

Thayer Consultancy
ABN # 65 648 097 123



Background Briefing: Chinese General Visits Vietnam: Unanswered Questions

Carlyle A. Thayer

June 23, 2017

[client name deleted]

Q1. Chinese General Fan Changlong recently cut short a trip to Hanoi and cancelled a planned meeting about border defence between the two countries. What do you think are the main reasons behind these surprising developments?

ANSWER: Senior LTGEN Fan Changlong met with all of Vietnam's top leaders, the party Secretary General, President, Prime Minister and Defence Minister on 18 June. In at least one of these meetings he requested that Vietnam cease oil operations in Block 136-3 (Vanguard Reef, Tu Chinh). Other reports say it was Block 118 the Blue Whale block where Exxon Mobile is currently operating. One or more of Vietnam's high-level leaders reportedly dismissed this request and Gen. Fan left Vietnam abruptly on the night of 18 June.

Accounts differ as to whether he cancelled part of or the entire program of activities planned for the fourth Vietnam-China Friendly Border Exchange scheduled for three days, 20-22 June.

Q2. We have heard Vietnam and China are deploying several ships to the area and it may lead to confrontation there as in 2014. The Chinese giant oil rig is reportedly moving close to Vietnam, too. Do you think there will be clashes between their vessels as three years ago? Neither Vietnam nor China, however, has officially confirmed that the current situation at sea is tense.

ANSWER: Sources in Hanoi report that Chinese ships and vessels are heading towards Vanguard Bank to join up with ships already on station. The total reported number is 40. There are also unconfirmed reports of Vietnamese ship movements to this area but specific details are lacking at present.

If these reports are true then these developments are extremely worrying. Most analysts, myself included, felt that China would pursue a "softly, softly" approach towards the South China Sea for three reasons. First, China has more to gain by engaging diplomatically with President Duterte of the Philippines. Second, China met its commitment to reach a Draft Framework Code of Conduct for the South China Sea and is poised to enter into substantial consultations with ASEAN members about a formal Code of Conduct. Third, Xi Jinping was felt to want a smooth run up to the 19th congress of the Chinese Communist Party in November.

I speculate that if China is moving towards a new period of assertiveness it may have linked unconfirmed reports of a renewal of oil exploration activities in Block 136-3 with a perception that Vietnam was joining an anti-China coalition following Prime Minister Nguyen Xuan Phuc's recent visits to Washington and Tokyo where defence relations and maritime security featured. Earlier, on 25 May, the US conducted its first freedom of navigation operational patrol under President Trump and the US and Japanese navies just concluded joint exercises off the Korean coast on 3 June. It has also been announced that India, Japan and the U.S. will participate in Exercise Malabar in July.

In 2014 China refrained from using weapons in its confrontation with Vietnam and preferred the tactic of ramming Vietnamese vessels and using high-powered water cannons to demast Vietnamese communications antennae.

Suggested citation: Carlyle A. Thayer, "Chinese General Visits Vietnam: Unanswered Questions," *Thayer Consultancy Background Brief*, June 23, 2017. All background briefs are posted on Scribd.com (search for Thayer). To remove yourself from the mailing list type, UNSUBSCRIBE in the Subject heading and hit the Reply key.

Thayer Consultancy provides political analysis of current regional security issues and other research support to selected clients. Thayer Consultancy was officially registered as a small business in Australia in 2002.