of port construction to enable use of Gwadar by the PLA (Navy) may be in the offing.



## South East Asia

An essay titled “[The Endangered Asian Century](#)” by Singapore’s premier Lee Hsein Loong called for China and the US to work out a modus vivendi that will be competitive in some areas without allowing rivalry to poison cooperation in others. It sought cooperation within an agreed multilateral framework of rules and norms of the kind that govern the United Nations and the World Trade Organisation, while acknowledging that these institutions are no longer effective and are in urgent need of reform. The essay, however, downplayed China’s growing penchant for coercion and its revisionist agenda, and called for the regional accommodation of China’s power and its BRI strategy.

Malaysia gathered the support of 171 UN member states in support of the UN Secretary General’s plea for a [global halt to conflict](#) to enable focus on fighting the pandemic. South East Asian leaders have long been adept at [finding wiggles](#) to accommodate China while serving their economic interests. But there are increasing signs of serious concerns about China’s behaviour. Indonesia wrote to the UN to say that it is China’s 9-dash line in the South China Sea that is a scrap of paper, not the 2016 award of the PCA. Jakarta followed up by [rejecting](#) Beijing’s offer of bilateral talks on the South China Sea, clearly signalling its preference for ASEAN-led negotiations. Meanwhile, Malaysia cancelled [5G spectrum](#) allocation to five companies, including Huawei. Some ASEAN members joined the US in [approaching the UN](#) seeking implementation of the PCA award. [Philippines](#) put in [abeyance](#) (for six months) its decision to pull out of the Visiting Forces Agreement with the US. President Duterte called for strengthening [Philippines China](#) relations in a June 9, 2020 letter to Xi Jinping, while the Philippines finished construction of a [beaching ramp](#) on Thitu Island that will allow it to repair the disused airstrip. Duterte also asked India to play a bigger role in the Indo-Pacific in a [telephone conversation](#) with PM Modi.

The 10<sup>th</sup> RCEP Ministerial Meeting took place on a virtual platform on June 23, 2020. In their [Joint Statement](#), the ministers affirmed their commitment to sign the RCEP in 2020 and emphasised that RCEP remains open for India to join.

At the 36<sup>th</sup> ASEAN summit meeting on June 26, Vietnam and the Philippines reportedly warned of growing insecurity in South East Asia due to China’s stepped up activity in the South China Sea. The [summit statement](#) records that “concerns were expressed on the land reclamations, recent developments, activities and serious incidents, which have eroded trust and confidence, increased tensions

and may undermine peace, security and stability in the region”, making it the strongest statement by ASEAN on the issue till date. It went on to reaffirm “the need to enhance mutual trust and confidence, exercise self-restraint in the conduct of activities that would complicate or escalate disputes and affect peace and stability and avoid actions that may further complicate the situation, and pursue peaceful resolution of disputes in accordance with universally recognised principles of international law, including the 1982 UNCLOS. We reaffirmed that the 1982 UNCLOS is the basis for determining maritime entitlements, sovereign rights, jurisdiction and legitimate interests over maritime zones, and the 1982 UNCLOS sets out the legal framework within which all activities in the oceans and seas must be carried out”. ASEAN has belatedly recognised the need for “enhancing mutual trust and confidence and of UNCLOS being the guiding principle for determining maritime entitlement” at a time when China has repeatedly demonstrated that it will not be bound by international law in making territorial assertions in the global commons of the South China Sea.



*36th ASEAN Summit, conducted virtually, hosted by Vietnam on June 26, 2020*

Source: ASEAN

However, there were mixed signals regarding the Code of Conduct negotiations between ASEAN and China. The ASEAN [summit statement](#) expressed encouragement at the progress and sought its early conclusion. An [Indonesian official](#), on the other hand, indicated that negotiations had been [put on hold](#) and could not be conducted virtually. Meanwhile, an [Indonesian report](#) said that an

Indonesian maritime security task force drove out 84 foreign fishing vessels from the waters around its Riau Islands, which fall within China's 9-dash line.

The US permanent representative at the UN formally rejected China's assertion of its South China Sea claims in response to Malaysia's submission to the Commission on the Limits of the Continental Shelf on June 1, 2020 on grounds that the Chinese assertions were inconsistent with UNCLOS. In response, [China's Foreign Ministry spokesman Zhao Lijian](#) said that China's territorial sovereignty and maritime rights and interests in the South China Sea, which he described as "consistent with international law including the UN Charter and UNCLOS", would not be altered by the unjustified accusations of any country.

[Chinese ship number 4006 rammed](#) a Vietnamese fishing boat in the Paracel Islands on June 12, 2020 while seeking to enforce China's domestic law in this international waterway. The ship confiscated the Vietnamese catch, forced the skipper to sign a document in a language he did not understand and beat him up. Chinese ships were seen laying submarine cables connecting SCS islands controlled by China. The apparent purpose was either to strengthen existing encrypted communication links between the islands, or to establish an underwater Sound Surveillance System to enable tracking of submarines.

In another development, Beijing's National Institute for South China Sea Studies released a report titled "[The US Military Presence in the Asia-Pacific 2020](#)" on June 22, 2020. The report seems intended to demonstrate that it is the US and not China that is militarising the region. It devotes four pages to US relations with India and another to the "deteriorating US-Pakistan relationship". It [calls for China](#) to shelve or ease conflicts with neighbouring countries it has disputes with (to reduce room for the US to intervene in Asia-Pacific affairs), and to conduct bilateral negotiations with Japan, India and others to prevent intensification of disputes and keeping the situation under control. It also calls for China to demonstrate its military power when confronted with provocation from the US over Taiwan or the South China Sea.

China pressed ahead and [passed its national security law](#) to curb subversion and separatism in Hong Kong on June 30. Earlier, the UK, in fulfilment of its obligations to Hong Kong citizens, had issued a [joint statement](#) with Australia and Canada expressing concern and committed to providing a pathway to British citizenship for Hong Kong's three million residents. G-7 foreign ministers also expressed [grave concern](#) and sought reconsideration of China's decision, saying



it was not in conformity with the Hong Kong Basic Law and China's legally binding commitments under Sino-British Joint Declaration. Chris Patten, the last British Governor of Hong Kong, [called for](#) liberal democracies, including India, Japan, Australia, New Zealand, Canada, the UK's European allies and the US, to defend their belief in a global order based on credible international agreements and the rule of law, and for not allowing China the opportunity to divide and rule.

## East Asia

China [condemned](#) flights of US military aircraft over Taiwan, describing these as a "severe breach of international law and basic norms guiding international relations". It urged the United States to abide by the One-China Principle and immediately stop such unlawful acts.



*Demolition of the inter-Korean liaison office building in Kaesong, North Korea on June 16, 2020. Source: Associated Press*

70 years after the Korean War began, prospects of peace remain distant. Kim Jong-Un [cut](#) communication lines with South Korea, possibly signalling frustration over South Korea's failure to revive inter-Korea economic projects or persuade the US to ease sanctions. The North also [destroyed the liaison](#) office in the border town of Kaesong on June 16. [Reports](#) indicated that Kim Jong-Un saw little purpose in



maintaining personal ties with President Donald Trump if Washington stuck to its hostile stand. Notwithstanding South Korea's desire for reunification, the Korean Peninsula remains an Asian flashpoint. Meanwhile, [Japan is said to have conveyed](#) to the US that it is opposed to President Trump's idea of inviting South Korea to join an expanded G-7.

Japan halted work on a proposed Aegis Ashore missile defence system, citing considerations of cost and timing. In another development, the Ishigaki city assembly [passed a bill](#) on June 22 to change the name the administrative area covering Southern Japan from "Tonoshiro" to "Tonoshiro Senkaku", prompting protests from both China and Taiwan, who also claim the Senkaku Islands. These islands fall within the administrative authority of Ishigaki city. Japan's Ministry of Defense moved to strengthen its [team in charge of Indo-Pacific affairs](#) by assigning another international affairs officer of the rank of Director to its Bureau of Defense Policy. The new office will focus on Indo-Pacific partners, including the US, India, Australia and South East Asian countries.

## Southern Pacific

In the Australia, Drew Pavlou's controversial suspension by the University of Queensland went into [appeal](#). Australia's police and intelligence agencies raided the home of New South Wales Labour MP Shaoquett Moselmane to investigate alleged links with China. Meanwhile, even as Australia's borders remained closed to tourists, [China](#) warned its citizens to refrain from travel to Australia, citing a rise in racial discrimination and violence towards Chinese and Asian people in the aftermath of the pandemic. The continuing debate in Australia on how to respond to the escalating US-China confrontation, particularly in the South and East China Seas, came to the fore in an [article](#) published by the Lowy Institute which made the case for Australian "strategic ambiguity".

[In Kiribati](#), a small island nation with an EEZ nearly three times the size of India's, the pro-Beijing President Taaneti Maamau won another four year term following a hard fought election that pitted him against ally-turned rival Banuera Berina, who is sympathetic to Taiwan. The result locks in the relationship between Tarawa and Beijing.

## USA

Secretary of State Pompeo and his Chinese counterpart Yang Jiechi [met in Hawaii](#) on June 17, 2020 in an effort to manage a relationship that has deteriorated in the recent past. Discussions reportedly focused on Hong Kong, Taiwan and Xinjiang.



*Secretary of State Mike Pompeo and CCP Politburo member Yang Jiechi meeting in Hawaii, June 17, 2020*

*Source: Mike Pompeo (Twitter @SecPompeo)*

The US Senate Armed Services Committee completed its markup of the FY 2021 [National Defense Authorization Act](#) (NDAA) and moved it to the full Senate for consideration. The Act creates the legislative and financial backdrop for the next administration to implement the National Defense Strategy. It reiterates that China and Russia are the primary challenges the US faces; envisages a total authorisation of \$ 740.5 billion for FY 2021 including \$ 69 billion for Overseas Contingency Operations; moves towards a 355 ship Navy and a 386 operational

squadron Air Force; imparts a thrust to creating a modern, lethal and innovative force with a combat credible forward posture to counter the challenge from Russia and China; and reshapes Pentagon management for better performance, accountability and effectiveness. It also establishes a Pacific Deterrence Initiative on the same lines as the Atlantic Deterrence Initiative.



*USS Theodore Roosevelt leaving Apra Harbour, Guam, to return to operational status, June 4, 2020. Source: Indo-Pacific Command*

After a considerable hiatus, the US is currently deploying three aircraft carrier battle groups in the Pacific. USS Theodore Roosevelt returned [to full operational status](#), joining USS Ronald Reagan and USS Nimitz in patrolling the Pacific. Chinese commentators described this as a display of US '[lack of confidence](#)' and claimed that the US Navy's morale and combat capability had been impacted adversely by the pandemic.

## Conclusion

As the entire world and countries in the Indo-Pacific face an uncertain future in the midst of an unprecedented economic downturn caused by a still raging Covid-19 pandemic, China's assertions across its extended neighbourhood continue unabated. Countries in the Indo-Pacific remain divided on whether to submit to China or to hedge against it. Those who have so far derived rents from economic ties with China without paying much heed to the strategic consequences are

increasingly being driven towards making consequential decisions, which could well shape the future of the region. The latest ASEAN Summit's decisions mark an important step in standing up to China's disregard for international order in the South China Sea and elsewhere.





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