

## **Territorial and Maritime Disputes in East Asia: Recent Developments and Their Implications for Cross-Strait Relations**

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### **Introduction**

A number of rocks, islets and island groups situated in the East Asian seas and Pacific Ocean are disputed by the bordering countries, which include the four southern Kuril Islands/the Northern Territories in the Sea of Okhots, a cluster of rocks called Dokdo/Takeshima (Liancourt Rocks) in the middle of the Sea of Japan/East Sea, the submerged rock called Suyan/Ieodo (Socotra Rock) in the East China Sea (“ECS”), Okinotorishima (Douglas Reef) southeast of Japan in the western Pacific, the Diaoyu Dao/Senkaku/Diaoyutai Islands in the ECS, Xisha/Hoàng Sa (the Paracel Islands), Huangyan Island/Bajo de Masinloc or Panatag Shoal (Scarborough Shoal), and Nansha/Truong Sa (the Spratly Islands) in the South China Sea (“SCS”).

Among this list, the most troublesome sovereignty and maritime disputes are believed to be the contested claims between the People’s Republic of China (“China”), the Republic of China (“Taiwan”) and Japan to the Diaoyu Dao/Senkaku/Diaoyutai Islands (“D/S/D Islands”), which consist of five islets and three barren rocks in the ECS, and the conflicting claims between China, Taiwan and Vietnam with regard to the Paracel Islands, between China, the Philippines and Taiwan to Scarborough Shoal, and the overlapping claims between and among Brunei, China, Malaysia, the Philippines, Taiwan, and Vietnam to, wholly or partially, the ownership of the Spratly Islands in the SCS.

Tensions in the SCS have been on the rise since May 2009 when the governments of Vietnam and Malaysia jointly submitted the proposed outer limits of their continental shelf beyond 200 nautical miles in the southern part of the SCS to the UN Commission on the Limits of the Continental Shelf (“CLCS”) and the government of Vietnam submitted independently a separated submission to the Commission for the extended continental shelf in the northern part of the SCS in the same month. In response to the Malaysian and Vietnamese submissions, China sent two diplomatic notes to the UN Secretary-General in May 2009 to restate its claim to sovereignty over land features and sovereign rights in the SCS. By attaching a map with a U-shaped line (or nine-dashed line) to the notes, China indicated that it has “indisputable sovereignty over the islands in the South China Sea and adjacent waters, and enjoys sovereign rights and jurisdiction over the relevant waters as well as the seabed and subsoil thereof,” and that the Vietnamese and Malaysian submissions seriously infringed its sovereignty, sovereign rights and jurisdiction in the SCS.

The claims to the continental shelf beyond 200 nautical miles in the SCS triggered serious conflicts between China, Taiwan and the ASEAN member states, in particular, the Philippines and Vietnam. Actions and counteractions had been taken in support of their respective sovereignty and/or maritime claims, which raised tensions in the SCS area.

Tensions have also arisen in the ECS since September 2010 when a Chinese fishing boat captain was arrested by the Japanese coast guard in the disputed waters near the D/S/D Islands. Following the arrest, the Chinese foreign ministry lodged a strong protest and demanded that Japan immediately release the ship and its crew. China also blocked all shipments of rare earth elements to Japan. Under the pressure imposed by China, on September 24, 2010, 16 days after the arrest, the Japanese government released the captain.

Since April 2012 there has been a new round of conflicts in the East and South China Seas when the former Japanese Tokyo governor Shintaro Ishihara announced his plan to purchase several of the disputed D/S/D Islands in Washington at the Heritage Foundation and in the same month when the government of the Philippines dispatched its warship to detain fishing vessels from China in the waters near the disputed Scarborough Shoal in the SCS.

Taiwan is one of the parties to the territorial and maritime disputes in the ECS and SCS, and quite often Taiwan's claims in the two seas are considered identical to those claimed by China. As a result, Taiwan is not considered a major player in the disputes. In addition, because of rigid adherence to the "One China" principle by other countries concerned, Taiwan is mentioned only in the context of China's claims and Taipei has continuously been excluded from the regional dialogue process that discusses the ECS and SCS issues.

Sovereignty and maritime disputes in these two East Asian seas also involve with vital national interests of the world's first, second and third largest economy, namely, the United States, China and Japan. There exist three sets of complicated U.S.-China, U.S.-Japan, and China-Japan bilateral relations in the ECS and another three sets of important China-ASEAN, U.S.-China and U.S.-ASEAN relations in the SCS, which have the potential to influence the development of the dispute and management of the conflict in these two East Asian seas as the Obama administration announced that the American strategy of "rebalancing towards Asia" is to be continued and implemented further.

Aiming to support their respective sovereignty and/or maritime claims, the claimant countries in the ECS and SCS are strengthening their civil and military capacities. Efforts have also been made, in particular, by the governments of Japan, the Philippines and Vietnam to seek more support from the United States to help check with the increasingly perceived threat from China. To implement the American policy of strategic rebalancing to Asia, the Obama administration has deepened and broadened U.S.-ASEAN relations and increased its presence, especially its military presence in the region, in order to provide support for regional countries and to counterbalance China. As Japan and the Philippines are close allies of the United States, it is likely to see Washington side with Tokyo and Manila when China is showing a new pattern of assertiveness in both the ECS and the SCS.

The purpose of this note is twofold. First, it looks into recent developments in territorial and maritime disputes in East Asia by focusing on the Chinese and Taiwanese responses and actions taken in the ECS and SCS. Second, it discusses policy implications of the rising tensions in these two East Asian seas for the future development of cross-Straits relations.

## **Taiwan's Response and Actions Taken in the East and South China Seas**

Taiwan is involved with the sovereignty and maritime disputes both in the East and South China Seas, which have created serious challenges for President Ma Ying-jeou and his administration to find a delicate balance between safeguarding the country's territorial and maritime claims in the two seas and maintaining its important relations with China, Japan, the United States and the ASEAN member states.

### *Response and Actions Taken in the ECS*

Immediate after Japan's nationalization of the D/S/D Islands on September 11, 2012, Taiwan's Ministry of Foreign Affairs summoned Japan's representative to Taiwan to protest the move, stating that the act "had seriously infringed on Taiwan's territorial sovereignty, hurt Taiwan-Japan relations, intensified regional tensions, and hurt the Taiwanese people's feelings toward the country." On September 25, 2012, the Taiwanese and Japanese coast guard vessels engaged in water cannon fight in the area near the D/S/D Islands. A second water cannon fight occurred on January 24, 2013.

In response to the rising tensions between China, Japan and Taiwan in the ECS and increasing domestic call for more actions to safeguard the country's sovereignty over the D/S/D Islands, the Ma Ying-jeou administration proposed a five point East China Sea Peace Initiative ("ECSPI") on August 5, 2012, which calls on the parties concerned to adhere to the following principles: (1) Refrain from taking any antagonistic actions; (2) Shelve controversies and not abandon dialogue; (3) Observe international law and resolve disputes through peaceful means; (4) Seek consensus on a COC in the ECS; and (5) Establish a mechanism for cooperation on exploring and developing resources in the ECS.

On April 10, 2013, a fisheries agreement was signed by Chairman Liao Liou-yi of Taiwan's Association for East Asian Relations and Chairman Mitsuo Ohashi of Japan's Interchange Association. The signing of the agreement was considered in line with the spirit and principle of the ECSPI and could be a model for the development of maritime cooperation in the ECS and the SCS. It was hailed as major breakthrough and achievement in Taiwan's foreign affairs and also concrete results of the implementation of President Ma's ECSPI.

China, however, interpreted the signing of the fisheries agreement differently. On April 12, 2013, the spokesperson of China's Foreign Ministry, Hon Lei, stated at a regular press conference that "China opposes Japan's unilateral actions in relevant waters and urges Japan to properly deal with Taiwan-related issues in strict accordance with the principles and spirit of the China-Japan Joint Statement." It is clear that China is concerned about a possible revival of Taiwan's diplomatic status and its closer political relations with Japan. At the same time, China considers the Beijing government the authoritative defender of Chinese sovereignty over the D/S/D Islands and Taiwan should work together with China in safeguarding the islands and relevant maritime rights and interests. Fan Liqing, a spokeswoman for the Taiwan Affairs of the State Council, also urged that "[i]t is the duty across the Straits to ensure the fishing rights and interest of fishermen from both sides (to operate) in this traditional fishery area on the basis of safeguarding territorial sovereignty." In Taiwan, the agreement has also been criticized for giving up Taiwan's sovereignty over the D/S/D Islands, and for self-imposing limitations on the operation of Taiwanese fishermen in the waters near the fishing zone agreed to by Taiwan and Japan in the ECS.

In May 2013, President Ma stated that Taiwan is willing to talk with China about the possibility of signing a bilateral fisheries agreement to help govern fishing activities in waters around the D/S/D islands. On June 6 2013, President Ma said, since there are also fisheries matters between Taiwan and China that need to be settled, Taiwan does not rule out the possibility of signing a fisheries agreement, similar to the one between Taiwan and Japan, to establish a joint fishery conservation and management zone in the ECS. In addition, he stressed, just like the 18 agreements that have been signed so far between Taiwan and China, this fisheries agreement can also be signed, not between two countries, but under special cross-Straits relations. In response, Fan Liqing, the spokeswoman of Taiwan Affairs Office of

the Chinese State Council stated that the two sides can further study the matter concerning fisheries cooperation.

On August 5, 2013, in his speech delivered at the East China Sea Peace Forum, an event held in Taipei to celebrate the first anniversary of the ECSPI, President Ma said that the peace initiative is playing an important role in resolving disputes over the D/S/D Islands. “The initiative is in the interests of all affected parties as without it, they would suffer regional unease and miss out on the benefits of peace and stability,” Ma said. “It is also in line with the government’s commitment to acting as peacemaker.” In addition, he said, Taiwan does not rule out the possibility of applying a similar mode of ECSPI to help manage sovereignty and maritime disputes in the SCS.

### *Response and Actions Taken in the SCS*

Since 2009, mainly in response to the rising tensions in the SCS and the perceived increasing U.S. concerns about the dispute, the Ma administration has also begun to take more actions to assert Taiwan’s territorial and maritime claims in the area. In February 2009, Taiwan’s Ministry of Foreign Affairs, in response to the legislative act taken by the Philippines, declared that the incorporation of the Scarborough Shoal and part of the Spratly Islands into Philippine territory had violated Taiwan’s sovereignty over the islands. The Ministry called on the Philippine government to abide by the principles and spirit of the UN Charter, the LOS Convention, and the DOC in order to peacefully solve through dialogue any dispute involving the SCS issue. This was followed by another statement made in May 2009 when the governments of Malaysia and Vietnam jointly, and the government of Vietnam independently, submitted their applications to the CLCS for extended continental shelves in the SCS. In the statement, the government of Taiwan reiterated its territorial and maritime claims and asked the governments of Malaysia and Vietnam to abide by the international law and settle the disputes by peaceful means.

In July 2011, in response to an agreement reached between China and the ASEAN on the implementing guidelines for the DOC, Taiwan’s Ministry of Foreign Affairs issued a statement, reiterating its position on the sovereignty and maritime claims in the SCS and declaring that “[a]s the government should be included in the dispute dialogue mechanism, it will not recognize any resolution reached without its participation.”

In early September 2012, the spokesman of Vietnam’s Ministry of Foreign Affairs stated that the raising of the national flag of the Republic of China (Taiwan) on Taiping Island (Itu Aba) by the Secretary-General of Taiwan’s National Security Council and various other high-ranking government officials had violated Vietnam’s sovereignty over the Spratly Islands. Taiwan’s Ministry of Foreign Affairs responded by issuing a statement, reiterating its position on the territorial and maritime issues in the SCS. In addition, the government of Taiwan stated that it “continues to uphold the fundamental principles of ‘safeguarding sovereignty, shelving disputes, pursuing peace and reciprocity, and promoting joint exploration’” and “remains willing to participate in dialogue aimed at resolving disputes and promoting regional peace, stability and development.” Taiwan called on relevant neighboring countries to include it in the negotiations on the COC in the SCS and to work together to promote regional peace and development.

Also in September 2012, in response to the action taken by the government of the Philippines to rename the SCS to “the West Philippine Sea”, the government of Taiwan issued a formal protest and reiterated its longstanding position on the territorial and maritime issues in the SCS. Taiwan urged the countries concerned to exercise self-restraint and foster

dialogue rather than confrontation, so that peaceful resolutions can be reached. In January 2013, Taiwan protested the entry into force of Vietnam's law of the sea, which makes claims to the Paracel and Spratly Islands in the SCS. In April 2013, in response to Vietnam's complaint about Taiwan's plan to expand a pier and to stage live-fire exercise on Taiping Island, Taiwan's Foreign Ministry spokeswoman Anna Kao stated that "the ROC has long governed Taiping Island . . . and has sovereignty over it. Any activities and measures the government carries out on the island are legitimate and other countries should not trigger territorial tensions in the region for any reason."

On May 15, 2013, in response to the fatal shooting of a Taiwanese fisherman by a Philippine government vessel in the overlapping EEZs between the two countries in the area near the Bashi Channel, Taiwan imposed economic sanctions against the Philippines after Manila failed to meet the four demands from Taiwan, which include: (1) a formal apology from the government of the Philippines; (2) compensation to the victim's family; (3) cooperative investigation and punishment of the perpetrators; and (4) launching of talks on a bilateral fishery arrangement in order to prevent similar incidents from happening again in the future.

Also in May 2013, Taiwan's Ministry of Foreign Affairs expressed its serious concern and firm opposition over the Philippines' dispatch of naval vessels to Renai (Second Thomas) Shoal in the Spratly Islands. The Ministry reiterated the government's position on territorial and maritime issues in the SCS and proposed that dialogue should replace confrontation, and parties should work together to seek a peaceful resolution to disputes concerning the SCS.

Domestically, President Ma has made efforts to raise the younger generation's awareness of the importance of territory and maritime zones in the SCS. A decision was made accordingly by the Ma administration in July 2011 to organize visits by college students and scholars to board the ROC Navy's warships to Taiping Island (Itu Aba), the largest land feature in the the Spratly Islands. The National Security Council, the Ministry of National Defense, and the Coast Guard Administration are all involved in this program, which continued in 2012 and 2013.

In November 2011, a decision was also made by the Ma administration to establish Taiping Island as a low carbon energy island and to reaffirm Taiwan's sovereignty over the territory. In April and May 2012, several members of the Committee on Foreign Affairs and National Defense, the Legislative Yuan, paid visit to Taiping Island. One of the proposals the legislators made is to ask President Ma to visit Taiping Island for the purpose of re-affirming Taiwan's sovereignty claim in the SCS. Another proposal is to strengthen defense capability of the Coast Guard Administration's personnel that have replaced Taiwan's Marine Corps to safeguard the islands since 2000.

In August 2012, high ranking officials from the National Security Council and the Ministry of Interior paid a visit to Taiping Island. This was followed by a visit of another group of Taiwan's legislators in September 2012 to observe military drill conducted on the island. In December 2012, Taiwan's Bureau of Energy under the Ministry of Economic Affairs announced a plan to explore and exploit oil and gas resources in cooperation with CPC Corp in the area near Taiping Island of the Spratly archipelago. In January 2013, Chunghwa postal service became available on Taiping Island and Taiwan's Chunghwa Telecom launched cell-phone service on the island.

In March 2013, a Taiwanese oceanic research team discovered gas hydrate deposits in waters south of the Pratas Islands during a mission to the SCS. In April 2013, the military drill on Taiping Island was conducted. It was also reported that Taiwan plans to expand its

wharf at Taiping Island to accommodate larger vessels as part of its ongoing military enhancement project in the disputed region. In early September 2013, it was reported that Taiwan will invest 3.37 billion New Taiwan Dollars (US\$106.5 million) over three years to build a wharf on Taiping Island to increase its naval presence in the Spratly area. The budget is expected to be passed by the Legislative Yuan when it convenes during the second half of September 2013.

## **China's Response and Actions Taken in the East and South China Seas**

As far as China is concerned, it has stepped up pressure on Japan, the Philippines, and Vietnam over who owns the disputed islands in the East and South China Seas and continuously asked the United States to stay outside the disputes. At the same time, China said that it is willing to discuss the COC issue in the SCS on the basis of consensus and in a step-by-step manner while implementing effectively and comprehensively the DOC.

### *Response and Actions Taken in the ECS*

In September 2012, in response to the action taken by the Japanese Noda administration to nationalize the D/S/D Islands, China announced the base points and baselines of the territorial waters of the D/S/D Islands and its plans to conduct routine monitoring of the islands and their adjacent waters. In the same month, it published a white paper on the D/S/D Islands. In December 2012, it was reported that China carried out its first joint air/sea patrol over the disputed islands in the ECS. This involved a government owned Y-12 of the Chinese State Oceanic Administration ("SOA"). Japan scrambled eight F-15 fighters to vacate this 'intrusion into their airspace'.

In December 2012, China submitted its application to the CLCS for the limits of the continental shelf beyond 200 nautical miles in part of the ECS. It is concluded in the Chinese submission that the continental shelf of the sea is the natural prolongation of the mainland of China and the Okinawa Trough is the natural termination of the continental shelf of the ECS. Japan responded by sending a diplomatic note to the U.N. Secretariat, asking the CLCS not to consider the Chinese submission, on a number of grounds that include: (1) the D/S/D Islands are Japan's territory and there exists no territorial dispute over the said islands; (2) the Chinese claimed baselines surrounding the disputed islands have no legal ground under international law; and (3) the government of Japan has registered its position against the deposit of a chart and a list of geographical coordinate of points by China with regard to the baselines for the territorial sea of the D/S/D Islands to the U.N. Secretary-General on September 24, 2012.

Since the Japanese government purchased the disputed islands in September 2012, China regularly deployed official vessels to traverse the waters around the D/S/D Islands, and planes to traverse the air space over them. In April, July and August 2013, respectively, China sent surveillance vessels to expel the Japanese right-wing activists, including members of the Diet and members of the Ganbare Nippon ("Stand Firm, Japan"), who attempted to assert Japan's sovereignty and land on the disputed islands. According to NHK (Japan Broadcasting Corporation), between September 11, 2012 and September 10, 2013, China had continuously sent government ships to Japanese claimed waters around the D/S/D Islands, making up a total of "61 intrusions" by 208 ships. On September 9, 2013, a drone belonging to the Chinese military was spotted flying near Japan's airspace around the disputed islands.

There have been no official talks between the leaders of China and Japan since May 2012 in Beijing, and bilateral relations have sunk to their lowest point in years since the Japanese Noda administration nationalized the D/S/D Islands in September 2012. Since winning the election and forming his government in December 2012, Prime Minister Abe is keen to improve the Sino-Japanese relations and has repeatedly called for the restart of high-level political dialogue with China, but with no progress. The Chinese government's position is that as long as Japan continues to insist that the D/S/D Islands are an inherent part of its territory in terms of history and international law, and that there exist no territorial disputes between Tokyo and Beijing, there will be no talks between President Xi and Prime Minister Abe. But it is the Japanese government's position that there should be no preconditions set for the political dialogue between the two countries. China has shown no inclination to respond to the overtures.

In late August 2013, Chinese Deputy Foreign Minister Li Baodong told reporters ahead of the G-20 summit that "[a] meeting between leaders is not simply for the sake of shaking hands and taking pictures, but to resolve problems," and that "[i]f Japan wants to arrange a meeting to resolve problems, they should stop with the empty talk and doing stuff for show." In response, the Japanese finance minister and deputy prime minister Taro Aso said that Japan intends to use force to defend islands in the ECS.

In early September 2013, no arrangements were made for talks between the Chinese President Xi Jinping and Japanese Prime Minister Shinro Abe when they attended the G-20 meeting in St. Petersburg, Russia. However, shortly before G-20 leaders' meeting, the two leaders met for about four to five minutes and spoke through interpreters. According to the report by Xinhua, President Xi pointed out that relations between the two countries "are faced with serious difficulties now, but the responsibility rests not with China." At the same time, he reiterated the Chinese position that Japan should correctly deal with such sensitive issues by facing up to its history and seeking "a way to properly manage differences and address the problems." Prime Minister Abe explained to President Xi about Japan's position on the issue and stated that the two countries should develop their relations by going back to the original point of the strategic, mutually beneficial relationship. However, it remains Japan's position that there is no territorial dispute over the D/S/D Islands that needs to be resolved. China criticized the Japanese government for sending contradictory messages to Beijing – on the one hand championing the need for the resumption of high-level talks on the D/S/D Islands issue, yet on the other hand further straining ties by denying a dispute even exists. China also warns the United States not to intervene in the dispute, as Chinese State Councilor Yang Jeichi said in late August 2013 that the United States should "correctly understand the Diaoyu Islands issue and be cautious with words and deeds."

It was reported that on September 12, 2013, when meeting with a visiting delegation of Japanese members of the Diet in Beijing, Tang Jiaxuan, President of the China-Japan Friendship Association, rejected a proposal made by Sakihito Ozawa, Chairman of Japan Restoration Party's Diet Affairs Committee, to submit the D/S/D Islands dispute to international court for judicial settlement.

### *Response and Actions Taken in the SCS*

There have also been seen Chinese assertive moves in the SCS. In April 2012, China sent two surveillance ships to prevent the Philippines' warship BRP Gregoria del Pilar from detaining eight Chinese fishing boats fishing in waters near the Scarborough Shoal, claimed by China, the Philippines, and Taiwan. In June 2012, in response to the actions taken by the governments of the Philippines and Vietnam, Chinese State Council approved the

establishment of the city of Sansha to oversee the areas claimed by China in the SCS. In the same month, the China National Offshore Oil Corporation invited bids for oil exploration in areas within 200 nautical miles of the continental shelf and within the exclusive economic zone (“EEZ”) of Vietnam, which are overlapped with the areas within the Chinese claimed U-shaped line in the SCS. In July 2012, Chinese military authorities announced that they had established a corresponding Sansha garrison in the new prefecture. In November 2012, a regulation was approved by the Hainan People’s Congress that authorizes Chinese maritime police to board, search and even take over foreign vessels determined to be illegally entering the SCS waters claimed by China. Also in November 2012, the government of the Philippines and Vietnam lodged protests against China for printing maps inside its new passports that include territory in the SCS.

On January 22, 2013, the government of the Philippines, pursuant to Article 287 and Annex VII of the LOS Convention, submitted a notification to China that an Arbitral Tribunal would be established to decide on the SCS issues discussed between the two countries since 1995. The Philippines requested that the Arbitral Tribunal issue an award that “China’s maritime claims in the SCS based on its so-called nine-dash line are contrary to UNCLOS and invalid,” and that China must “bring its domestic legislation into conformity with its obligations under UNCLOS.” On February 19, 2013, however, China returned the notification to the Philippines and refused to participate in the arbitration.

In March 2013, a fleet of Chinese marine surveillance ships was assigned to the SCS to conduct regular patrol missions. Also in March 2013, Vietnam accused a Chinese vessel of firing on a Vietnamese fishing boat in waters near the disputed Paracel Islands in the SCS. In response, Chinese Foreign Ministry spokesman Hong Lei stated that the action taken was “necessary and legitimate.” This statement was followed by an announcement by Wu Zhuang, chief of the South China Sea Fishery Bureau under the Chinese Ministry of Agriculture in April 2013 that China would launch routine fishery patrols around the Spratly Islands of the SCS to better protect the legitimate interests of Chinese fishermen in the area.

In May 2013, China sent a fishing fleet composed of 30 vessels, to the Spratly Islands of the SCS to fish. Li Nianyou, deputy director of the Hainan Provincial Department of Ocean and Fisheries, said that his department would make every effort to guarantee the fleet’s safety. In June 2013, the government of Vietnam alleged that a Chinese vessel had rammed a Vietnamese fishing boat, damaging it; China said it had done nothing wrong.

In June 2013, a new standoff between China and the Philippines was widely reported when Manila deployed a fresh batch of marines and supplies to the Second Thomas Shoal (Renai Shoal) in the disputed SCS. The Filipino marines at the shoal have been stationed in a decrepit military hospital ship that ran aground in 1999 on the shallow coral outcrop and has since become an awkward symbol of Philippine sovereignty. Beijing has repeatedly asked Manila to remove the ship, but without avail.

In July 2013, while attending the 46th ASEAN Foreign Ministers’ Meeting in Brunei, the Philippines’ Foreign Affairs Secretary Albert del Rosario expressed the country’s serious concern over the increasing militarization of the SCS by China. He characterized the massive presence of Chinese military and paramilitary ships in Scarborough Shoal, and around the Second Thomas Shoal, as threats to efforts to maintain maritime peace and stability in the region. In response, at the ARF meeting, China’s new Foreign Minister Wang Yi rebutted the accusations from the Philippines and made suggestions to tap the maritime security cooperation fund between ASEAN and China for cooperation on areas like navigation safety and biodiversity.



On July 11, 2013, the first meeting of the Members of the Arbitral Tribunal in the case brought by the government of the Philippines against China was held at the Peace Palace in The Hague. The Tribunal decided that the Permanent Court of Arbitration should act as the registry in the proceedings. On August 27, 2013, the Tribunal issued its first Procedural Order, establishing the initial timetable for the arbitration and adopting Rules of Procedure. The Arbitral Tribunal fixed March 30, 2014 as the date on which the Philippines should submit its Memorial. The Tribunal directed the Philippines to fully address all issues, including matters relating to the jurisdiction of the Arbitral Tribunal, the admissibility of the Philippines' claim, and the merits of the dispute.

As mentioned previously, on February 19, 2013, China presented a Note Verbale to the Philippines in which it described "the Position of China on the South China Sea issues," and rejected and returned the Philippines' Notification and Statement of Claim. On August 29, 2013, China, again, rejected the request for arbitration and stated that the arbitrators have no authority to adjudicate the Philippines' claims. This was followed by a report on September 3, 2013 that the Philippine President Benigno Aquino III canceled his trip to the annual China-ASEAN Expo, which was held in China's southern city of Nanning. The Philippines is this year's "Country of Honor" at the fair, which takes place every year to highlight trade exchanges between China and ASEAN nations. The President of each Country of Honor typically provides a keynote speech, and this is the first time this has been shelved. According to the Philippines' officials, the reason for the cancellation of the trip is the precondition set by China that asked Manila to withdraw the arbitration case, which the Philippines said it cannot accept. On September 13, 2013, Philippine Ambassador to the United States Jose Cuisia Jr. called on his fellow envoys in Washington D.C. to stand behind Manila in its arbitration bid against Beijing to clarify maritime claims in the SCS in accordance with the LOS Convention.

At the time of this writing, tensions continue to increase between China, the Philippines and Vietnam. In late August, Manila accused Beijing of laying concrete blocks to serve as the foundation for a permanent structure to be built on the disputed Scarborough Shoal, but China rejected the charge. In response, the Philippines recalled its ambassador to China back to Manila for consultations. It was also reported on September 10, 2013 that Philippine officials are considering removing the concrete blocks installed on the Scarborough Shoal. Also in September 2013, the government of Vietnam lodged protest over China Post's issuance of a stamp set of 6 patterns in May 2013, including the one featuring Vietnam's claims Paracel Islands. Vietnam Post said that the Chinese act violates Vietnam's sovereignty over the islands and does not correspond to the regulations of Universal Post Union. Hanoi asked Beijing to abrogate the stamps.

## **Efforts Made by the Parties Concerned to Avoid Conflicts and Reduce Tensions**

### *In the ECS*

As tensions continue to escalate in these two East Asian seas, there have already been seen some negative effects on the development of relationships between and among the countries in the region. To help manage conflicts and reduce tensions, the Chinese and Japanese leaders had announced their intention to make ECS the "sea of peace, cooperation and friendship" and to promote maritime cooperation between the two countries. Beginning in November 2006, Chinese President Hu Jintao and Japanese Prime Minister Shinzo Abe met in Hanoi, Vietnam when attending the APEC meeting. The two leaders agreed: (1) to speed up consultation on the ECS issue in line with the principle of mutual benefit and reciprocity; (2) to adhere to negotiation and dialogue; (3) to put aside disputes and pursue joint

development; and (4) to make ECS the “sea of peace, cooperation and friendship.” In December 2011, at the China-Japan summit meeting held in Beijing, the Japanese Prime Minister Yoshihiko Noda expressed “six initiatives” to further deepen diplomatic relations between Japan and China. Among other things, China and Japan shared on a basic recognition that it is becoming more important for them to tackle regional and global issues together as partners for cooperation in accordance with the four basic documents that govern the China-Japan relations. They also agreed to promote the cooperation for making the ECS a “Sea of Peace, Cooperation and Friendship.” In May 2012, when attending the Trilateral Summit of Japan, China and the Republic of Korea in Beijing, Prime Minister Noda and Chinese Prime Minister Wen Jiabao reiterated their same position.

China and Japan had worked to develop a number of maritime confidence building measures and communication arrangements to prevent unintended escalation of conflicts in the ECS and improve their relations. These include the China-Japan Maritime Communications Mechanism (JCMCM), the Maritime Search and Rescue Cooperation Agreement (SAR Agreement), and the High-level Consultation on Maritime Affairs (“High-Level Consultation”). On June 28-29, 2012, the 3rd Joint Working Group meeting for JCMCM negotiations was held in Beijing, where the two sides concurred in principle that the JCMCM will be composed of: (1) Annual and working-level meetings; (2) A hotline (location, level, encryption still being discussed); (3) Agreement that during un-alerted encounters, People’s Liberation Army (Navy) and Japan Maritime Self-Defense Force unit would communicate via VHF channel 16 or international signal flags. On April 26, 2013, high-level officials from the two countries ministries of defense met in Beijing to exchange opinions on the JCMCM and the regional situation. On December 25, 2011, at the China-Japan summit meeting held in Beijing, Prime Minister Wen and Prime Minister Noda confirmed an agreement in principle on the SAR Agreement text. The first plenary meeting of “Japan-China High-Level Consultation on Maritime Affairs” was held in Hangzhou, China on May 16, 2012. The second meeting was planned to be held in Japan in late 2012 and early 2013, but discussion of scheduling was stalled because of escalation of the D/S/D Islands dispute.

### *In the SCS*

For the purpose of managing conflicts and promote cooperation in the SCS, China and ASEAN member states reached agreement in July 2011 on the Guidelines for the implementation of the DOC. On November 18, 2011, at the China-ASEAN Summit, Chinese Prime Minister Wen Jiabao announced that China will establish a three billion RMB (about US\$475 million) China-ASEAN maritime cooperation fund. China also proposed to establish three technical committees on marine scientific research and environmental protection and on other activities. Between December 2011 and June 2012, a number of seminars and workshops on maintaining freedom and safety of navigation, regional oceanography, marine disaster prevention and mitigation, marine ecological environment and surveillance technology, marine ecology, and marine biodiversity in the SCS were held under the DOC framework. On June 19-20, 2013, an ASEAN-China seminar on search and rescue of persons and vessels in distress in the SCS was held in Hanoi, Vietnam.

On December 27, 2012, China’s State Oceanic Administration announced that it would allocate 30 million RMB (U.S. \$4.8 million) in 2013 to enhance international cooperation with developing economies in the SCS. Zhang Zhanhai, director of the Administration’s international cooperation department stated that “[t]erritorial disputes cannot be solved within a short time” and therefore the “disputes should be temporarily put aside” and work on joint development. “He added that strengthening international cooperation over the South China Sea will create a win-win situation, economically and politically.” China is also planning to

build a SCS tsunami consulting center to collect marine environment data and release tsunami risk reports to reduce the impact of such disasters in the area. In addition, China will allocate another RMB 2 million in funding for more than twenty international students from SCS countries for marine-related studies in China. The government of China is implementing its framework plan [2011-15] that launched in January 2012 for international cooperation in the SCS and its adjacent oceans. The main goal of the programme is to strengthen international cooperation with SCS bordering countries.

China also agrees to talk with the ASEAN member states about the possible adoption of a COC in the SCS. In early May 2013, Yang Yi, the Chinese foreign minister, visited the four ASEAN member states: Thailand, Indonesia, Singapore and Brunei. During these visits, he said, “China is willing to consolidate and deepen the strategic partnership with ASEAN, vigorously promote key projects of connectivity, maritime and regional cooperation, and jointly contribute to regional peace, stability and prosperity.” He also stated that China is willing “to discuss and steadily carry on the Code of Conduct for South China Sea procedure on the basis of consensus and in a step-by-step manner while implementing effectively and comprehensively the Declaration on the Conduct of Parties in the South China Sea.” On June 30, 2013, the Chinese foreign minister met with the ASEAN foreign ministers at Bandar Seri Begawan, Brunei Darussalam, where they agreed, among other things, to make good use of the ASEAN-China Maritime Cooperation Fund, promote practical cooperation, and make maritime cooperation a new highlight in ASEAN-China Cooperation.

On August 2, 2013, at the opening session of the High Level Forum on the 10th Anniversary of ASEAN-China Strategic Partnership, Chinese Foreign Minister Wang Yi called on ASEAN member states “to deepen cooperation in all fields to achieve win-win development.” He stated that ASEAN and China “should actively engage in maritime cooperation, and make good use of the China-ASEAN Maritime Cooperation Fund.” “China welcomes more project proposals from ASEAN countries,” he added. It is China’s position that the envisaged COC in the SCS cannot be set in a rush as it concerns the interests of many countries and lots of work is required.

On August 14-15, 2013, ASEAN Foreign Ministers held a preparatory informal meeting in Hua Hin, Thailand to prepare for the special China-ASEAN talks scheduled to be held in late August in Beijing, and the 6th China-ASEAN Senior Officials Meeting (“6th SOM/DOC”) and the 9th Joint Working Group Meeting on Implementation of the DOC (“9th JWG/ DOC”) in Suzhou, Jiangsu province, from September 14 to 15, 2013. The meeting in Hua Hin discussed how the DOC and COC could be developed together. After the meeting, it was reported that ASEAN Foreign Ministers agreed “to speak in one voice” while seeking “early conclusion of a code of conduct”.

At a Special China-ASEAN Foreign Ministers’ meeting, held in Beijing on August 29, 2013, to celebrate the 10th anniversary of the formation of the two sides’ strategic partnership, the participating Foreign Ministers agreed to make good use of China-ASEAN Maritime Cooperation Fund, and to create a pattern of comprehensive maritime cooperation at various levels, making maritime cooperation a new highlight in China-ASEAN cooperation. They also announced that the “6th SOM/DOC” and “9th JWG/ DOC” will be held in Suzhou, China from Sept. 14 to 15. The meeting will conduct discussions on comprehensively and effectively carrying out the DOC and strengthening practical maritime cooperation, and hold consultations on the COC in the SCS under the framework of the DOC.

On September 3, 2013, in his speech made at the 10<sup>th</sup> China-ASEAN Expo and the China-ASEAN Business and Investment Summit that was held in Nanning, Chinese Premier Li Keqiang stated, “China has always firmly held that the immediate disputing parties should

seek sound solutions through friendly negotiations on the basis of respecting historical facts and international laws.” “The Chinese government is one of accountability, and is willing to seek sound solutions through friendly negotiations.” He said, the SCS disputes are not an issue between China and the ASEAN, and the disputes should not and will not affect the overall China-ASEAN cooperation. He stressed that China will continue to comprehensively implement all provisions in the DOC with an attitude of accountability, and steadily facilitate talks over a COC in the SCS step by step under the framework of the DOC.

On September 14-15, 2013, the 6<sup>th</sup> SOM/DOC and 9<sup>th</sup> JSW/DOC were held in Suzhou, China. It was the first time China and ASEAN officially talked about the COC in the SCS. At the meetings, senior Chinese and ASEAN officials agreed to speed up the process of finishing the COC, but did not touch on the content of the code. They also agreed to set up an eminent persons and experts group, but the terms of reference for this group would be discussed further. A working plan for implementing the DOC from 2013 to 2014 was approved at the meeting. China proposed setting up a maritime emergency helpline between ASEAN member states and China. In addition, China, Indonesia, Thailand and other countries also proposed a number of joint maritime cooperation projects. Thailand will host the 7<sup>th</sup> SOM/DOC early next year.

## **Challenges China and Taiwan Face**

The conflicting claims in the East and South China Seas have created important policy challenges for both the East Asian countries and the countries outside the region. These claims involve not only with issues concerning territorial sovereignty and maritime rights and interests, but also maritime security and strategy that are important to maintain peace and stability in the Asia-Pacific region. The conflicts in these two East Asian seas involve the world’s three largest economies -- the United States, China, and Japan. As tensions continue to grow, the risks of an accidental clash or escalation are also increasing, which could lead to direct U.S. involvement in the conflict under its mutual defense treaty obligation. In fact, it is difficult to deny that the ECS and SCS disputes have evolved into a China-U.S. strategic competition.

### *Challenges for China*

Recent developments in territorial and maritime disputes in the two seas have created a number of policy challenges for China, which include: (1) Increasing actions taken by other claimants in the ECS and SCS, in particular Japan, the Philippines and Vietnam, to support their respective sovereignty and maritime claims; (2) Increasing military spending and arms procurement of the claimants in the region; (3) Increasing U.S. concerns and involvement in the ECS and SCS issues and the continuing implementation of the American strategy of “rebalancing toward Asia”; (4) Increasing U.S. military cooperation with the countries that are disputed with China over territorial sovereignty and maritime rights in the East and South China Seas, in particular, Japan, the Philippines, and Vietnam; (5) Increasing intervention by non-claimant countries in the dispute, such as Japan and India in the SCS; (6) Obtaining a positive response from the U.S. government not to support the actions taken by other claimant countries that aim to assert their sovereignty and maritime claims in the two seas; (7) Increasing international call to clarify the meaning and legal status of the “U-shaped Line” claim; (8) Increasing pressures imposed by the ASEAN and other countries or players in the world, in particular, the United States and European Union, to conclude the COC in the SCS; (9) legal actions taken or possibly to be taken by other claimant countries to settle territorial and maritime disputes in the ECS or SCS in accordance with the judicial settlement

mechanisms and procedures established under the international law, including the LOS Convention; (10) The need to control and minimize the negative impact of the ECS and SCS disputes on development of its overall political, economic and strategic relations with Japan, ASEAN member states, and the Association as a group.

### *Challenge for Taiwan*

For Taiwan, due to its unique political status, the disputes have also given rise to a number of policy challenges and dilemmas. Because Taiwan is not a member of the United Nations, nor a party to the 1982 LOS Convention, it is very difficult, if not impossible, for its government to submit the disputes to the International Court of Justice or the International Tribunal for the Law of the Sea for judicial settlement. In addition, it is also difficult for Taiwan to submit its application for outer continental shelf beyond the 200-nautical-mile limit in the ECS and SCS to the CLCS. Moreover, since the claim that Taiwan makes to the ownership of the disputed islands and the accompanied maritime rights and interests in the two seas is more or less identical with the Chinese claim based on the historical grounds, Taiwan is facing a policy dilemma over taking a position that is close to China or adopting another stand that is preferred to by the United States, Japan, and the ASEAN member states. Furthermore, the “One China” issue has made it more complicated and difficult for Taiwan to deal with the sovereignty and maritime disputes in these two East Asian seas.

Taiwan has been barred from participating in the regional Track I security dialogue process that discusses the SCS dispute and possible maritime cooperation activities, such as a series of annual meetings organized by ASEAN, including ASEAN Regional Forum, Expanded ASEAN Maritime Forum, ASEAN Defense Ministerial Meeting Plus, and East Asia Summit. In addition, Taiwan was not invited to participate in the regional efforts to adopt the DOC in 2002 and the on-going negotiation process that aims to adopt a regional COC for the SCS. As tensions continue, what actions can Taiwan take, in accordance with the stated policy principles on dealing with the ECS and SCS issues, which include: safeguarding territorial sovereignty, putting aside the disputes, promoting regional peace and stability base on reciprocity, and jointly developing resources? It is a challenge for Taiwan to strike a balance between Taiwan-U.S., Taiwan-Japan, and cross-Strait relations in accordance of the diplomatic strategy of “making peace with China, making friends with Japan, and taking a pro-U.S. policy.” Taiwan also realizes that its diplomatic and economic policy goal of improving Taiwan’s relations with the ASEAN member states will be negatively affected if Taipei moves to adopt assertive or provocative actions in support of its sovereignty and maritime claims in the SCS or actively promote cross-Strait cooperation in defending the Chinese claims and developing the resources in the sea.

At present, challenges for Taiwan include: (1) Possible impact of rising tensions in the ECS and SCS on Taiwan’s sovereignty and maritime claims in the region; (2) Possible impact of the ECS and SCS disputes on implementation of President Ma’s diplomatic strategy of “making peace with China, making friends with Japan, and taking a pro-U.S. policy”; (3) Increasing call from Beijing for cross-Strait cooperation on the ECS and SCS issues; (4) Increasing domestic appeals for more actions to defend Taiwan’s claimed maritime rights and interests in these two seas; (5) Obtaining official support from the governments of China, Japan and the United States so that the ECSP can be implemented further; (6) Seeking for Taiwan’s engagement in the collaborative and diplomatic process that deals with territorial disputes and maritime security issues in the region; (7) Strengthening efforts to enable Taiwan to participate in the cooperative activities under the DOC framework and in the on-going China-ASEAN consultation process that aims to adopt a COC for the SCS; (8) Raising

awareness of the general public with regard to the importance of the ECS and SCS to Taiwan's future strategic, security, diplomatic, and economic development.

## **Implications for Cross-Strait Relations**

What are implications of recent developments in sovereignty and maritime disputes in the East and South China Seas for cross-Strait relations?

First, there will be more appeals from Beijing for cross-Strait cooperation in defending the Chinese claims to sovereignty and maritime rights and interests in the ECS and SCS. In March 2013, Wang Yi, the then Director of Chinese State Council's Taiwan Affairs Office, said at a regular press conference that the D/S/D Islands are China's indisputable territory, so Chinese compatriots from both the mainland and Taiwan should safeguard Chinese sovereignty over these territories.

In May 2013, in the midst of a shooting incident in which a Taiwanese fisherman was killed by the Philippine Coast Guard personnel in the overlapping EEZs of the two countries, there was seen a rise of public sentiment on both sides of the Taiwan Strait, calling for cooperation between Taipei and Beijing to exert pressure on the Philippines. A public opinion survey, conducted by Taiwan's Want Daily in the same month, shows that 69% of Taiwanese people support cross-strait cooperation in dealing with the Philippines. But in July 2012, only 48 % of Taiwanese people believed that Taiwan and China should cooperate in dealing with the SCS issue.

As China's President Xi Jinping vows to develop the country as a maritime power and protect the country's maritime interests, it is believed that the Ma administration would be asked to take more actions to help defend the Chinese sovereignty and maritime claims in the two seas.

Second, there will be more track-two cross-Strait dialogue meetings on maritime issues, which include discussions on the ECS and/or SCS disputes and cross-Strait cooperation. Due to both sides of the Taiwan Strait are adopting an incremental approach that emphasizes the principles of "Economy first, then politics," "Easy matters first, then difficult ones," and "Urgent issues first, then other matters" in handling cross-Strait talks, most of these meetings are organized by think tanks or research institutions in China, with strong government support. It can be observed that China is pushing for cross-Strait talks on political matters under the new Xi-Li regime.

In June 2013, the Conference on "Prospect of Cross-strait Maritime Cooperation" was co-sponsored by Shanghai Institute of Taiwan Studies, Shanghai Society for Japanese Studies, and Shanghai Institute for International Strategic Studies. The meeting discussed the ECS and SCS disputes, the American strategy of rebalancing to Asia and its implication on maritime disputes in East Asia, prospect for cross-Strait maritime cooperation, and other issues. In the same month, a conference on the East Asia situation and regional security was organized by the Asia-Pacific Research Center, a Hong Kong-based think tank. At the meeting, the participating Chinese and Taiwanese scholars called for cross-Strait SCS cooperation. Jin Yongming, a professor at the Shanghai Academy of Social Sciences' Institute of Law, suggested that if Taipei and Beijing cannot sign an agreement with each other on the SCS issues, they can allow civic groups to conduct talks so that each side can study the other's position. He also suggested that Taipei and Beijing can expand the cross-Strait Economic Cooperation Framework Agreement to the field of marine economy, and form a cooperative relationship on fishery operations and marine protection in the SCS.

In July 2013, a cross-Strait SCS Science Camp was held in Keelung and Taipei, with the participation of around 40 graduate students from different Taiwanese and Chinese universities. Nineteen speakers, including professors, researchers, and government officials, from both sides of the Strait gave talks on a variety of issues related to the SCS. In August 2013, Deng Xu, president of China-ZK International Energy Investment, a state-owned company headquarter in Beijing, pointed out at a forum held in Taipei that both the ECS and SCs are rich in oil and gas, but until now there have been no cross-Strait efforts to jointly explore these resources. Accordingly, he proposed that Taiwan and China should work together to explore the energy resources in the two seas. In the coming three months before the end of 2013, a number of ECS- and SCS-related meetings are scheduled to be held in Shanghai and Taipei, which will discuss prospect for cross-Strait cooperation in the two seas.

Third, Beijing's appeal for cross-Strait cooperation in the ECS and SCS will create challenges for the Ma Administration to implement its diplomatic strategy of "making peace with China, making friends with Japan, and taking a pro-American policy." Although the government of the United States welcomes recent efforts made by Taipei and Beijing to improve cross-Strait relations, it is also concerned about possible cooperation between Taiwan and China on the ECS and SCS disputes. In February 2013, President Ma gave the following reasons to explain why Taipei decides not to collaborate with Beijing on the D/S/D Islands issue: (1) because China has never recognized the legitimacy of the Peace Treaty signed between Taiwan and Japan in 1952; (2) the Chinese government has not responded to Taiwan's East China Sea Peace Initiative; and (3) Beijing hoped the sovereignty issue would be kept out of the fishery talks between Taipei and Tokyo. However, a new proposal was made by the Ma administration in May 2013, calling for cross-Strait fisheries cooperation in the ECS.

Taiwan is now willing to talk with China about the possibility of signing a bilateral fisheries agreement to help govern fishing activities in waters around the D/S/D Islands. On June 6, 2013, President Ma repeated the call, stating that since there are also fisheries matters between Taiwan and China that need to be settled, Taiwan does not rule out the possibility of signing a fisheries agreement, similar to the one between Taiwan and Japan, to establish a joint fishery conservation and management zone in the ECS. It is also likely to see talks between China and Taiwan on fisheries agreement in the SCS. If this trend of development does not change, maritime issues could possibly be included in the future agenda of the SEF-ARATS talks, which touch upon cross-Strait cooperation on marine economy and non-traditional security issues. Possible topics for cross-Strait discussion will include search and rescue at sea, oil spill emergency response, fisheries, exploration and exploitation of traditional and non-traditional energy resources, marine mining, marine environmental protection, and marine scientific research.

Last but not the least, the trend of development in the cross-Strait relations is considered helpful to Taiwan's participation in the regional security dialogue process that deals with the ECS and SCS disputes and future cross-Strait talks that discuss maritime issues, including functional cooperation between Taiwan and China in the areas of exploration and exploitation of marine resources and marine environmental protection in the two seas.

In September 2012, Lien Chan, Taiwan's former vice president, and Hu Jintao, China's former president, met in Vladivostok, east Russia before the APEC leaders' summit. During the talks, Hu said that the two sides of the Strait should consolidate political basis of peaceful development and grasp firmly the future of the cross straits relations. Lien said he agreed with President Hu, saying that the two sides have adhered to the 1992 consensus reached by Taiwan and China. In addition, Lien asked China to show goodwill toward Taiwan's participation in the International Civil Aviation Organization (ICAO). Hu responded clearly

and positively that Beijing would seriously study how to invite Taiwan to participate in ICAO events in an appropriate way.

In June 2013, Wu Poh-hsiung, honorary KMT Party chairman met with Xi Jinping, the Communist Party of China (CPC) Central Committee General Secretary, in Beijing. During the talks, Wu reaffirmed that the KMT, based on the “1992 consensus”, opposes Taiwanese independence and adheres to the “one China” principle and “one China” structure. He said, cross-Strait relations are not state to state relations, and major issues to be dealt with in the future development of cross-Strait relations include: (1) the expansion of relations at all levels under ECFA; (2) Taiwan's participation in regional economic organizations, and (3) the establishment of cross-Strait representative offices. Wu also raised the issue concerning Taiwan's meaningful participation in international activities. In response, Xi Jinping said that Taiwan can be more specific about its actual needs with regard to participating in international activities. In addition, he stressed the following three principles that are to be followed when dealing with Taiwan's demand for more “international living space” : (1) The two sides must not give the outside world the impression that there are "two Chinas" or that there is an independent Taiwan; (2) The two sides must not tolerate foreign intervention or foreign pressure; and (3) The two sides must comply with the statutes of international organizations.

This was followed by the statements included in a letter sent by the Chinese Nationalist Party (KMT) chairman Ma Ying-jeou in late July 2013 in reply to Chinese President Xi Jinping's telegram congratulating him on his re-election as the Party's chairman, that say: both sides of the Taiwan Strait should implement the “one China” principle in their legal and political systems, and conduct cross-strait relations with the principle as its basis. On September 14, it was reported that ICAO Council President Roberto Kobeh Gonzalez had invited Taiwan's Civil Aeronautics Administration Director-General Jean Shen as his guest to attend the Organization's triennial assembly to be held in Montreal, Canada from September 24 to October 4 this year. This would be the first time for Taiwan to attend the ICAO assembly since Taipei lost its UN seat in 1971. Although there is a difference between participation in ICAO by bearing the status of special guest and participation in the World Health Assembly as an observer, this invitation is considered very important, as it represents a second precedent for Taiwan's participation in international government organizations under the UN system.

On September 17, 2013, in his speech delivered at the opening ceremony of a photography exhibit showcasing the interaction between presidents of the Republic of China and US presidents in Taipei, President Ma said that due to many efforts made by the government, that include seeking U.S. assistance and improving the cross-Strait relations, Taiwan is now able to attend the ICAO activities. One day after, when chairing the KMT Party's weekly Central Standing Committee meeting, in which Mainland Affairs Council Minister Wang Yu-chi gave his report on cross-strait representative offices, Ma Ying-Jeou reiterated that the two sides of the Taiwan Strait agree the “One China” principle.

Although no proposal have been made by the Ma administration for Taiwan's participation in the regional dialogue process that deals with the ECS and SCS issues, it is believed that recent developments in cross-Strait relations are helpful to Taiwan's future participation in the maritime cooperative projects that are proposed or to be implemented between China and ASEAN member states under the DOC framework's 2013-2014 Working Plan and the Eminent People and Experts Group that was agreed to be established by China and ASEAN member states in September 2013 and is tasked to discuss the COC issue in the SCS. If more efforts are made, it is also likely to see the development of cross-Strait cooperation not only on the ECS and SCS issues but also on maritime cooperation under the



APEC framework. The possibility for President Ma's attending the 2014 APEC Leaders' meeting to be held in China cannot be ruled out.

## **Concluding Remarks**

Recent developments in territorial and maritime disputes in East Asia have created both challenges and opportunities for China and Taiwan in their dealing with the ECS and SCS issues as well as cross-Strait relations. The biggest challenge for President Ma and his administration in dealing with the ECS dispute is to find an effective way to strike a balance between "making peace with China," "making friends with Japan," and "taking a pro-U.S. policy." Although there have already been seen some positive developments in Taiwan-Japan, Taiwan-U.S. and cross-Strait relations, it remains very difficult for Beijing and Tokyo to support Taipei's idea of forming a trilateral dialogue process in the ECS that aims to manage conflicts by adopting a COC in the ECS. It is also unlikely for China and Japan to support Taiwan's proposal to develop maritime cooperation programs between the three parties in the sea.

The possibility for cross-Strait cooperation and Taiwan's participation in the regional efforts to manage conflicts in the SCS is different from the situation in the ECS. It is this writer's view that the trend of development in the SCS and further improvement of cross-Strait relations have increased Taiwan's opportunity to be engaged in the regional collaborative and diplomatic process that discusses the SCS dispute and relevant maritime cooperation activities. For the purpose of participating in the ongoing consultations between China and ASEAN member states for the adoption of a regional COC in the SCS and participating in maritime cooperative activities in the area that are proposed and will be implemented under the China-ASEAN cooperation mechanism established under the 2002 DOC and the 2013-2014 working plan agreed to by China and ASEAN member states in September 2013, as well as joining the Regional Comprehensive Economic Partnership, an initiative to link the ten ASEAN member states and the group's Free Trade Agreement partners, President Ma and his administration need to strengthen efforts to further improve Taiwan's relations both with China and ASEAN member states.