

Situation Room

** SOUTH CHINA SEA DISPUTE **

Period under review: from 01 July 2021 to 07 July 2021.

[This report is based on publicly available sources to describe a changing situation. Information subject to change.]

Situation analysis recap:

- The U.S. and Japan conducted joint military exercises in the South China and East China seas.
- The air forces of Japan and the Philippines are holding their first joint exercises this week. It is a further sign of deepening defence ties between the two countries. The air-to-air bilateral training in humanitarian and disaster relief took place from Monday, 5 July up until Thursday, 8 July at Clark Air Base, a former U.S. military facility in the northern Philippines.
- Netflix removed Australian spy drama called Pine Gap from its services in Vietnam after a complaint from broadcast authorities in the country about the appearance of a map, which depicted China's unilaterally declared nine dash line claims in the South China Sea.
- Malaysia will install a new single long-range air defence radar in order to strengthen its airspace surveillance capability. The radar will be purchased from Japan.
- The Philippine Coast Guard (PCG) ordered five Chinese and two Vietnamese fishing vessels to leave the country's waters off Palawan province. The PCG dispersed the foreign vessels that were caught on 30 June near the Marie Louise Bank, which is a part of the Kalayaan Island Group in the West Philippine Sea.
- German Defence Minister Annegret Kramp-Karrenbauer discussed the situation in the South China Sea with her Chinese counterpart Wei Fenghe, including the upcoming deployment of a German frigate there. The ministry said Kramp-Karrenbauer had used the video conference to remind Wei of the importance of upholding a 2016 arbitration decision that limited China's claims to some sea areas in the body of water.
- China's newest and biggest research vessel is expected to make its maiden voyage to the South China Sea in October as part of Beijing's efforts to boost exploration in the resource-rich waters. China claims that the vessel would sail to the Paracel Islands Group to study the steam of the western boundaries of the South China Sea as well as its neighbouring waters in order to provide scientific support for disaster prevention. While Beijing insists that such research will be used for public good, China's maritime research activities have been greeted with suspicion from its South China Sea neighbours.
- The Singapore Defence Minister said on Tuesday, 6 July, that the 31 May incident involving Chinese military jets crossing unannounced into the Singapore Flight Information Region was not deemed to be a threat to Singapore.

Additional background information:

• South China Sea disputes are often associated with the territorial claims over the Spratly Islands Group, involving Brunei, China, Malaysia, the Philippines, and Vietnam. China and Vietnam claim the whole of the Spratly Group while Brunei, Malaysia, and the Philippines claim parts of it. Taiwan is also a party to the Spratlys dispute because it occupies Itu Aba Island (the largest geographic feature in the area). However, because members of the ASEAN organisation maintain a one-China policy that recognises the mainland People's Republic of China as the legitimate national government of all China (including Taiwan), Taiwan is not included in the ongoing negotiations on the Code of Conduct (COC) in the South China Sea.

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• In terms of natural resources, the South China Sea contains proved and probable reserves of 11 billion barrels of oil, around 5.4 trillion cubic meters of natural gas, and 12% of the world's fisheries (50% of all the fishing vessels globally operate in this area).

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