



Security Environment in the East China Sea

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The 6th Asian Maritime Security Forum

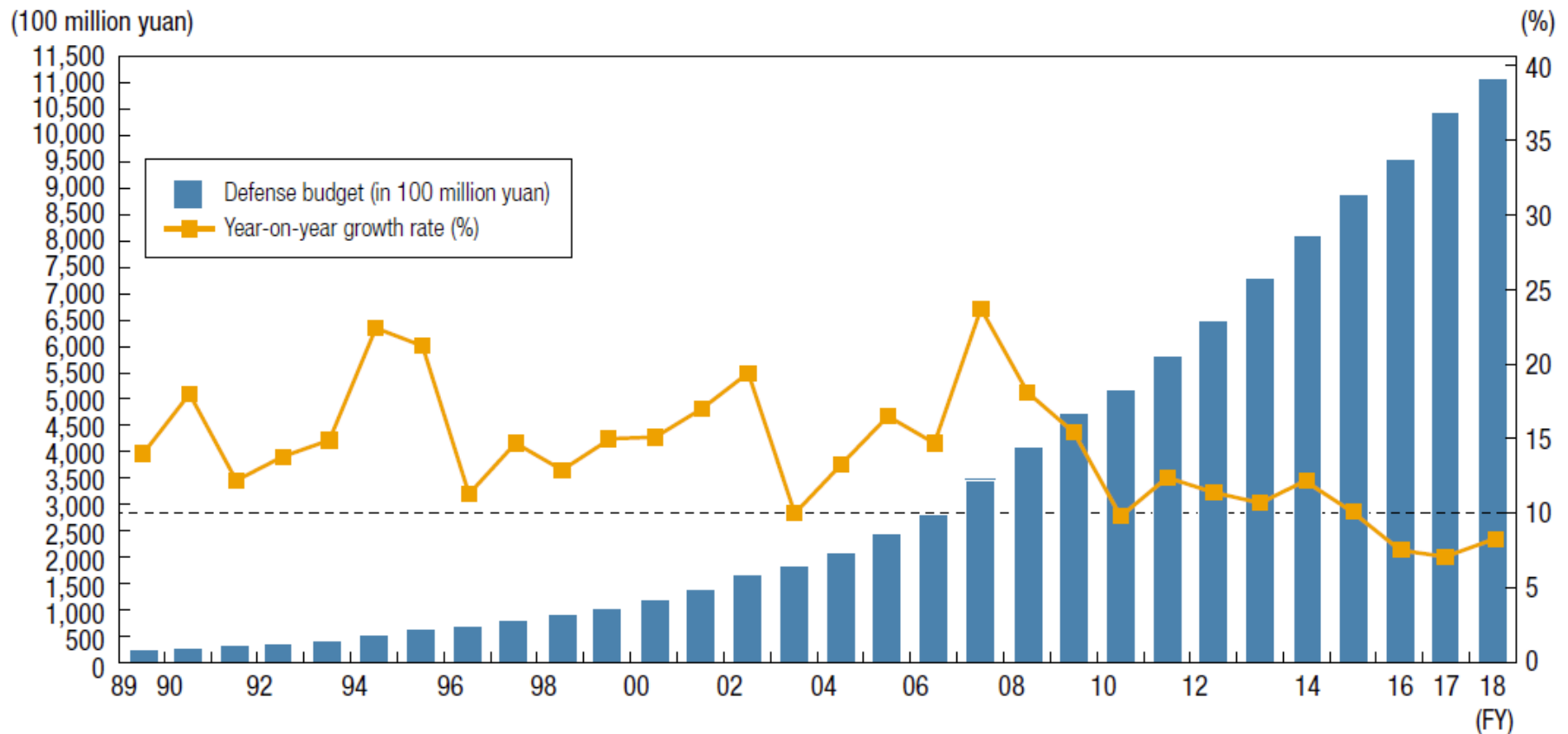
December 15, 2018

Haikou, Hainan

Japan's Security Concerns over China

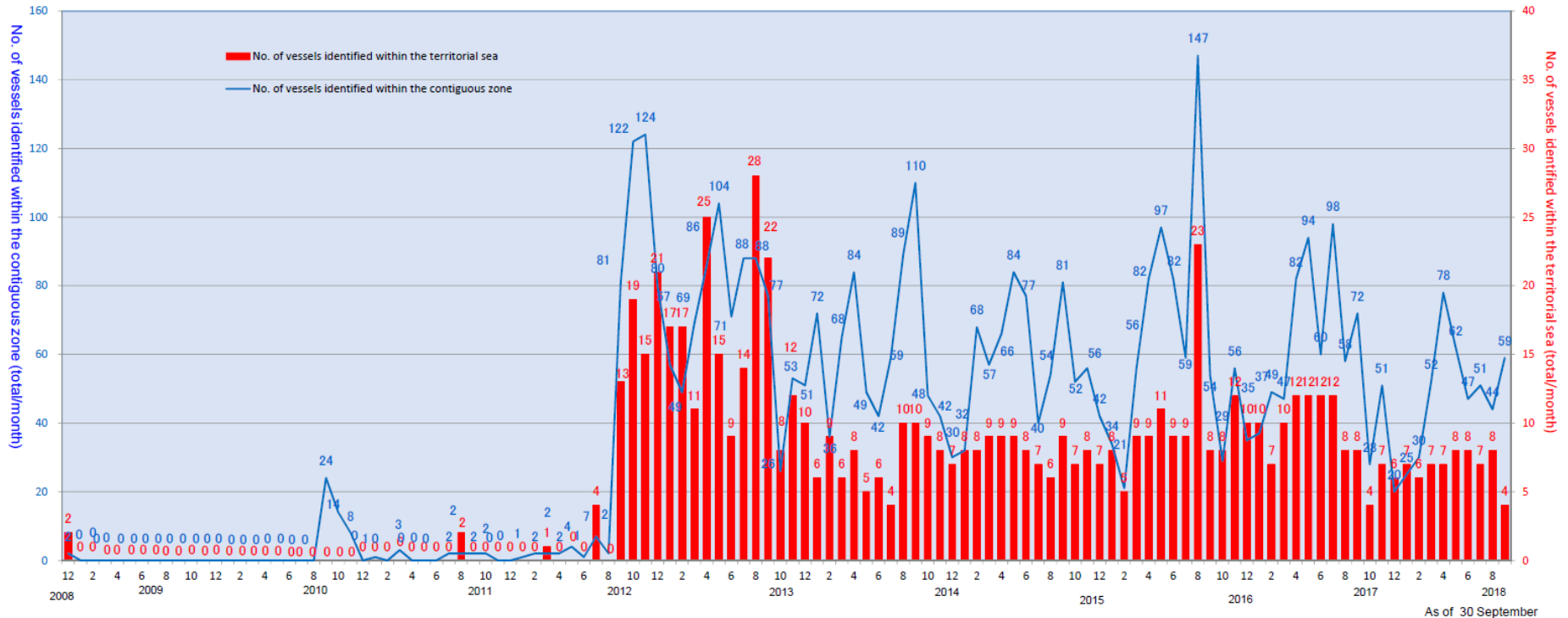
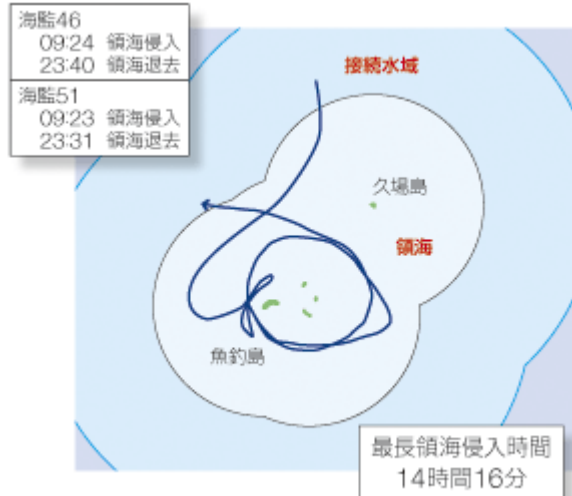
- China as a Source of Interests
 - Largest trading partner
 - Responses to non-traditional security threats
 - Shared interest in denuclearization of NK
- China as a Source of Concerns
 - Rapid increase of defense budget
 - 180 billion USD, more than 3x of Japan's
 - Progress in military modernization
 - Informationization, power projection capabilities
 - Challenge to Japanese sovereignty and interests
 - Senkaku Islands, natural resources in East China Sea

China's Defense Budget (1989-2018)

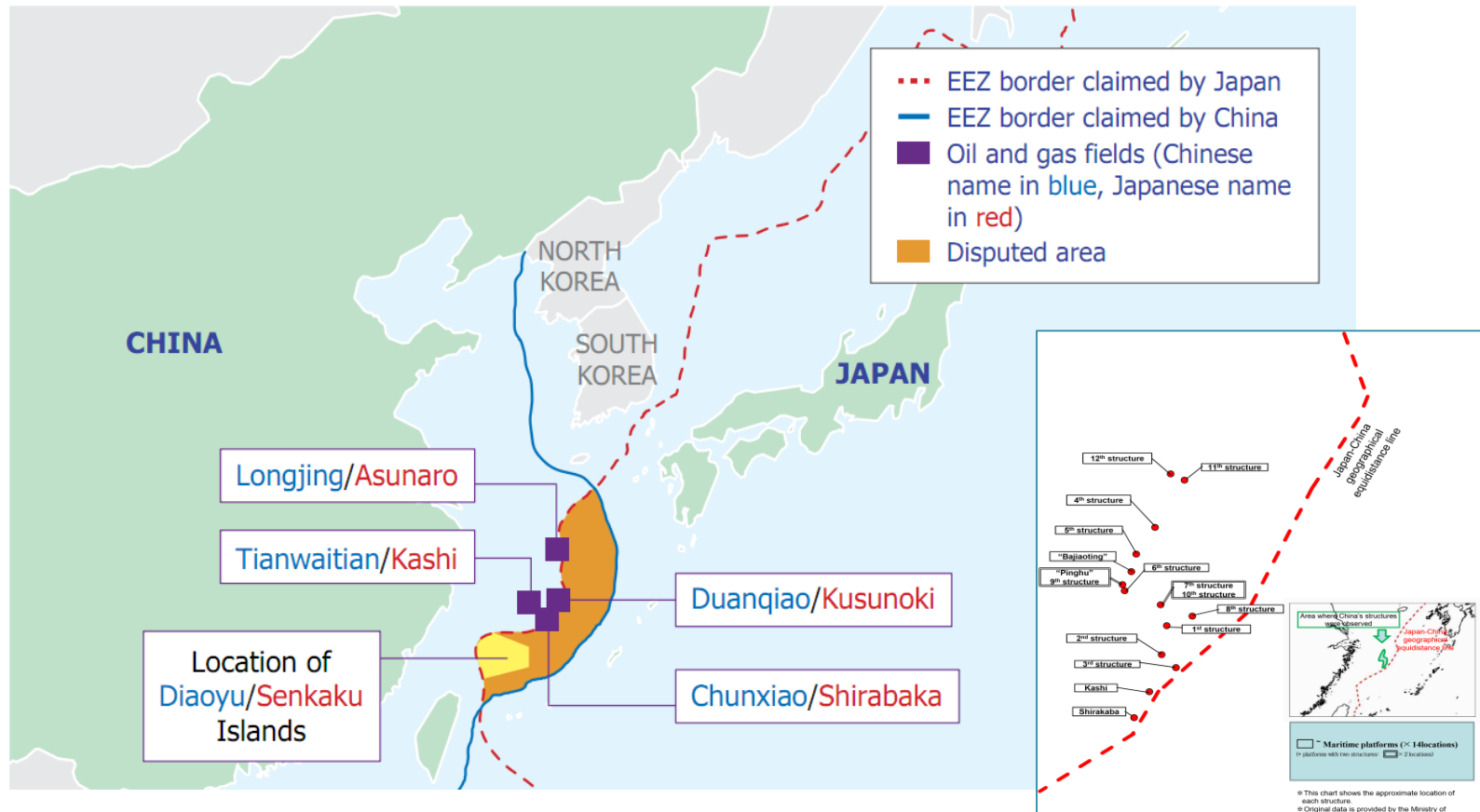


Note: This basically shows the defense budget within "the central government's general public budget," which had been named as "the central fiscal expenditures" prior to FY 2014. Year-on-year growth rate compares the budget of a given year against the budget of the previous year. Note that FY2002 defense budget was calculated based on the increased amount from the defense budget in the previous FY because only the amount and rate of growth were released. For FY 2016 and FY2018, the amount of "the central government expenditures," which are part of the central government's general public budget, are used because only the central government expenditures were announced.

China's Intrusion in Senkaku Islands



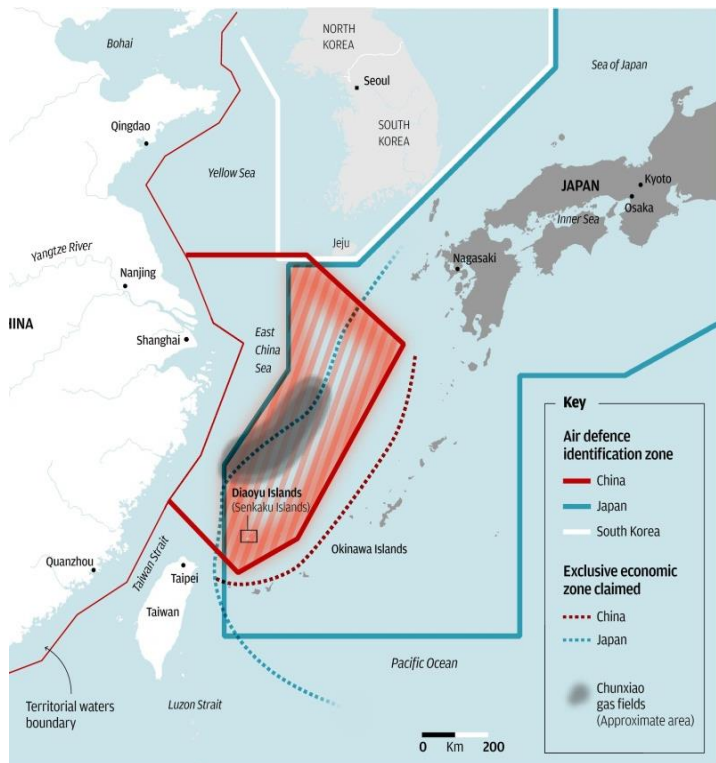
EEZ Demarcation in the ECS



- Overlapping Claims
 - Japan: equidistance line
 - China: Okinawa Trough
 - Chinese fields near border

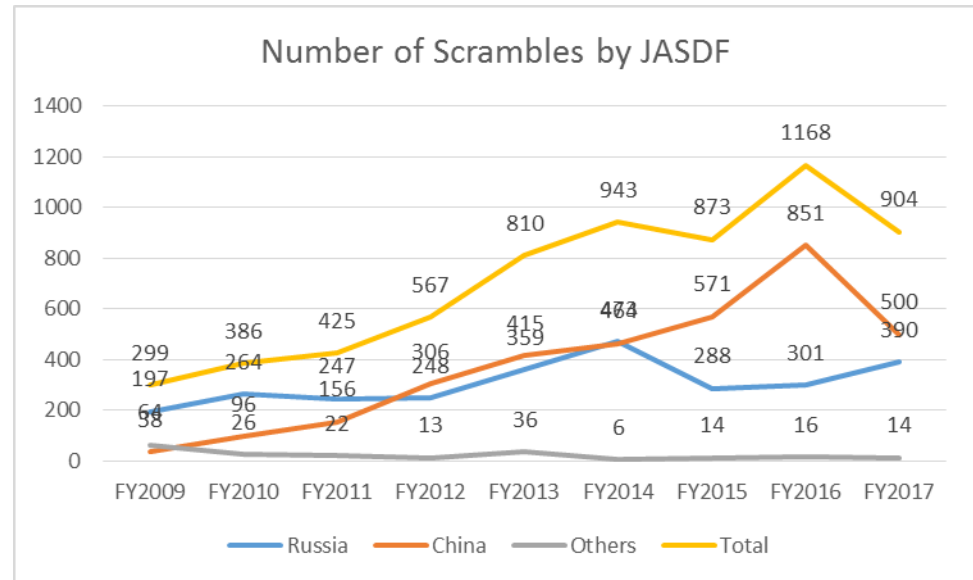
- Joint Press Statement (2008)
 - Joint development
 - China rejects to implement
 - Unilateral development

Freedom of Navigation and Flight

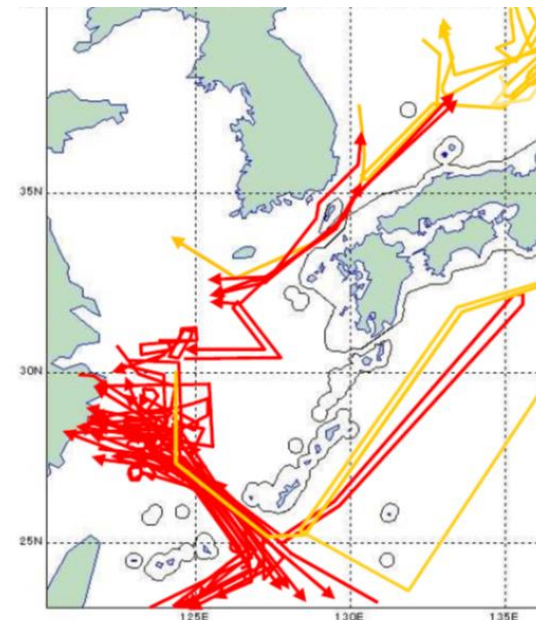


icles, BBC, Yonhap News

SCMP



- ECS ADIZ contrary to freedom of flight
- PLA aircraft get closer to Japan
- Bombers exercises across the first island chain



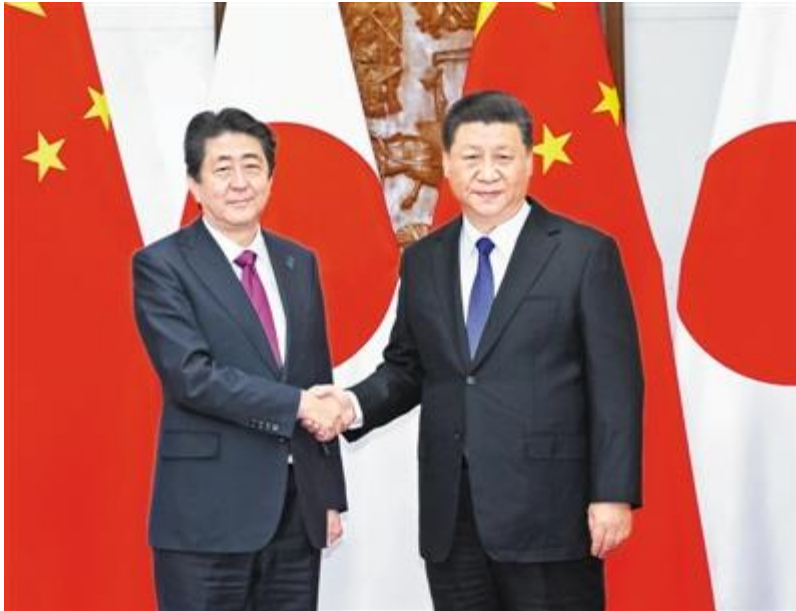
Japan's Responses to Pressure from China

- Enhancing Self Defense Capabilities
 - Modest increase of defense budget
 - Capabilities to protect remote islands
 - ISR capabilities around Ryukyu Islands
- Deepening Japan-US Alliance
 - New defense guideline
 - Legislation on peace and security
 - Robust joint exercises
- Promoting Regional Cooperation
 - Consolidating ties with Australia, India
 - Capacity building of SEA nations

Prospects of Japan-China Relations

- Structure of Conflict
 - Japan: maintaining the status-quo
 - China: changing the status-quo
 - Stable relations if Japan or China gives up
- Critical Elements of the CCP's Legitimacy
 - Economy: slowing down to “new normal”
 - Nationalism: increasing with growth of power
- Difficulties in Dealing with Japan
 - Ideal partner for sustainable development
 - No.1 target for nationalistic sentiments

From Competition to Cooperation?



PM Abe visited Beijing and met with President Xi Jinping on Oct. 26, 2018.

Both Parties Agreed on:

- Adherence to the “2008 Agreement” and resumption of negotiation
- Signing SAR agreement
- Exchanges between China Maritime Police Academy and Japan Coast Guard Academy
- Early opening of a hot-line based on MACM
- Mutual port calls of naval vessels
- Visit of delegation of ETC to Japan