



Background Brief

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9 JULY 2020

IS CHINA CONVERTING COVID-19 INTO A STRATEGIC OPPORTUNITY?

Executive Summary

1. Evidence has shown that the Chinese Communist Party (CCP) and People's Liberation Army (PLA) leadership is taking the COVID-19 crisis as an opportunity to achieve previously considered costly or impossible strategic goals. Key CCP decisions and actions taken during the COVID-19 period suggest that most Chinese foreign policy actions had been driven by strategic considerations and by the PLA.
2. Recent activities by the PLAN, Coast Guard and Maritime Militia demonstrate the Chinese leadership's view of American military presence and its associated security guarantees of key sea lanes of communication (SLOCs) as unnecessary.
3. The Chinese leadership has thus prioritised the controlling of the South China Sea and developing, validating and maintaining the ability to blunt American abilities in intervening in multiple South China Sea scenarios. This would give China new strategic options in relation to Taiwan, traditional Southeast Asian rivals such as Vietnam, and to control highly valuable fisheries and subsea oil and gas deposits.
4. China could also hold multiple SLOCs at risk in the event of disputes with Japan, the United States, India and other adversaries that have critical dependence on supply chains that transit the South China Sea.
5. The CCP has utilised very low-end and high-end methods in the maritime domain. The low end includes sending 'civilian' fishing vessels to harass civilian and military vessels of various countries. The high end includes deploying hypersonic missiles designed to keep US/Allied Forces confined to the First Island Chain, Second Island Chain, or even the US West Coast.
6. This two-pronged approach is to maximise strategic ambiguity and unpredictability. At the low end, traditional and validated frameworks related to deterrence (pre-event and/or in-event), response protocols, and escalation/de-escalation control become very blurry and difficult to operationalise in dealing with nominally civilian Chinese fishing vessels that only occasionally operate in a multi-modal manner.

7. The United States has recently unveiled new platforms and operational concepts primarily for the First Island Chain, a critical island chain that China needs to break out of in order to become a regional and a global naval power.
8. America's new strategic approach focuses on long-range, ground-launched cruise missiles while arming the United States Marine Corps with variants of the Tomahawk cruise missile and long-range anti-ship missiles. In June the United States deployed an unprecedented three aircraft carrier fleets in a show of strength and resolve.
9. Under this new approach, the Marines will operate much more closely with the US Navy by contributing rapidly deployable, small and mobile Marine units out of a large pool of US Naval assets in the region. This makes the threat of rapid deployment of specialised anti-ship US marine units less predictable.
10. The currently available evidence, including from the pre-COVID-19 period, suggests that the Trump administration will not relent to China on core positions ranging from trade to defence. The Xi administration, meanwhile, has demonstrated a willingness to risk international isolation in terms of reduced access to (or even outright loss of access) advanced markets, financial centres and technology.

Strategic Overview

- 1.1 The COVID-19 viral outbreak, with its initial point source of origin in Wuhan (the specific timeline is still being established),¹ spread rapidly throughout China and the world. China managed to control the epidemic early, but some other countries, notably the United States, have struggled with the pandemic, leading to economic consequences that have heightened tensions throughout the world.
- 1.2 There is evidence that the leadership in the Chinese Communist Party (CCP) and People's Liberation Army (PLA) view the current COVID-19-induced crisis as an opportunity to pursue a range of strategic goals that were previously considered to be too costly or outright impossible.² Annex A includes a full table of key CCP decisions and actions taken since late 2019/early 2020 that suggest that the majority of Chinese foreign policy actions have been driven by strategic considerations and by the PLA. China's diplomatic corps, while becoming increasingly vocal, seem to have been marginalised over the past several years, a trend that appeared to have accelerated in late 2019/early 2020.

¹ For example, see Peng Zhou, Xing-Lou Yang and Zheng-Li Shi, 'A pneumonia outbreak associated with a new coronavirus of probably bat origin', *Nature*, 579, 270-273, 3 February 2020; W Guan et. al, 'Clinical Characteristics of Coronavirus Disease 2019 in China', *New England Journal of Medicine*, 28 February 2020; and Qun Li et. al, 'Early Transmission Dynamics in Wuhan, China of Novel Coronavirus-Infected Pneumonia', *New England Journal of Medicine*, 29 January 2020.

² 'Xi Focus – Quotable Quotes: Xi Jinping on work, production resumption', XinhuaNet, 22 April 2020.

CCP Strategic Manoeuvres during the COVID-19 Outbreak

- 2.1 Several of China's immediate neighbours, such as Taiwan and South Korea, demonstrated extraordinary competence in early detection, pandemic risk characterisation, widespread serological testing, epidemiological data analysis and mapping, and subsequent control measures. Japan also responded decisively utilising its more decentralised, bottom-up approach that empowers individual cities and prefectures to take actions based on their own epidemiological ground realities.
- 2.2 However, some of China's other neighbours, such as the Philippines,³ Indonesia,⁴ India⁵ and Pakistan are all currently experiencing severe outbreaks with widespread sustained community transmission. The COVID-19 outbreak has impacted China's long-time ally Pakistan in a particularly severe manner.
- 2.3 The first confirmed COVID-19 case in the United States was on 21 January 2020 in Washington state. The speed at which COVID-19 spread throughout the United States surprised many given the level of preparedness of the US public health system. The United States has suffered over 100,000 fatalities,⁶ and multiple key cities and states were under lockdown conditions (and might be again due to COVID-19 second wave dynamics). The US Navy had to rapidly withdraw multiple assets, namely, aircraft carriers USS *Theodore Roosevelt* and USS *Ronald Reagan*, out of the Asia Pacific due to force protection considerations on account of COVID-19 infection risks.⁷ However, in June the United States deployed an unprecedented three aircraft carrier fleets to the Asia Pacific in a show of strength and resolve. These events are unprecedented.

³ The Philippines is a treaty US ally with mutual defence obligations. In the event of any security events between China and the Philippines in the South China Sea, the United States is obliged to defend the Philippines from any external aggression.

⁴ Indonesia has also deployed its naval forces to confront Chinese naval vessels within Indonesian waters, including recurring events around Indonesia's Natuna Islands.

⁵ India has roughly 120,000 square kilometres of disputed territory with China and has been experiencing continuous multiple land-based standoffs and armed hostilities with PLA troops that have produced substantial casualties on both sides. The maritime element of this Sino-Indian land-based territorial dispute is discussed in detail in Sections 6.3 and 6.4.

⁶ As a point of reference, total American casualties during the Vietnam War totalled 47,424.

⁷ Crews from a total of five US aircraft carriers tested positive for COVID-19.

- 2.4 The deployment of the Liaoning aircraft carrier naval battle group⁸ through the international waters of the Miyako Strait off the coast of Taiwan on the immediate tails of the US Navy withdrawing multiple assets and multiple deliberate naval (and even air) incursions into clear territorial waters of multiple East Asian/Southeast Asian countries are a clear signal of the current line of strategic thinking in key CCP and PLA leadership circles. Significant increases in aggressive People's Liberation Army Navy (PLAN) activities in the South China Sea are another.
- 2.5 These naval activities coincided with the official declaration of China's State Council on 18 April 2020 that the city of Sansha in Hainan now has two new administrative districts to 'administer waters in the South China Sea'. Evidently, China's Nine-Dash Line in the South China Sea has never been an open negotiating position; it is an absolute non-negotiable claim.
- 2.6 The successful 5 May 2020 launch of China's Long March-5B rocket also deserves attention. The Long March-5B contains technology similar to a range of missile platforms. This successful launch occurs after at least three recent failures of other rockets from the same family as the Long March-5B. The willingness to take on this type of technological risk in such a high-profile domain (space) in the midst of the COVID-19 pandemic suggests ambition to accelerate China's key strategic activities regardless of external party assessments.

The PLA's Evolving Strategy in the South China Sea

- 3.1 The South China Sea is the most strategically important maritime territory in the world today. It is clear that the CCP and the PLA do not officially, and likely will never, voluntarily acknowledge the claims of multiple Southeast Asian claimants as well as the claims of Taiwan. Further, recent maritime activities by the PLAN, the Coast Guard and the Maritime Militia⁹ clearly demonstrate that Xi Jinping and his

⁸ The Liaoning aircraft carrier naval battle group also consisted of two destroyers, two frigates and one combat support ship.

⁹ For example, between 9 and 30 March, Chinese Coast Guard vessels were spotted multiple times in and around the disputed Mischief Reef, Second Thomas Shoal, First Thomas Shoal and Half-Moon Shoal. On 16 March, 10 Chinese speedboats entered Taiwanese waters and attacked a Taiwanese vessel that was clearing illegal Chinese fishing nets. On 30 March, a Japanese destroyer was damaged in the East China Sea after it

leadership team view the American military presence and its associated security guarantees of key sea lanes of communication (SLOCs) as not necessary and unwanted. It is within this context that other related activities, such as artificial island creation, in the theatre should be analysed and understood.

3.2 Controlling the South China Sea and developing, validating and maintaining the ability to blunt American abilities to intervene in multiple South China Sea scenarios is a top strategic priority of the CCP and PLA leadership.¹⁰ Dominance of the South China Sea gives China new strategic options in relation to Taiwan, traditional Southeast Asian rivals such as Vietnam, and control over highly valuable fisheries and subsea oil and gas deposits. It also provides China with the ability to hold multiple SLOCs at will in the event of disputes with Japan, the United States, India, as well as other adversaries (real or perceived) that have critical dependence on supply chains that transit the South China Sea.

3.3 The Hague Court ruling¹¹ and traditional diplomacy are unable to calm issues in the South China Sea. On the contrary, the strategic situation has continued to escalate to an exponential phase without any clear de-escalation pathways. This is especially critical given China's near unitary focus on this theatre pertaining to the development of its anti-access/area denial strategies which rely heavily on near-zero warning precision strike capabilities against key US/Allied military assets

was rammed by a Chinese 'fishing boat'. On 2 April, a Vietnamese fishing boat was sunk near the Parcel Islands.

On 10 April, an 'unspecified number' of PLA H6 bombers, J11 fighters, and KJ-500 airborne early warning and control aircraft flew over the Bashi Channel (just southwest of Taiwan) between Taiwan and the Philippines before circling back to an unspecified base in China. Taiwan scrambled fighter jets to warn off the PLA aircraft. China officially acknowledged that this 'far sea long-range drill' has taken place at least four times since January 2020 and is now a regular component of PLA activity. Taiwan claimed that it was the sixth occasion in 2020 when PLA aircraft operated close to Taiwanese airspace. On 11 April when a US Navy Destroyer was transiting Taiwan the PLA staged aggressive military exercises in the Taiwan Strait without any prior announcement or warning. In addition to these specified events, there have been multiple confirmed instances of sporadic standoffs between the US Navy and the PLAN, Chinese Coast Guard and suspected members of China's Maritime Militia. On 16 April, China deployed a 'research vessel' clearly within Malaysia's EEZ.

¹⁰ For a more in-depth discussion, please see Kerry Gershaneck and James Fanell, 'If a Chinese-American War Happens, It Will Start in the South China Sea', *The National Interest*, 18 November 2019; Anders Corr (ed), 'Great Powers, Grand Strategies: The New Game in the South China Sea', Naval Institute Press, Annapolis, January 2018; and James Fanell, 'China's Global Naval Strategy and Expanding Force Structure', *Naval War College Review*, Vol. 72, No. 1 (Winter 2019), pp. 10-55.

¹¹ For example, see Oliver Holmes and Tom Philips, 'South China Sea dispute: what you need to know about the Hague court ruling', *The Guardian*, 12 July 2016.

throughout the Asia Pacific, including well outside the immediate South China Sea region.

Blurring Lines between Civil and Military

- 4.1 In the maritime domain, and in the South China Sea in particular, the CCP has adopted a unique strategy of simultaneously utilising very low-end and high-end methods. The low end includes sending ‘civilian’ fishing vessels to harass civilian and military vessels of various Southeast Asian countries, Taiwan and the United States. The high end includes developing and deploying hypersonic missiles designed to keep US/Allied Forces confined to the First Island Chain, Second Island Chain, or even the US West Coast. Some assessments¹² have suggested that the DF-ZF, China’s key deployed hypersonic missile platform,¹³ can hit targets on the US West Coast within an hour from launch, even from within China. In this highly unpredictable and escalatory environment, historical precedents and traditional established strategic templates have limited utility.¹⁴
- 4.2 At the opposite end of the spectrum is China’s increasingly aggressive and bold use of its civilian fishing vessel fleet (often referred to as the Maritime Militia). It engages in military-style operations independently or even in coordination with China’s Coast Guard, a force that has a fleet that closely resembles an advanced navy and can engage in conventional combat operations in the South and East China Seas.¹⁵ One well known tactic that has been witnessed in the Paracel Islands, Spratly Islands and the Scarborough Shoal is referred to as a ‘cabbage strategy’ where Chinese fishing vessels, Chinese Coast Guard vessels and even occasionally PLAN

¹² For example, see Missile Defence Project, “DF-17”, *Missile Threat*, Center for Strategic and International Studies, 19 February 2020, last modified 26 March 2020, <https://missilethreat.csis.org/missile/df-17/>.

¹³ The DF-ZF is technically a hypersonic glide vehicle that is launched off of a DF-17 missile.

¹⁴ For an in-depth domain-specific analysis on hypersonic missiles, see Richard Speier, George Nacouzi, Carrie Lee and Richard Moore, ‘Hypersonic Missile Nonproliferation’, RAND Corporation, 2017.

¹⁵ For a more in-depth targeted analysis of China’s Coast Guard, see James Fannell and Kerry Gershaneck, ‘White Warships and Little Blue Men – The Looming ‘Short, Sharp War’ in the East China Sea over the Senkakus’, Project 2049 Institute, 30 March 2018.

vessels encircle disputed island or maritime features like the concentric leaves of a cabbage to gradually alter the status quo and establish de-facto Chinese control.¹⁶

- 4.3 This approach of utilising the entire spectrum of strategic capabilities is designed to maximise strategic ambiguity and unpredictability. At the low end, traditional and validated frameworks related to deterrence (pre-event and/or in-event), response protocols, and escalation/de-escalation control become very blurry and difficult to operationalise in dealing with nominally civilian Chinese fishing vessels that only occasionally operate in a multi-modal manner. The CCP is clearly aware of this and is willing to push these activities as close into conventional strategic territory as possible, a threshold which still has not apparently been breached as evidenced by the fact that the US Navy/Other Allied Forces have yet to take clear kinetic action against a Chinese civilian fishing vessel, even during ‘cabbage operations’.
- 4.4 In the domain of advanced weapons platforms, while Chinese surface ship, submarine and aircraft carrier-based capabilities are significant, it is China’s hypersonic missiles that introduce the most number of free variables and generate the most potential instability given the challenges of determining their trajectories under highly compressed timescales. While at completely extreme ends of the technological spectrum, China’s civilian fishing vessel fleet and its hypersonic missiles share the same set of strategic principles designed to ‘muddy the waters’ as much as possible to keep China’s adversaries off balance and in suspense about even the primary impacts of any kinetic action. All available evidence suggests that the CCP and PLA are seeking to fully maximise this currently blurry strategic situation in the South China Sea to bring about a final conclusive solution that enforces all of China’s claims without any compromise. Central to this will be the attempt to deter, confuse and/or rapidly blunt any American involvement in this theatre of operations. However, this approach also carries the risk of multi-geography escalation well outside of the initial South China Sea area.

¹⁶ David Santoro, ‘Beijing’s South China Sea Aggression Is A Warning to Taiwan’, *Foreign Policy*, 16 September 2019.

America's Response – New Strategic Options on the First Island Chain

- 5.1 After a multi-year period characterised by relatively static defensive positions, the United States has recently unveiled a range of new platforms and operational concepts focused primarily on the First Island Chain in and around China's coastline, an island chain that Chinese strategists believe is absolutely critical to break out of in order to become a regional and eventually a global naval power. America's new strategic approach focuses on long-range, ground-launched cruise missiles while arming the United States Marine Corps, America's maritime expeditionary force, with variants of the Tomahawk cruise missile as well as long-range anti-ship missiles. In June the United States deployed an unprecedented three aircraft carrier fleets to the Asia-Pacific in a show of strength and resolve.

- 5.2 In the new approach, the Marines will operate much more closely with the US Navy by contributing rapidly deployable, small and mobile Marine units out of a large pool of US naval assets in the region. This essentially makes the threat of rapid deployment of specialised anti-ship US marine units less predictable and capable of emerging at any time and from any location. This new joint operational doctrine between the US Navy and the United States Marine Corps is also relevant for China's hypersonic weapons platforms, in particular those that are designed to eviscerate Observe, Orient, Decide, Act (OODA) Loop architectures that have guided American use-of-force for decades. The randomly deployable nature of the Marines combined with new American long-range, ground-launched cruise missiles that focus on neutralising China's land-based missiles form two core components of America's deterrence strategy towards the CCP and PLA that have become particularly prominent under the current COVID-19 outbreak-induced conditions.

- 5.3 The United States has also been conducting joint freedom of navigation exercises with the Australian Navy. The Australian government openly stated that Chinese naval activities in the South China Sea were designed to disrupt the resource exploitation activities of other regional countries. Japan has also provided open

diplomatic support to these joint US-Australian exercises.¹⁷ US aircraft carriers and various Japanese naval vessels were jointly engaged in a range of naval exercises in the South China Sea throughout 2019.¹⁸

Destabilising China's High-Tech War under Local Conditions Strategy: American Theatre and Target Expansion Capabilities and Associated Risks of Geographical Expansion

6.1 America's long-term regional basing and alliance structure combined with the aforementioned new missile deployments and operational modalities seek to neutralise/counteract recent Chinese developments in the South China Sea. They also signal to the CCP and PLA that any kinetic conflict in the South China Sea could rapidly escalate and expand beyond the original theatre. This would pose substantial challenges for the PLA as much of its technological developments/acquisitions, training and doctrine have been configured around the ability to win decisively in a specific geographic theatre within a disciplined timeframe. This principle has characterised the CCP's approach to strategic challenges ranging from the Taiwan Strait to the disputed land border with India. China's ability to fully utilise its asymmetric capabilities against a conventionally superior adversary in multiple theatres simultaneously is highly unclear and very difficult for any party to assess, including the CCP and PLA themselves. By emphasising the entire First Island Chain, the Trump leadership team clearly recognises this and is leveraging it fully.

6.2 This risk of rapid and uncontrolled geographic expansion of an initially South China Sea-centric conflict can serve as the most effective stabilising force against the backdrop of serious escalation in other related domains. The CCP and PLA may not have major reservations around Vietnam, the Philippines, or Malaysia. However they do have clear (though not always overtly stated) reservations about facing a combined Japanese/American force in the East China Sea and/or a joint

¹⁷ For example, see Brad Lendon, 'US Navy stages back-to-back challenges to Beijing's South China Sea claims', CNN, 30 April 2020.

¹⁸ 'Australia concerned regarding Beijing's military presence in South China Sea amid US-China tensions', *The Nation*, 19 May 2020.

¹⁸ Franz-Stefan Gady, 'US, Japan Aircraft Carriers Conduct Naval Exercise in South China Sea', *The Diplomat*, 12 June 2019.

Taiwanese/American force in the Taiwan Strait while being simultaneously engaged in a conflict in the South China Sea that is already fully maximising China's strategic capabilities.

- 6.3 Another key set of strategic variables is presented by India,¹⁹ an officially non-aligned country that nonetheless has made a series of strategic decisions to become interoperable with US forces, namely, through the purchase of multiple Boeing P-8I Neptune maritime patrol aircraft. Prior to this purchase by the Indian Navy, this platform had been reserved for the United States itself, the United Kingdom, Australia and New Zealand.²⁰ India has one of the world's largest and most advanced navies that has conducted multiple exercises with US and Allied Forces and has clearly identifiable core national interests at stake in the South China Sea as well. India has over one billion people (and still growing), strong fundamental natural resource-intensive economic growth and critical exposure to the same SLOCs that (for example) Japan has regarding its energy security. Given India's own natural resource limitations combined with the inability to secure pipeline-based options from nearby countries such as Iran or Pakistan, India has begun to increase its energy imports from the United States, the majority of which makes its way to India via ships transiting the South China Sea.²¹
- 6.4 Indian involvement in any South China Sea dispute as a concert party with the United States/Allied Forces²² would pose another set of strategic challenges for the CCP and PLA in that India also poses a direct land-based challenge to China through 120,000 square kilometres of disputed territory, a strong desire from New Delhi to

¹⁹ For a more in-depth analysis of the structural issues in the Sino-Indian strategic relationship, please see Ryan Clarke, 'Sino-Indian Strategic Relations: Assessing the Risk of Great Power Rivalry in Asia', East Asian Institute, Working Paper, 4 August 2011. Of particular note is the renaming of the US Pacific Command as US Indo-Pacific Command in May 2018 based on the explicit American recognition of the increasing connectivity between the Indian Ocean and Pacific Ocean by US Defence Secretary James Mattis. For more information, see Ryan Browne, 'US rebrands Pacific Command amid tensions with China', CNN, 31 May 2018 and C Raja Mohan, 'Sino-Indian Rivalry in the Indo-Pacific', Brookings Institution Press, 2012.

²⁰ Franz-Stefan Gady, 'India's Navy to Receive First of Four P-8I Neptune Maritime Patrol Aircraft in April', *The Diplomat*, 19 February 2020.

²¹ Dipanjan Roy Chaudhury, 'After Trump's India visit, oil and gas imports from the United States set to increase', *The Economic Times*, 26 February 2020 and 'US Exports to India of Crude Oil', US Energy Information Administration, last updated 30 April 2020.

²² India also has a particularly strong naval relationship with Japan.

roll back Chinese influence in Sri Lanka (Chinese state-owned companies have taken over the strategic deep-sea Hambantota Port after the Sri Lankan government defaulted on a loan²³), and to generally halt and reverse the Indian Ocean components of China's 'String of Pearls' naval strategy²⁴ which New Delhi clearly believes is designed to encircle and contain India.

Chinese Cyber Industrial Espionage against American COVID-19 Vaccine Development: More Than Scientific Prestige?

- 7.1 The Federal Bureau of Investigation and Department of Homeland Security have accused Chinese hackers of targeting multiple research institutions, health-care providers and others involved in COVID-19 vaccine development to illicitly obtain information.²⁵ This has been interpreted by analysts as an attempt to be the first to market a COVID-19 vaccine. However, there are some possible flaws in this seemingly simple argument. For one, the uptake for any Chinese manufactured COVID-19 vaccine is highly unclear in advanced markets and the most promising major emerging markets. These governments are capable of making massive bulk orders and locking in the long-term supply contracts that make vaccine development a high risk but also highly profitable exercise. Even licensing Chinese COVID-19 vaccine technology to a reputable multinational corporation would be highly unlikely given the close and often indistinguishable links between key Chinese biomedical/pharmaceutical companies and the Chinese state.
- 7.2 Other infectious diseases, such as HIV, MERS and SARS-COV-1, have caused substantial harm in China yet none have an effective vaccine. Intensive research has been underway for decades, especially in the case of HIV, yet these respective researchers have not apparently been subjected to the same massive and targeted onslaught of cyber industrial espionage as their counterparts working on COVID-

²³ Maria Abi-Habib, 'How China Got Sri Lanka to Cough Up a Port', *New York Times*, 25 June 2018.

²⁴ In addition to Sri Lanka, China has developed deep water ports of highly questionable economic utility in Pakistan (Gwadar), Bangladesh (Chittagong) and the Maldives (Marao Atoll). For a more in-depth discussion, see Bertil Lintner, *The Costliest Pearl: China's Struggle for India's Ocean*, Oxford University Press, April 2019.

²⁵ For example, see Zack Whittaker, 'FBI and DHS accuse Chinese hackers of targeting US COVID-19 research', *TechCrunch*, 13 May 2020.

19 projects. This targeting anomaly is substantial and should not be underestimated. The first company/nation to market an HIV vaccine would capture a similar, if not greater, amount of economic value as would any company that could have developed the first COVID-19 vaccine. HIV is a globally endemic disease that has been in circulation for decades and is prevalent throughout multiple socio-economic income strata.²⁶ Further, an HIV vaccine would likely be reimbursed by health insurers and/or national governments around the world.

- 7.3 Irrespective, what is clear is that a PLA and/or broader Chinese population that is at least partially vaccinated against COVID-19 would have a major strategic advantage and set of options over an opposing force and/or broader population that is not. Further, the CCP has the ability to force these vaccinations domestically thereby further stimulating China's own biopharmaceutical sector through bulk purchases and long-term supply contracts while also pressuring various governments with strong financial dependence on China to do the same with their own populations.

Some Reflections and Implications for ASEAN

- 8.1 The currently available evidence, including from the pre-COVID-19 period, suggests that the Trump administration is not going to relent to China on core positions across domains ranging from trade to defence. The Xi administration, meanwhile, has demonstrated a willingness to risk international isolation in terms of reduced access to (or even outright loss of access) advanced markets, financial centres and technology. Recent activities mentioned earlier suggest that the United States and China could enter escalatory pathways that are traditionally associated with a Cold War. This is not a forgone conclusion and a Cold War between the United States and China is not inevitable. However, the window to halt and reverse current trends is shrinking.
- 8.2 The emerging regional rivalry puts key Southeast Asian nations in a very challenging position. Domains that had previously been considered separate (such

²⁶ For example, see Marzetta CA et. al, 'The potential global market size and public health value of an HIV-1 vaccine in a complex global market', *Vaccine*, 14 May 2010 and Blythe Adamson et. al, 'The Potential Cost-Effectiveness of HIV Vaccines: A Systematic Review', *Pharmacoeconomics*, March 2017.

as public health, scientific research, technology transfer, trade and investment agreements, the South China Sea dispute and so on) will now be ‘bundled’ together and dealt with comprehensively under a much more intense and acrimonious set of conditions. The CCP appears to be seeking to signal to ASEAN that China is now capable of securing key SLOCs and providing the maritime security underwriting function that has been the preserve of the United States since the end of WWII. Despite China’s Belt and Road Initiative and other big-ticket regional infrastructure projects, the response of key ASEAN countries to such offers appears to be negative.

- 8.3 This challenging set of circumstances is an opportunity for ASEAN to coordinate in a much more concrete manner in strategic affairs. ASEAN is a diverse grouping of nations with different histories, geographies, economic and political structures, religions, development states and military capabilities. However, the increasing bilateral tensions between China and the United States (and the derivative effects that cascade throughout the American alliance structure in East Asia) will likely necessitate ASEAN to form more definitive positions based upon core convergent interests and advocate them more forcefully than has been done before. ASEAN can accomplish this while remaining as a ‘neighbourhood’ bloc and staying true to its founding philosophy.

ANNEX A KEY CCP DECISION TABLE

Date	Decision/Action	Domestic or Regional Implications	Domain
31 December 2019	Wuhan Municipal Health Commission issues Public Notice Claiming that Some Medical Institutions Have Found a Link Between Pneumonia Cases and the Huanan Seafood Market. However the notice also claims that there is no evidence of human-to-human transmission and that no medical personnel have been infected.	Domestic	Public Health
31 December 2019	National Health Commission officials visit Wuhan and establish three diagnostic criteria: Patient must have a history of contact with the Huanan seafood market (despite the fact that 1/3 of all cases, including Patient Zero had no prior contact with the Huanan Seafood Market) Patient must have a fever (despite the fact that many carriers are asymptomatic) Whole genome sequencing must be done All three must be satisfied before a COVID-19 case can be confirmed	Domestic	Public Health
1 January 2020	Huanan Seafood Market officially posts a note of closure followed by an immediate clean up and bleaching operation of the market	Domestic	Public Health
3 January 2020	China's National Health Commission issues a directive to all labs and other institutions involved in characterising the still-unknown virus to destroy all existing samples, destroy any information related to the samples and to immediately cease the release of all papers and data	Domestic	Public Health
4 January 2020	Hong Kong government activates 'Serious Response Level' in response to the outbreak on the Mainland	Special Autonomous Region / Domestic	Public Health

6 January 2020	A research team led by Dr Zhong Yongzhen at the Shanghai Public Health Clinical Centre isolated and completed the genome sequence of the previously unclassified virus. They then submitted their findings to the National Health Commission with clear recommendations for preventative actions to be taken	Domestic with International Implications	Public Health
6 – 17 January 2020	Wuhan city and Hubei province report zero new cases and decide to hold annual political meetings with over 2,000 delegates	Domestic	Public Health
11 January 2020	Shanghai Public Health Clinical Centre releases the full genome sequence of the COVID-19 virus after receiving no response from the National Health Commission	Domestic	Public Health
17 January 2020	Wuhan Tourism Bureau issues 200,000 free tourism tickets to encourage people to visit Wuhan	Domestic	Public Health
18 January 2020	Baibuting district in Wuhan went ahead with the Annual Lunar New Year Banquet with 40,000 families in attendance	Domestic	Public Health
23 January 2020	The city of Wuhan is officially locked down, including Wuhan Tianhe International Airport	Domestic	Public Health
7 February 2020	PLA General Dr Chen Wei official assumes control of WIV's P4 Laboratory	Domestic	Public Health
14 February 2020	Xi Jinping publicly calls for the inclusion of biosecurity into China's national security framework for the expressed purpose of accelerating the introduction of a biosecurity law	Domestic	Strategic
9-30 March	Chinese Coast Guard vessels were spotted multiple times in and around the disputed Mischief Reef, Second Thomas Shoal, First Thomas Shoal and Half-Moon Shoal	Regional – South China Sea	Strategic
16 March 2020	Ten Chinese speedboats entered Taiwanese waters and attacked a Taiwanese vessel that was clearing illegal Chinese fishing nets	Regional – Taiwan	Strategic
30 March 2020	A Japanese destroyer was damaged in the East China Sea after it was rammed by a Chinese 'fishing boat'	Regional – East China Sea	Strategic

2 April 2020	A Vietnamese fishing boat was sunk near the Paracel Islands	Regional – South China Sea	Strategic
10 April 2020	An ‘unspecified number’ of PLA H6 bombers, J11 fighters and KJ-500 early warning and control aircraft flew over the Bashi Channel (just southwest of Taiwan) between Taiwan and the Philippines before circling back to an unspecified base in China. Taiwan scrambled fighter jets to warn off the PLA aircraft. China officially acknowledged that this ‘far sea long-range drill’ has taken place at least four times since January 2020 and is now a regular component of PLA activity. Taiwan claimed that this was the sixth occasion in 2020 alone when PLA aircraft operated close to Taiwanese airspace	Regional – Taiwan	Strategic
11 April 2020	When a US Navy Destroyer was transiting Taiwan the PLA staged aggressive military exercises in the Taiwan Strait without any prior announcement or warning. In addition to these specified events, there have been multiple confirmed instances of sporadic standoffs between the US Navy and the PLAN, Chinese Coast Guard and suspected members of China’s Maritime Militia	Regional – Taiwan	Strategic
16 April 2020	China deployed a ‘research vessel’ clearly within Malaysia’s EEZ	Regional – South China Sea	Strategic
18 April 2020	An official of China’s State Council declares that the city of Sansha in Hainan now has two new administrative districts to ‘administer waters in the South China Sea’	Regional – South China Sea	Diplomatic/Strategic
22 April 2020	<i>Xinhua</i> reports that Xi Jinping, while referencing China’s response to the COVID-19 outbreak, states ‘[c]rises and opportunities always exist side by side. Once overcome, a crisis is an opportunity’	Regional – Pan-Asia	Strategic
5 May 2020	After a series of previous failures, China successfully launches its Long March-5B rocket that is officially part of China’s Moon/Mars/Tiangong Space Station mission ambitions	International – Space	Diplomatic/Strategic

5 May 2020	Multiple skirmishes occur between the PLA and Indian troops at multiple locations around the Line of Actual Control, a disputed border region consisting of roughly 120,000 square kilometres of disputed territory	Regional – South Asia	Strategic
26 May 2020	Xi Jinping orders the PLA to increase its combat readiness citing increased threats from ‘Taiwan independence forces’ and in recognition that ‘epidemic control efforts have been normalised’	Regional – Taiwan	Strategic
28 May 2020	CCP promulgates Hong Kong National Security Law	Special Autonomous Region / Domestic	Strategic
29 May 2020	Li Zuocheng, chief of the Joint Staff Department and member of the Central Military Commission, openly stated that China will use force against Taiwan if there is no other way to prevent Taiwan from becoming independent	Regional – Taiwan	Strategic
1 June 2020	Information begins to circulate that China is planning to impose an Air Defence Identification Zone (ADIZ) in the South China Sea similar to Beijing’s actions of establishing in ADIZ in the East China Sea in 2013	Regional – South China Sea	Strategic
2 June 2020	China’s Ministry of National Defence announces that its first domestically built aircraft carrier, <i>CNS Shandong</i> , is carrying out sea trials in preparation for deployment	Regional – South China Sea and/or East China Sea	Strategic

Source: Compiled by author from various sources