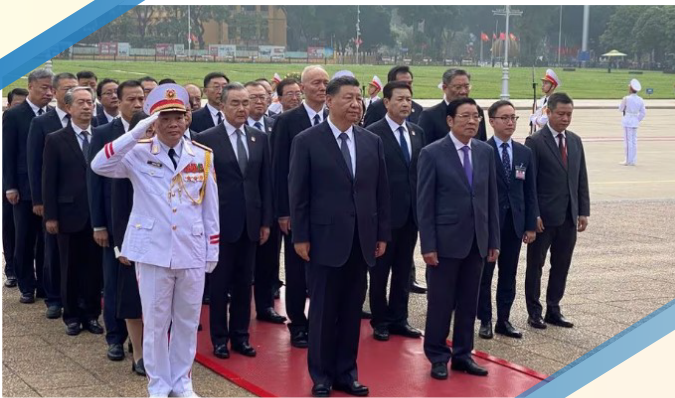


25 December | 2023

# Indo-Pacific Insights

CGS Centre for Governance Studies



## A Bi-Weekly Roundup of Key Events

Despite historical mistrust, the nations signed cooperation agreements, including joint patrols in the South China Sea and a hotline to manage fisheries incidents, signaling a potential de-escalation of tensions. The agreements also encompass rail development, aiming to boost transport links for increased trade, and collaboration on the Digital Silk Road, emphasizing telecommunications and the digital economy.

The upgraded status marks a diplomatic achievement for Vietnam, navigating a delicate balance amid geopolitical rivalries. The deals, although seen as symbolic, underscore efforts to enhance economic cooperation and connectivity. As both countries aim to overcome historical conflicts, the agreements carry implications for regional dynamics and influence in Southeast Asia.

## December 12

### China and Vietnam Forge 37 Deals to Enhance Ties Amid South China Sea Disputes

China and Vietnam, historically at odds over territorial claims in the South China Sea, announced 37 deals during Chinese President Xi Jinping's visit to Hanoi. These agreements, spanning diplomatic ties, railways, and telecommunications, reflect an effort to strengthen relations. Vietnam, strategically balancing ties with both China and the United States, recently upgraded formal relations with the U.S. in a move dubbed "Bamboo diplomacy." While symbolic, the improved ties may have significant implications for the region.

## December 13

### China Condemns Canada's Support for Philippines in South China Sea Dispute

China criticized Canada for supporting the Philippines in the South China Sea, accusing it of violating China's sovereignty. A spokesperson from the Chinese embassy in Canada stated, "The South China Sea should not become a hunting ground for Canada, the United States, and other countries to pursue their geopolitical interests." Tensions between China and the Philippines have escalated in recent months, particularly around the Second Thomas Shoal. China accused Canada of emboldening the Philippines' actions, while the United States has sided with the Philippines. A recent confrontation in the disputed waters drew condemnation from Canada, further heightening the diplomatic tensions in the region.

## December 15

### U.S. and China Begin Talks on Renewing Science and Technology Agreement

U.S. Ambassador to China Nicholas Burns has initiated discussions with Beijing on renewing the U.S.-China Science and Technology Agreement (STA). While acknowledging the importance of the landmark 1979 accord, Burns emphasized the need for modernization, citing advancements in fields such as artificial intelligence and biotechnology. Negotiations will unfold over the next few months, addressing concerns about industrial espionage and technology transfers. The renewal, crucial for understanding China's technological progress, remains uncertain amid growing geopolitical tensions and calls from some U.S. lawmakers to scrap the agreement.

## December 16

### North Korean Delegation in China for Cooperation Talks

A North Korean diplomatic delegation is in China for talks aimed at enhancing cooperation, according to North Korean state media. The discussions between North Korean Vice-Minister of Foreign Affairs Pak Myong Ho and his Chinese counterpart Sun Weidong focus on strengthening strategic cooperation and bilateral relations. This visit is notable as North Korea gradually reopens its borders and resumes diplomatic engagements following COVID-19 restrictions. Public references to such political discussions have been rare since January 2020 when North Korea closed its borders to curb the spread of the virus.

## December 17

### Australia Expects Early Removal of China's Punitive Tariffs on Wine

Australia's Trade Minister, Don Farrell, expressed confidence that China would lift punitive tariffs on Australian wine early next year. This optimism follows the consensus reached in October to settle a World Trade Organisation dispute. The anti-dumping tariffs, originally set to expire in 2026, will undergo a review. Australia lodged a complaint over China's wine tariffs in 2021, impacting a previously thriving export market. With diplomatic efforts ongoing, Australia anticipates the restoration of favorable trade conditions for its winemakers.

## Philippines Seeks Resolution for South China Sea Exploration Issues



Philippine President Ferdinand Marcos Jr stated that the Philippines is addressing "exploration issues" in the South China Sea to initiate new energy projects in the resource-rich region. Despite ongoing talks with China about joint exploration, little progress has been made. Marcos emphasized the Philippines' right to exploit energy reserves in the West Philippine Sea while expressing concerns about escalating tensions and a "more assertive China." The Philippines aims to reduce reliance on fossil fuels and coal, transitioning to liquefied natural gas to meet its energy needs.

## December 18

### China and North Korea Hold Talks Amid Missile Launch Concerns

China's Foreign Minister Wang Yi engaged in talks with North Korean Vice Minister of Foreign Affairs Pak Myong Ho in Beijing, coinciding with Pyongyang's missile launch capable of reaching the U.S. In a statement, Wang emphasized China's strategic and long-term perspective in ties with North Korea, expressing willingness to enhance communication and coordination. The meeting covered issues of "common concern," maintaining a friendly atmosphere. Despite tensions, North Korea seeks to strengthen ties with China for mutual interests and regional stability. China urged dialogue, cautioning against military deterrence and pressure in resolving complex issues on the Korean peninsula.

## December 19

### U.S. Expands 'Unverified List' for Chinese Companies in Export Control Measures

The United States has added 13 Chinese companies to its "Unverified List," restricting their access to U.S. exports due to uncompleted on-site inspections. The list serves as a cautionary measure for U.S. exporters, requiring additional due diligence before shipments.



Notable additions include PNC Systems, Beijing Shengbo Xietong Technology, Guangzhou Xinwei Transportation, and Plexus. This move aligns with broader efforts to safeguard sensitive American technology, including recent restrictions on semiconductor exports to China, escalating tensions in the ongoing tech battle between the two nations. Chinese officials criticize such actions, alleging unfair practices and weaponization of economic issues.

## Taiwan Offers Condolences and Assistance to China Following Earthquake Tragedy

Taiwan President Tsai Ing-wen expressed condolences to China after a deadly earthquake on the Qinghai-Tibetan plateau. Despite heightened tensions between Taipei and Beijing, Tsai offered sincere condolences, wishing for a swift recovery. Taiwan's fire department has prepared a search and rescue team and supplies for deployment to China, pending approval. This gesture of support comes as both nations put aside political differences in the face of a humanitarian crisis. Tsai has previously extended condolences to China for disasters, emphasizing solidarity in times of need.

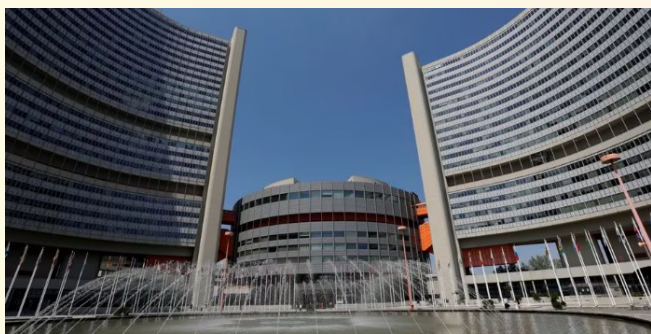
## December 20

## Controversy Surrounds Proposed U.S. Patriot Missile Deployment in Palau

As Palau grapples with China's expanding influence in the Pacific, a proposal to permanently station U.S. Patriot missile defense batteries has ignited political discourse. President Surangel Whipps seeks protection amid fears tied to a new radar system, while Palau's Senate rejects the deployment, citing historical concerns and questioning the need for military build-up. Amid accusations of Chinese interference, the U.S. faces scrutiny as elections loom, further complicated by delays in Congress approving funding for Pacific nations. The debate underscores geopolitical tensions in the region.

## December 21

## Concerns Rise Over New Reactor at North Korea's Yongbyon Nuclear Complex



A new reactor at North Korea's Yongbyon nuclear complex, detected through satellite imagery, is likely operating, raising fears of an additional source of plutonium for nuclear weapons, according to the U.N. nuclear watchdog and experts. The International Atomic Energy Agency (IAEA) noted warm water discharge, indicative of criticality, suggesting a self-sustaining nuclear chain reaction. With no access to North Korea since 2009, the IAEA cannot confirm the reactor's status. Independent researchers warn it could significantly contribute to North Korea's nuclear weapons program, emphasizing the regrettable advancement of the nation's nuclear capabilities. North Korea's recent ICBM test adds to global concerns.

## South Korea and Japan Resume High-Level Economic Talks After Eight Years

South Korea and Japan have engaged in high-level economic talks for the first time in eight years, signaling a thaw in relations. The discussions, paused since 2016 due to historical disputes, have been revived under South Korean President Yoon Suk Yeol's efforts to mend ties. The meeting, led by South Korean Deputy Foreign Minister Kang Jae-kwon and his Japanese counterpart Keiichi Ono, focuses on economic cooperation and security policy. Despite recent collaborative efforts, challenges persist, including a South Korean court ruling on "comfort women" and ongoing trade tensions. The talks underscore regional cooperation amid shared geopolitical concerns.

## December 22

## Imran Khan Granted Bail Amid Election Uncertainty



Pakistan's Supreme Court has granted bail to former Prime Minister Imran Khan in a state secrets leak case, raising questions about his release while serving a three-year corruption sentence and facing additional charges. The 71-year-old, entangled in political and legal battles since his April 2022 ousting, remains disqualified from the Feb. 8 elections. Despite a high court refusing to suspend the corruption conviction, Khan filed nomination papers. The Supreme Court cited a lack of incriminating evidence in the leak case, emphasizing bail for "genuine elections." The complex situation adds uncertainty to Khan's political future and election dynamics.

## Chinese Company Faces Scrutiny Amid Political Turmoil in Vanuatu

A Chinese company, Vanuatu Forest Industry Ltd (VFIL), has sparked environmental and political concerns in Vanuatu as it began logging amid recent political turmoil. Residents reported workers in military uniforms clearing land without permission on the island of Santo during a period of political upheaval. Vanuatu forest authorities have banned VFIL from exporting logs while investigating complaints. The Pacific Island nation, where Beijing and Washington compete for influence, has faced previous issues with illegal logging and exports to China. China, seeking favor in the Pacific, denies any military connection to the workers, emphasizing VFIL as a private company.

## China Resumes Grouper Imports from Taiwan Amid Trade Tensions

China has announced the resumption of grouper fish imports from Taiwan, ending a ban imposed in June last year. The decision follows tensions after China terminated tariff cuts on certain chemical imports, sparking accusations of economic coercion and election interference from Taiwan. China's Taiwan Affairs Office cited "rectification" information provided by Taiwanese industry representatives for the grouper import lift. However, Taiwan's agriculture ministry accused China of political selectivity, alleging a lack of consultation and inconsistent market rules. The move comes as Taiwan's Jan. 13 elections unfold amid heightened pressure from China to influence the island's political landscape.

## December 23

## Taiwan Reports Chinese Warplanes and Warships Circulating Island Ahead of Elections

Amidst Taiwan's presidential and parliamentary election campaigns, the island reported increased military activities by China. On Saturday, Taiwan's defense ministry identified J-10, J-11, and J-16 fighters, along with early warning aircraft, in its airspace. Ten Chinese aircraft crossed the Taiwan Strait median line, conducting "joint combat readiness patrols" with warships. The provocative actions come three weeks before Taiwan's Jan. 13 polls, where relations with China are a pivotal issue. Taiwan's government, rejecting Beijing's claims, asserts the island's people alone can decide their future, as tensions escalate in the run-up to the elections.

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