Vietnam Cannot Let China Block Its Blue Economy

By Rajaram Panda

China’s maritime disputes with its neighbors in the South China Sea have festered for years, and even amid the Covid-19 pandemic, Beijing has brazenly sought to exploit the global health crisis to score gains on the seas, as with the recent ramming and sinking of a Vietnamese fishing boat in April.

But what sets Vietnam apart in its dispute with China is Hanoi’s ambition to develop the country’s sea-based economy, writes Rajaram Panda.
CONTROVERSY OVER China's behavior during the early stages of the Covid-19 crisis — from its apparent origin in the city of Wuhan to the government's delay in revealing the extent of the crisis — is by now well known. Less well known is that in the midst of this global health crisis, Beijing hasn't backed off from throwing its weight around in the region. On April 2, Chinese Coast Guard forces sank a Vietnamese vessel in the East Sea, the name Vietnam gives to the South China Sea. But this latest dispute with Vietnam obscures Hanoi's resolute commitment to developing the country as a major sea-based — or blue — economy. Beijing may be miscalculating Vietnam's determination to assert its maritime claims.

The South China Sea has for years been a potential flashpoint because half a dozen countries make contending claims to some parts of the sea. In contrast, China claims virtually the entire area as its own — in contravention of international law. As a result, when any of the other littoral states pursue activities in line with their claims to parts of the sea being within their legally recognized exclusive economic zones, Beijing makes its presence felt directly and aggressively.

INTERNATIONAL CONDEMNATION
On April 9, the US Department of Defense expressed concern over the Chinese Coast Guard’s sinking of the Vietnamese fishing vessel near Vietnam’s Hoang Sa (Paracel) archipelago. Rule-abiding nations including the US have long stood for an open Indo-Pacific region, in which all nations are free from coercion and able to pursue economic growth within accepted international rules and norms. The same spirit was also articulated by Indian Prime Minister Narendra Damodardas Modi in his address at the Shangri-La Dialogue in June 2018. Following the Chinese action in April, the US called on all parties to refrain from actions that would destabilize the region, distract from the global response to the pandemic or risk needlessly contributing to loss of life and property.

What exactly happened in the East Sea? The Vietnamese vessel, number QNg 90617 TS, with eight fishermen on board, was hit and sank when fishing near Hoang Sa’s Phu Lam Island. Vietnam lodged an official complaint with China. In accordance with international law, Vietnam has sufficient legal grounds and historical evidence affirming its sovereignty over the Hoang Sa (Paracel) and Truong Sa (Spratly) archipelagos. As such, the act by the ship of the China Coast Guard (CCG) violated Vietnam’s sovereignty, causing damage and threatening lives and legitimate interests of Vietnamese fishermen. Vietnam argued that it went against the common perception of senior leaders of the two countries on the humane treatment of fishermen and the Vietnam-China agreement on the basic principles guiding the settlement of maritime issues. The action also contradicted the spirit of the Declaration of Conduct of Parties in the East Sea. The incident attracted international criticism of Beijing.

POLICY OF AGGRESSION
To further complicate the matter, instead of expressing remorse, China sent a survey vessel that had been involved in a standoff with Vietnam in 2019 back into that nation's exclusive economic zone (as shown by vessel-tracking data), in a move likely to further fuel tensions between the two countries as Vietnamese ships lost no time in trailing the survey vessel. The fact that not even the pandemic deters China from pursuing its expansionist activities, demonstrates that Beijing’s long-term agenda to project power beyond its territory by intimidating smaller nations remains in place.

According to ship-tracking data, the Hai Yang Di Zhi 8 survey vessel left port at Sanya on China’s Hainan Island on April 9 and was joined by six CCG ships on April 13 before sailing south into the South China Sea. By April 14, the fleet was about 92 nautical miles off the coast of Vietnam’s Binh Dinh province, within Vietnam’s 200-nautical-mile exclusive economic zone. They were also accompanied by two Chinese maritime militia ships. Vietnam dispatched three vessels from its Fisheries Resource Surveillance agency to closely trail the Chinese incursion. One ship, the Kiem Ngu 314363, sailed alongside the Hai Yang Di Zhi 8. The situation and composition of China’s fleet is reminiscent of past confrontations between Vietnam and China in the area.

The Hai Yang was also at the heart of the tense standoff in July 2019 over the Vanguard Bank, a feature occupied by Vietnam in the South China Sea. At the time, China sent the Hai Yang along with Coast Guard escorts to pressure a Russian-owned oil exploration project within Vietnam’s exclusive economic zone. This prompted Vietnam to send its own Coast Guard and maritime militia vessels to the area. The standoff did not end until November 2019, and was called the worst flare-up in Vietnam-China relations since the 2014 standoff over the Hai Yang Shi You 981 oil rig. In that incident, China dropped an oil rig into disputed waters and subsequently protected it using a combination of Coast Guard and maritime militia vessels.

It is now well established that China’s strategy has been to go out, assert rights and intimidate neighbors. The current deployment came after China asserted its claim to the Paracel and Spratly Islands following a March 30 submission by Vietnam to the United Nations over its territorial rights. China termed the Vietnamese action “illegal and invalid.”

After China claimed the mineral-rich South China Sea almost in its entirety, and disregarded the claims of smaller neighbors Brunei, Malaysia, the Philippines, Vietnam and Taiwan, tensions in the area have risen. Any miscalculation by any claimants could trigger a regional conflagration with the potential to assume a global dimension. Vietnam is not alone in facing Chinese ire, but it is not willing to succumb to Chinese intimidation. As discussed below, what underpins Vietnam’s resolve is its commitment to becoming a sea-based — or “blue” — economy.

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Malaysia and Brunei’s exclusive economic zone, reinforcing Beijing’s expansive reach. China and Brunei have agreed in the past to joint exploration of energy resources in Brunei’s part of the South China Sea, but it was not immediately clear if the current activities could be part of that deal. Technically, a research vessel would need to request permission before operating within another country’s exclusive economic zone. In this period, it seems Beijing is actively exploiting the Covid-19 pandemic to expand its claims in the South China Sea.

Despite President Donald Trump’s “America First” and isolationist policies, the US remains the main security provider in the Indo-Pacific region, though demanding greater responsibilities from the middle powers in the region. The US military has been carrying out freedom of navigation flights and sailing missions throughout the disputed sea as part of a deterrent force. As of now, the affected parties have been reassured of American protection in the event of Chinese aggression. That should deter China for now but if US influence starts to wane, Beijing would be emboldened further. Expert opinions suggest that if Beijing’s power becomes more muscular and its actions continue to violate international law, some sort of sanctions could be necessary.

**VIETNAM GARNERS SUPPORT**

Manila has extended support to Hanoi over the latest Chinese action in Vietnamese waters. In fact, the recent incident followed the same pattern as the sinking of a Filipino fishing boat that was rammed by a Chinese fishing vessel in 2019. That incident left 22 Filipino fishermen stranded at sea for hours. A passing Vietnamese boat later picked them up. This time, the Philippine Department of Foreign Affairs issued a statement expressing its deep concern over China’s actions. The statement said the Philippines’ own similar experience revealed how much trust is lost by such behavior. The statement went on to say that such incidents undermine the potential of a genuinely deep and trusting regional relationship between the Association of Southeast Asian Nations (ASEAN) and China.

Influential Russian researchers studying maritime issues also have expressed opposition to the Chinese sinking of the Vietnamese vessel, saying the international community will support Vietnam. Grigory Trofimchuk, chairman of the Expert Council of the Eurasia Foundation for Support of Scientific Research, called on China to avoid similar acts and settle existing issues through peaceful measures. He suggested that Vietnam should take full advantage of its international tools, including its non-permanent membership of the UN Security Council, as well as cooperation mechanisms within ASEAN, especially as the country is chairing the bloc this year.

Vietnam’s official complaint with China following the sinking of the fishing vessel called on Beijing to investigate the incident fully and to adequately compensate the losses of the Vietnamese fishermen.

Vietnam has rejected any Chinese maritime claims based on the so-called nine-dash line in the South China Sea. Earlier, when a map with the “nine-dash line” appeared in a social networking account, Vietnam protested, saying that the country has ample legal grounds and historic evidence affirming its sovereignty over the Hoang Sa archipelago (the Paracel Islands) and Truong Sa archipelago (the Spratly Islands) as defined in the 1982 United Nations Convention on the Law of the Sea (UNCLOS). Vietnam has long called the body of water to its east and southeast as the “East Sea,” while most of the world knows it as the South China Sea. The Hoang Sa and Truong Sa archipelagos both lie near the center of this sea, one of the busiest shipping lanes in the world. Vietnam points to a number of domestic historical records dating back as far as 250 years, as well as foreign maps, to demonstrate the existence and importance of these chains of islands as parts of the country’s territory and territorial sea.

Vietnam’s position is that all international disputes, including those relating to sovereignty over Hoang Sa and Truong Sa, must be settled by peaceful measures in accordance with international law and the United Nations Charter. It has consistently requested China to respect its sovereignty and take no actions that escalate tensions, affect peace and stability in the region, and complicate efforts of regional countries to negotiate a Code of Conduct in the East Sea. Claiming its sovereignty over the islands based on historical records, Vietnam has the legitimate right to demand that all activities on those islands must have Vietnam’s permission.

**VIETNAM’S MARITIME DREAM**

Vietnam has a history of struggle against foreign domination — the Chinese, French and Americans — and each time it has emerged triumphant, which gives the nation and its people a tremendous sense of self-belief and pride. It has become one of the most successful ASEAN nations and is now a middle power that strives to realize its goal of becoming a powerful marine nation through its abundant natural resources, transport, fisheries, tourism and coastal economic zones. It has all of the elements necessary for a sustainable sea-based economy. It has a long coastline extending over 3,260 km, thousands of islands, and hundreds of beautiful white sandy beaches from north to south such as Ha Long, Nha Trang and Da Nang. Its 28 coastal cities and provinces account for 70 percent of national tourism revenue. Endowed with rich marine resources, Vietnam is one of the most biologically diverse countries in the world. Its fishing reserves are estimated at some 4.2 million tons, with exploitation potential reckoned at 1.7 million tons per year.

The East Sea is crucial for Vietnam for its immense marine economic potential. It is the second-busiest international transport route in the world, with its waters carrying more than 45 percent of global maritime shipping. With a total of 48 bays and lagoons covering 4,000 square kilometers, Vietnam has favorable conditions to construct deep-water ports. In addition, around 35 types of mineral resources have been located in Vietnamese waters, including oil and gas, metals, building materials and gemstones. The Gulf of Tonkin, the Gulf of Thailand, the Hoang Sa and Truong Sa archipelagoes — that incident left 22 Filipino fishermen stranded at sea for hours. A passing Vietnamese boat later picked them up. This time, the Philippine Department of Foreign Affairs issued a statement expressing its deep concern over China’s actions. The statement said the Philippines’ own similar experience revealed how much trust is lost by such behavior. The statement went on to say that such incidents undermine the potential of a genuinely deep and trusting regional relationship between the Association of Southeast Asian Nations (ASEAN) and China.

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Coastal cities have considerable sea-related advantages. For example, Da Nang and the Mekong Delta province of Tien Giang are carrying out programs to turn the areas into sea-based economic hubs in the future. Da Nang is targeting a 10 percent contribution by sea-based economic sectors to the city’s GRDP by 2025, and 15 percent by 2030. The strategy is based on green growth, sustainable exploitation of marine resources and preservation of biodiversity.

In statistical terms, Da Nang has a 90-kilometer coastline, fishing grounds of 15,000 square kilometers and aquatic reserves of about 1.14 million tons. Fishing is a traditional industry in the area, but now, with comprehensive investment in fishing ports and seafood logistics services, the city has upgraded Thọ Quang port, enabling it to welcome 24,600 boats and handle over 112,300 tons of seafood each year. Da Nang city is also developing vessels to supply fishery logistics services, the number of which shall rise to 15 by 2020 and 50 by 2030. It looks to increase the caught seafood volume to 38,000 tons by 2020 and 45,000 tons by 2030. In 2017, the city approved a plan to develop its sea-based economy toward 2025, with a vision to 2030. Accordingly, it set a target for the growth of tourist numbers of about 13 percent between 2016 and 2030, and the volume of cargo handled at local seaports at 12-13 percent by 2025. It also looks to have the output of processed seafood for export rise by 12-13 percent by 2025 and 8-10 percent by 2030. Activities aimed at the tourism industry include new attractions, marine sports and the yachting industry, along with a drive to perfect coastal tourism infrastructure and enhance knowledge among tour guides on marine sovereignty. Meanwhile, the city is also working to turn Da Nang Port into an international gateway with the Tien Sa and Lien Chieu terminals. Tien Sa terminal will specialize in serving passengers. When the city hosted the APEC summit meeting in 2017, it gained global recognition for its importance as a strategic location.

**THE LONG-TERM GOAL OF A BLUE ECONOMY**

Boasting a vibrant biodiversity of coastal and marine habitats and ecosystems, Vietnam has immense potential to develop a sustainable blue economy with its long coastline and thousands of islands featuring more than 20 typical ecosystem types that are home to some 11,000 types of sea creature. In addition, 1,300 unique marine species have been found on its islands.

As coastal ecosystems facilitate the breeding of a variety of marine species, they pose huge potential for biodiversity while also serving as a basis for the stable development of sea-based economic sectors such as fishing, tourism and natural preservation. Thus, conservation must be integrated with marine economic development to build a blue economy.

Blue growth in an effective and sustainable manner is crucial for Vietnam’s economic future. The development of a blue economy is a major priority for Vietnam. This is precisely why it feels so strongly that it needs to push back resolutely against China’s expansionist designs in the East Sea. To do otherwise would be to risk Vietnam’s future prospects.

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