

Thayer Consultancy  
ABN # 65 648 097 123



## **Background Brief**

### **Vietnam and the South China Sea in 2020**

**December 12, 2019**

We are preparing a forecast of likely developments in the South China Sea in 2020. We request your analytical insights into the following issues:

Q1. What is your forecast of the most likely developments to occur in the South China Sea in 2020? For example, will China establish an Air Defence Identification Zone (ADIZ)?

ANSWER: China will continue to assert its claims to “indisputable sovereignty” over the South China Sea by maintaining the more or less permanent presence of its People’s Liberation Army Navy, China Coast Guard. (CCG), Maritime Militia and fishing fleet in the waters around the Spratly islands and in the waters encompassed by its nine-dash line. China will continue to militarize its artificial islands in incremental steps making qualitative improvements to its weapons systems. China is unlikely to declare an Air Defence Identification Zone over the Spratly islands because it does not have the capacity to enforce it.

China will focus its major attention on negotiations for the completion of an ASEAN-China Code of Conduct in the South China Sea. When ASEAN members and China agreed to a Single Draft Negotiating Text in August 2018, China’s Foreign Minister Wang Yi said it would take three years to complete, or August 2021. Since then China has tried to hurry the negotiations along. During these negotiations China will continue to press for joint exploitation of marine resources with ASEAN members to the exclusion of “countries outside the region.”

In 2020, China is likely to act aggressively to halt oil exploration within its nine-dash line by foreign oil companies not based in Southeast Asia.

China will coordinate its diplomacy with pressure from the CCG, Maritime Militia and fishing fleet. China will maintain its current posture of deploying a CCG vessel at Luconia Breakers in Malaysia’s Exclusive Economic Zone (EEZ). China will also maintain its presence in the Philippines’ EEZ particularly in the fishing waters around Scarborough Shoal and Pagasa (Thitu) island.

As for Vietnam, China will continue to pressure Vietnam to stop future operations by Russia's Rosneft Vietnam. If Rosneft resumes oil exploration, China likely will react by intimidation by once again dispatching the China Coast Guard to Vietnam's EEZ.

Q2. What is your forecast of Vietnam-China relations in 2020?

ANSWER: Vietnam and China are comprehensive strategic cooperative partners who will continue to engage each other in economic, political, diplomatic, security and military sectors as usual. Both sides will work to ensure that broad bilateral cooperation does not become hostage to a single issue such as maritime disputes in the South China Sea.

China's engagement with Vietnam will take two factors into account – Vietnam's role as ASEAN Chair in 2020 and Vietnam's preparations for the thirteenth national congress of the Vietnam Communist Party in early 2021.

China will pursue a dual track policy towards Vietnam on the South China Sea. China's first track is to use diplomatic relations to push negotiations forward on the Code of Conduct while Vietnam is ASEAN Chair. China's second track is to use bilateral political relations with Vietnam to dissuade it from taking international legal action on maritime disputes in the South China Sea. At the same time, China will use political relations to pressure Vietnam to suspend oil exploration in the waters near Vanguard Bank, including areas where Rosneft Vietnam is presently operating.

With respect to Vietnam's upcoming national party congress in early 2021, China will use political relations with Vietnam to lobby against the selection of future leaders that Beijing deems anti-China. China will refrain from taking steps that will incite domestic anti-China sentiment in Vietnam. China will pressure the Vietnam government to follow suit and limit domestic public displays of anti-China sentiment.

Q3. In 2020, Vietnam will become ASEAN Chair and non-permanent member of UN Security Council. What should Vietnam do to address South China Sea issues more effectively?

ANSWER: As ASEAN Chair Vietnam can take the initiative to consult with other ASEAN member states and shape the agenda and outcomes of ASEAN meetings such as the annual ASEAN Ministerial Meeting, ASEAN summits, ASEAN Regional Forum, ASEAN Defence Ministers' Meeting and ASEAN Maritime Forum and meetings subordinate to these bodies. Similarly, as ASEAN Chair Vietnam, with prior consultation, can influence the agenda and outcomes of the East Asia Summit, ASEAN Plus One Summits, ASEAN Defence Ministers' Meeting Plus and Expanded ASEAN Maritime Forum.

As a non-permanent member of the UN Security Council Vietnam will gain leverage in discussions with other Security Council members to inform them of developments in the South China Sea because the other members will have to interact and consult with Vietnam on a wide variety of issues.

Media Identification: Carl Thayer is emeritus professor at The University of New South Wales, Canberra or Carl Thayer is emeritus professor at The University of New South Wales at the Australian Defence Force Academy, Canberra.

Suggested citation: Carlyle A. Thayer, "Vietnam and the South China Sea in 2020," *Thayer Consultancy Background Brief*, December 12, 2019. 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.