

ASSESSING THE IMPACT OF BEIJING'S MILITARISATION IN THE SOUTH CHINA SEA ON ASEAN RELATIONS

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INTRODUCTION

The maritime and territorial claims made by China in the South China Sea have become more complex in the light of recent developments. China, backing its claims with its "historical fishing and trading rights" in the region, proceeded with land reclamation and infrastructure development on several of the islands. The Permanent Court of Arbitration (PCA) verdict on July 12, 2016, denounced China's "historic rights" on the nine-dash line, but Beijing went ahead with its construction activities on the islands of the region in an unrestrained manner. It has militarised a few of the disputed islands with the installation of missiles, development of runways and other military equipment. Despite the verdict going in favour of the Philippines, the president of the country (Philippines), in an unprecedented move, displayed bonhomie towards Beijing by announcing that he had decided to break away from the US, and sought to iron out his differences with China on the South China

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Sea dispute through bilateral talks. China reciprocated by allowing Filipino fishermen to fish near the Scarborough Shoal waters.

However, other Association of Southeast Asian Nations (ASEAN) countries are not happy with Beijing's actions and are seeking help from other countries to strengthen their military footprints. These developments are expected to have implications on the ASEAN states' relations with each other and the possible pulling of these states towards extra-regional powers. India, being an ASEAN observer state and a maritime state with substantial interests in the maritime geopolitics of the region, needs to keep a keen watch on these issues for its strategic concerns. This paper aims to assess the situation in South China Sea that has become complex with the developments in 2016 .

THE SOUTH CHINA DISPUTE: A BRIEF OVERVIEW

One of the most controversial maritime boundaries in the contemporary geostrategic realm is the Nine-Dash Line (NDL) in the South China Sea. Previously known as the ten-dash and eleven-dash line, it refers to the demarcation line used by the governments of the People's Republic of China (PRC) and Republic of China (ROC) to claim the waters, islands and resources within the region based on their "historical rights". China has been carrying out dredging and developing certain infrastructure on these islands such as runways, port facilities, and military buildings (for housing radars). The growing narrative on the South China Sea reads the activities in the region as China's "aggressive posture" and creating a security dilemma within the region.

Apart from China, other neighbouring countries such as Vietnam, Indonesia and Philippines also have competing claims in the region. The NDL does not conform to the maritime laws and, hence, cannot be considered as a maritime boundary of China. Beijing, on the other hand, has made historical claims dating back to 2,000 years to bolster its claim on the region. The territorial claims, the installations, and the Chinese conduct in the nine-dash line have security implications. A shift in the security dynamics has been witnessed among the countries in the region and also by major powers like the US in the South China Sea. As the South China Sea is an important Sea Lane of

Communication (SLOC), countries such as the US, Australia, Japan and India and the ASEAN countries are stressing upon freedom of navigation and the open seas policy.

BEIJING'S MISSILE DEPLOYMENT AND OTHER MILITARY ACTIVITIES

Beijing has been strengthening its military presence in the South China Sea in the past few years. As reported by *Fox News*¹ in February 2016, the Chinese military has deployed an advanced Surface-to-Air Missile (SAM) system on one of its contested islands in the South China Sea, according to civilian satellite imagery. The imagery from ImageSat International (ISI) indicated two batteries of eight SAM launchers as well as a radar system on Woody Island (part of the Paracel Island chain in the South China Sea).² Currently, Woody Island is claimed by three countries: China, Taiwan and Vietnam. However, China has occupied Woody Island for the past 50 years.

More recently, in December 2016, new missile systems such as the long range missile HQ-9 and some short range missiles (SAMs) were reported by the US media at Hainan Island. The short range SAM comprises a combined close-in missile system with a range of 10 miles, which also contains anti-aircraft guns. The longer-range HQ-9 system has a range of 125 miles, and is roughly based on the Russian S-300 system. Depending on the type of missile used, it could extend the range up to 250 miles and target not only aircraft, but ballistic missiles as well.

China has constructed over 3,000 acres of land atop reefs in the South China Sea in the past few years. The images available³ showed the construction on China's man-made islands at Fiery Cross, Subi and Mischief Reefs. The islands have three runways and China periodically flies its bombers and fighter jets over the disputed region. The satellite photos show China making progress on at least

1. Lucas Tomlinson, Yonat Friling, "Exclusive: China Sends Surface-to-Air Missiles to Contested Island in Provocative Move", *Fox News World*, February 16, 2016, <http://www.foxnews.com/world/2016/02/16/exclusive-china-sends-surface-to-air-missiles-to-contested-island-in-provocative-move.html>. Accessed on February 7, 2017.
2. Ibid.
3. Asia Maritime Transparency Initiative, <https://amti.csis.org/>. Accessed on February 8, 2017.

two dozen hardened concrete hangars in order to park Chinese bombers and fighter jets as well as in-flight refuelling planes, greatly expanding the reach of the Chinese military.

Recently, in January 2017, the People's Liberation Army Navy (PLAN) confirmed that the *Liaoning* aircraft carrier passed through the Taiwan Strait.⁴ This marked the first official statement that the PLA provided of the *Liaoning's* activities in the South China Sea. *Liaoning*, named after a Chinese province, was adapted from a Soviet-era vessel Beijing purchased from Ukraine in 1998. China is making progress with its second aircraft carrier, currently named as 001A, which is being made indigenously.

Chinese official statements claim that these installations are for defensive purposes and are aimed at improving its national defence capabilities.⁵ However, these activities are militarising the South China Sea and now have been extended to the Indian Ocean Region (IOR) too. The Chinese government has been investing heavily in infrastructure development in the IOR by building ports in Djibouti, Myanmar, Pakistan and Sri Lanka, apart from the China-Pakistan Economic Corridor (CPEC) that passes near Indian territories. There are reports of sightings of Chinese submarines in the IOR and also sales of submarines to Bangladesh and Pakistan. Indian authorities and the other major stakeholders in the Indo-Pacific region have been watching these activities with a lot of caution. The South China Sea forms a major SLOC between the Indian and Pacific Oceans. The current Chinese activities thereby affect the commercial and strategic interests of several countries, including Australia, Japan and also the US.

BEIJING-MANILA BONHOMIE: ADDING TO THE DISORDER

Amidst the South China Sea dispute among China and four ASEAN countries, there have been fresh (surprise) developments in the Philippines-Chinese bilateral relations. Manila was the advantaged party of the PCA verdict on the South China Sea in 2016. There were

4. "PLA Confirms Aircraft Carrier Liaoning Passed Through Taiwan Straits on Thursday", *Global Times*, January 12, 2017, <http://www.globaltimes.cn/content/1028435.shtml>. Accessed on February 7, 2017.
5. Katie Hunt, Jim Sciutto and Tim Hume, "China Said to Deploy Missiles on South China Sea Island", *CNN News*, February 18, 2016, <http://edition.cnn.com/2016/02/16/asia/china-missiles-south-china-sea/>. Accessed on February 8, 2017.

expectations of souring of relations between the two states after this dispute. The history of bilateral relations between these countries exhibits warmth as they have had several bilateral agreements since 1975.⁶ In May 2000, on the eve of the 25th anniversary of their diplomatic relations, the two countries signed a joint statement defining the framework of bilateral relations in the 21st century.

In October 2001, then Philippine President Gloria Macapagal-Arroyo made a state visit to China. During the visit, President Arroyo held bilateral talks with top Chinese leaders. Since 2001, the focus of the bilateral agreement shifted to issues with significance for maritime security, trade and cultural exchanges⁷. Chinese Filipinos form the largest non-indigenous ethnic group in the Philippines.

It was during the time of the PCA verdict in June 2016 that the new Philippines President, Rodrigo Duterte, assumed office. His election campaign had focussed on the war on drugs, economic growth and an independent foreign policy. Known for his temperament and use of colourful and unparliamentary language, he distanced himself from the US and opted for rapprochement with China. On his first three-day visit to China, President Duterte signed several investment and financing agreements worth \$24 billion, of which \$15 billion comprised investment projects and \$9 billion credit facilities.⁸

This move of the Philippines towards China added to the pandemonium among its ASEAN neighbours and other observer states such as Japan, India and the US. The Philippines had been

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6. The agreements include: Joint Trade Agreement (1975); Scientific and Technological Cooperation Agreement (1978); Postal Agreement (1978); Air Services Agreement (1979); Visiting Forces Agreement (1999); Cultural Agreement (1979); Investment Promotion and Protection Agreement (1992); Agreement on Agricultural Cooperation (1999); Tax Agreement (1999); and Treaty on Mutual Judicial Assistance on Criminal Matters (2000).
 7. Memorandum of Understanding on Cooperation in the Crackdown on Transnational Crimes (2001), Treaty on Extradition (2001), Pact on Cooperation Against Illicit Traffic and Abuse of Narcotic Drugs (2001), Memorandum of Understanding on Tourism Cooperation (2002), Memorandum of Understanding on Maritime Cooperation (2005), Pact on Cooperation in Youth Affairs (2005), Memorandum of Understanding on Cooperation in Sanitary and Phytosanitary Cooperation (2007), Memorandum of Understanding on Education Cooperation (2007), Pact on Protection of Cultural Heritage (2007), Pact on Sanitary Cooperation (2008), etc.
 8. Alexis Romero and Richmond Mercurio, "Philippines, China Sign \$24-B Deals", *PhilStar Global*, October 22, 2016, <http://www.philstar.com/headlines/2016/10/22/1636102/philippines-china-sign-24-b-deals>. Accessed on February 10, 2017.

a major non-NATO (North Atlantic Treaty Organisation) ally of the US and recipient of its military as well as financial aid. Nearly 400,000 Americans visit the Philippines each year and US Agency for Development (USAID) programmes support the 'Philippines' war on poverty as well as the government's reform agenda in critical areas, including anti-money laundering, rule of law, tax collection, and trade and investment. However, in 2016, President Duterte announced maintaining better diplomatic ties with the two geopolitical arch-rivals—US and China.⁹

Manila signed several bilateral Memorandums of Understanding (MoUs) with Japan aiming to strengthen its maritime capabilities through human resource development, capacity-building assistance and provision of patrol vessels and other equipment for the Philippine Coast Guard (PCG) during President Duterte's visit to Japan in October 2016. With regard to the South China Sea arbitral award, the two leaders acknowledged the importance of a rules-based approach to the peaceful settlement of maritime disputes, without resorting to the threat or use of force, in accordance with the 1982 United Nations Convention on the Law of the Sea (UNCLOS), the UN Charter and other relevant international conventions. Notably, China and Japan do not share warm strategic relations.

THE QUIESCENT CODE OF CONDUCT ON THE SOUTH CHINA SEA

Much before the contestation in the South China Sea became a global issue, the ASEAN countries were involved in remedying the overlapping maritime claims with China. In 1995, China occupied Mischief Reef, one of the Spratly Islands located 250 km (or 135 nautical miles—nm) from the Philippines. The Declaration on the Conduct of Parties in the South China Sea or DoC¹⁰ was signed between the ASEAN countries and China in 2002, agreeing for the following areas: respect for freedom and overflight in the South China Sea as provided by the universally

9. Jim Duarte, "Duterte Says he Won't Sever Ties with US", *PhilStar Global*, October 22, 2016, <http://www.philstar.com/headlines/2016/10/22/1636233/duterte-says-he-wont-sever-ties-us>. Accessed on February 7, 2017.

10. Declaration on the Conduct of Parties in the South China Sea, 2002, <https://cil.nus.edu.sg/rp/pdf/2002%20Declaration%20on%20the%20Conduct%20of%20Parties%20in%20the%20South%20China%20Sea-pdf.pdf>. Accessed on February 10, 2017.

recognised international law and UNCLOS, restriction on construction on occupied and unoccupied islands, notifying and exchanging relevant information about impending military exercises; and cooperative marine activities in the South China Sea. The document text expressed an aspiration to “enhance favourable conditions for a peaceful and durable solution of differences and disputes among the countries concerned”. The DoC provides a non-binding political statement between the signing parties and a foundation to the Code of Conduct (or CoC) on the South China Sea.

ASEAN and the Chinese counterparts released a joint statement in 2016 on the CoC but the progress has been slow owing to differing objectives and interests of the parties relating to the South China Sea. It is worth noting that out of the ten ASEAN member states, only four – namely Philippines, Malaysia, Brunei and Vietnam – are involved in overlapping territorial claims in the South China Sea with China, whereas Indonesia has been playing the role of a mediator in the dispute. The other five – Cambodia, Laos, Myanmar, Singapore and Thailand – have shown little interest in the dispute as they don’t have any territorial disputes with Beijing.

The year 2017 has been important in shaping the future of the CoC. It was the Philippines that had introduced the draft for the CoC in 2012. The document will ensure that ASEAN members and China follow legal and diplomatic processes in settling territorial disputes. The Philippines, being the chair for the 50th anniversary 2017 ASEAN Conference, would try its best to get the CoC signed by the parties. The military activities carried out by Beijing in the South China Sea have been an impediment to the signing as well as implementation of the CoC, in both letter and spirit. Nevertheless, in view of certain other developments in the global scenario, it is expected to make China’s choices in the South China Sea more difficult. The new US Administration under President Trump has released several statements¹¹ showing its increasing interests in the South and East

11. Brad Lendon, “Mattis: US Will Defend Japanese Islands Claimed by China”, *CNN News*, February 4, 2017, <http://edition.cnn.com/2017/02/03/asia/us-defense-secretary-mattis-japan-visit/>. Accessed on February 7, 2017.
“Trump White House Vows to Stop China Taking South China Sea Islands”, *CNBC News*, January, 23, 2017, <http://www.cnbc.com/2017/01/23/trump-white-house-vows-to-stop-china-taking-south-china-sea-islands.html>. Accessed on February 7, 2017.

China Seas. These statements exhibit the uncompromising position of the US government in the region. The US conducted several Freedom of Navigation (FON) exercises in the South China Sea that have been challenging China's claims in the region. In October 2016, a US warship, *USS Decatur* (DDG-73), conducted operations near Chinese holdings near Triton¹² and Woody Islands in the Paracel Island chain off the coast of Vietnam in the South China Sea. Prior to this, US warships conducted similar exercises near the Spratlys.¹³ At the same time, there have been no reports of Chinese island building and similar exercises for sovereignty claims since the July 12, 2016, verdict, apart from the aircraft carrier *Liaoning's* exercises and capturing of an underwater drone of the US Navy by Chinese naval forces in the vicinity of Subic Bay, 20nm from Philippines.

The changing geopolitical scenario in the context of the US' renewed interests in the South and East China Seas region, and Washington's diplomatic and economic backing to Vietnam, will present a dilemma for Beijing on the signing of the CoC. The signing of the CoC would force China to adhere to the clauses, including restricting its military exercises and giving prior information to the other parties regarding the impending exercises in the region. On the other hand, if Beijing officials continue to delay the CoC, it might compel other parties to seek extra-regional support within the region.

MILITARY EXPENDITURE OF THE ASEAN COUNTRIES

The geopolitical flux in the South China Sea has furthered another important development: the increasing defence expenditure of the Southeast Asian countries.¹⁴ According to the Stockholm Peace Research Institute (SIPRI) reports, Asia and Southeast Asia have seen an increase in defence budgets over the years. Vietnam has increased

12. Sam LaGrone, "China Upset Over 'Unprofessional' US South China Sea Freedom of Navigation Operation", *USNI News*, January 31, 2016. URL: <https://news.usni.org/2016/01/31/china-upset-over-unprofessional-u-s-south-china-sea-freedom-of-navigation-operation>. Accessed on February 7, 2017.

13. Sam LeGrone, "US Destroyer Passes Near Chinese Artificial Island in South China Sea Freedom of Navigation Operation", *USNI News*, May 10, 2016, <https://news.usni.org/2016/05/10/u-s-destroyer-passes-near-chinese-artificial-island-in-south-china-sea-freedom-of-navigation-operation>. Accessed on February 7, 2017.

14. There has also been an increase in the defence budgets of the major powers. For example, the US leads the pack, shelling out \$596 billion in 2015, according to SIPRI. China is in second place with roughly \$215 billion spending in 2015.

its military expenditure from \$1 billion to \$4.4 billion in 2015, which accounts for 8 percent of its total Gross Domestic Product (GDP). The country's defence spending is expected to increase further to \$5 billion in 2017, and \$6.2 billion by 2020.¹⁵ Vietnam has used the purchases to modernise its capabilities – especially its surface and submarine fleets. It has also boosted coastal defences with the purchase of anti-ship batteries and missiles. The air force primarily operates Russian-made aircraft. Overall, 80 percent of the defence purchases are from Russia. The European nations, India and Israel have started to move into Vietnam's defence deals. India had provided a \$500 million loan to Vietnam¹⁶ for defence purchases in 2016 and is also discussing the sale of the Brahmos and indigenously developed Akash missiles¹⁷ – furthering the defence cooperation between the two countries.

Similarly, the Philippines' defence budget has been increased in recent times. In fact, there was a hike of 25 percent in the 2015 budget to purchase navy frigates, surveillance planes, radars and patrol craft.¹⁸ The Philippines government of President Benigno Aquino III pushed a national budget for 2016 that included a record 25 billion pesos (\$552 million) earmarked for the country's ongoing military modernisation effort.¹⁹ In September 2016, the new President Duterte asked Congress for a 15 percent year-on-year increase in the country's defence budget, taking it to 130.6 billion pesos (\$2.9 billion).

The Duterte Administration continued the plans, and funding amounts under the Armed Forces Modernisation Act that was initiated

15. Sophia Yan, "Vietnam's Defense Spending is \$5 Billion and Rising Fast", *CNN Money*, May 23, 2016, <http://money.cnn.com/2016/05/23/news/vietnam-military-spending/>. Accessed on February 13, 2017.

16. "India Extends \$500 Million to Vietnam to Bolster Defence Ties", *Indian Express*, September 3, 2016, <http://indianexpress.com/article/india/india-news-india/india-extends-500-million-to-vietnam-to-bolster-defence-ties/>. Accessed on February 13, 2017.

17. "India, Vietnam Hold Talks on Sale of Akash, Brahmos Missiles" *The Economic Times*, February 3, 2017, <http://economictimes.indiatimes.com/news/defence/india-vietnam-hold-talks-on-sale-of-akash-brahmos-missiles/articleshow/56959972.cms>. Accessed on February 13, 2017.

18. "Philippines Proposes Record \$552-million Defense Budget", *Deutsche Welle News*, July 21, 2015, <http://www.dPhilippines.com/en/philippines-proposes-record-552-million-defense-budget/a-18597020>. Accessed on February 13, 2017.

19. Jon Grevatt, "Philippines Proposes 15% Increase in 2017 Defence spending", *IHS Jane's*, August 16, 2016, <http://www.janes.com/article/62997/philippines-proposes-15-increase-in-2017-defence-spending>. Accessed on February 13, 2017.

in 2013. Under the plan, military modernisation has been divided into three phases: the first from 2013 till 2017; the second from 2018 to 2023; and the third from 2024 to 2028 – with 83 billion pesos allocated for the first phase. Several countries, including China, Russia, South Korea and Japan, are seeking to supply military equipment to the Philippines. Other defence heavyweights present include Lockheed Martin and Textron, both of the US, as well as Thales of France, Saab of Sweden, and the defence arm of the European aerospace giant, Airbus.²⁰ Markedly, the Philippines has a defence pact with the US since 1951²¹ but there is no clarity on its continuation after President Duterte's 'separation with the US remarks in 2016.

The Brunei Legislative Council has announced that Brunei's defence budget will grow nearly 5 percent in 2016-17. The total defence budget amounts to BN\$564.7 million (US\$408 million), or approximately 2.5 percent of its GDP. Brunei has a small military of just 5,800 personnel, but it also has a small population. Brunei's per capita defence spending is the second highest in ASEAN, behind Singapore. It is almost ten times Malaysia's per capita military spending. The list of priority purchases for Brunei's military includes airlift, maritime patrol aircraft, maritime radars, fast patrol boats and ground-based air defence.²²

In November 2016, Malaysia agreed to purchase four littoral mission ships from China²³—the decision to buy from Beijing instead of the US, South Korea and others is said to be purely an economic one. Even Singapore, that enjoys warm diplomatic relations with both the US and China, had increased its defence budgets under

20. Trefor Moss, "Philippines Military Goes on Shopping Spree", *The Wall Street Journal*, July 17, 2014, <https://www.wsj.com/articles/philippines-military-goes-on-shopping-spree-drawing-worlds-arms-dealers-1405595103>. Accessed on February 13, 2017.

21. "Mutual Defense Treaty between the Republic of the Philippines and the United States of America, August 30, 1951", *Official Gazette*, <http://www.gov.ph/1951/08/30/mutual-defense-treaty-between-the-republic-of-the-philippines-and-the-united-states-of-america-august-30-1951/>. Accessed on February 13, 2017.

22. Gordon Arthur, "Brunei Defense Budget Rises", *Shephard Media*, March 15, 2016, <https://www.shephardmedia.com/news/defence-notes/bruneis-defence-budget-rises/>. Accessed on February 13, 2017.

23. Chris Blake and Shamim Adam, "Malaysia to Purchase Four Navy Ships From China in Landmark Deal", *Bloomberg*, November 2, 2016, <https://www.bloomberg.com/news/articles/2016-11-02/malaysia-to-purchase-four-navy-ships-from-china-in-landmark-deal>. Accessed on February 16, 2017.

a deepening crisis in the South and East China Seas.²⁴ The defence budget again increased in 2016 and the Singapore defence minister mentioned the lack of strategic depth to its boundaries as a reason for its increase in military spending.²⁵

IMPLICATIONS OF ASEAN SECURITY PARADIGM AND INDIA'S ROLE

Since 2009, the world has seen increased Chinese activities in the South China Sea in terms of land reclamation as well as infrastructure pertaining to military usage. However, the 2016 PCA verdict brought about a shift in the Chinese actions from infrastructure development to sovereignty assertion through 'area and access denial' to foreign ships and aircraft near its claimed landforms through missile deployments and carrying out exercises using its aircraft carrier and aircraft. China also resorted to threatening the fishermen of other neighbouring countries in the South China Sea. The dispute in the South China Sea can be seen to have multifaceted implications. There has been warming of China's relations with a few of its ASEAN neighbours at the bilateral level. Even though the signing of the Code of Conduct seems to get stretched more into the future, China is trying to woo each of its neighbours with economic and military aid. Nonetheless, the dispute in the South China Sea is not limited to the region. It has brought several extra-regional states into the region in various forms. Some of these states are signing military deals with different ASEAN member-states while others are claiming freedom of navigation and open seas as the basis of their interests in the region. On the other hand, there has been a close watch on China's movements after the new US government renewed interest in the region. The expanding defence budgets of the ASEAN countries, under the pretext of South China Sea dispute, are transforming the region into a highly militarised one.

24. Ali Mustafa, "Singapore: Small State, Big Weapons Buyer", *Al Jazeera*, March 29, 2014, <http://www.aljazeera.com/indepth/features/2014/03/singapore-small-state-big-arms-purchases-2014320922191312.html>. Accessed on February 16, 2017.

25. John Fraher and Rosalind Mathieson, "Arms Spending Spree in Southeast Asia Has Singapore Worried", *Bloomberg*, March 24, 2016, <https://www.bloomberg.com/news/articles/2016-03-24/arms-spending-spree-in-southeast-asia-has-singapore-worried>. Accessed on February 16, 2016.

The absence of any security framework between ASEAN member states and China due to the absence of an unequivocal consensus on the Code of Conduct is adding to the pressure. Beijing's current appeasement policy is clearer when it is on a bilateral basis with each of the ASEAN states in the matter of the South China Sea, but a transparent and workable multilateral framework is still doubtful.

India's relationship with ASEAN has been the foundation of its foreign policy since the 1991 Look East policy. India has shared historical-cultural ties with the ASEAN countries since centuries and it has warm bilateral ties with each of these countries. In 2017, India and ASEAN are celebrating 25 years of Dialogue Partnership. The relationship has evolved from economic to strategic partnerships. India has been attending the ASEAN Regional Forum (ARF) since 1996. The Plan of Action (POA) to Implement the ASEAN-India Partnership for Peace, Progress and Shared Prosperity (2016-2020) that was adopted by the leaders of ASEAN and India in 2015 comprises three broad areas, namely political and security cooperation; economic cooperation; and socio-cultural cooperation.²⁶

India has its commercial interests in the South China Sea — in terms of SLOCs and oil exploration projects that ONGC Videsh Ltd (OVL)²⁷ and Vietnam are carrying out in collaboration off the coast of Vietnam.²⁸ In June 2016, Beijing had asked both countries to stop the exploration work in the disputed area claimed by both China and Vietnam. Despite the threats, India and Vietnam continued their energy diplomacy and signed new deals later in 2016.²⁹ Energy security is one the underlining themes for the current Indian leadership.

India sees its role as a 'net security provider' in the region and shares its territorial as well as maritime boundaries with some of the ASEAN states. South China Sea connects Indian Ocean and

26. *ASEAN-India Dialogue Relations* published as on February 2017. URL: <http://asean.org/storage/2012/05/Overview-ASEAN-India-as-of-February-2017r4CL.pdf>

27. OVL is the overseas arm of India's state-owned explorer Oil and Natural Gas Corp. Ltd. Vietnam accounted for nearly a quarter of OVL's total hydrocarbon output of 5.5 million tonnes (mt) of oil and 3.3 billion cu. m (BCM) of gas in 2014-15

28. India has seven oils blocks for exploration in the Vietnam coast.

29. "South China Sea Tensions will not Deter Offshore Pursuits: OVL", *Livemint*, July 18, 2016. Accessed on February 16, 2017. URL: <http://www.livemint.com/Industry/PZ1G9xbKFWbL8aWxWhYJnK/South-China-Sea-tensions-will-not-deter-offshore-pursuits-O.html>

Pacific Ocean waters, forming an important SLOC. The security dynamics in the South China Sea are bound to impact India's security architecture. It is in India's interest to have a stable and secure ASEAN neighbourhood and New Delhi needs to engage itself in the security dialogue proactively and support the formation of a cooperative regional security framework. India can leverage its bilateral relations and commonalities in managing the threat perceptions in the South China Sea and also in fostering and forwarding the security framework. India is also emphasising along with its ASEAN nations for an early conclusion on the CoC in the South China Sea. New Delhi favours safeguarding freedom of navigation and overflight throughout the Indo-Pacific and South China Sea region. The developments in the South China Sea in terms of China's militarisation of the islands and the waters will continue to be under scrutiny and shape the alliances in the region in the foreseeable future.