

# Spratly Islands

The South China Sea is defined by the International Hydrographic Bureau as the body of water stretching in a Southwest to Northeast direction, whose southern border is 3 degrees South latitude between South Sumatra and Kalimantan (Karimata Straits), and whose northern border is the Strait of Taiwan from the northern tip of Taiwan to the Fukien coast of China. The South China Sea region is the world's second busiest international sea lane. More than half of the world's supertanker traffic passes through the region's waters. In addition, the South China Sea region contains oil and gas resources strategically located near large energy-consuming countries.

The South China Sea encompasses a portion of the Pacific Ocean stretching roughly from Singapore and the Strait of Malacca in the southwest, to the Strait of Taiwan (between Taiwan and China) in the northeast. The area includes more than 200 small islands, rocks, and reefs, with the majority located in the Paracel and Spratly Island chains. The Spratlys links the Pacific Ocean and the Indian Ocean. All its islands are coral, low and small, about 5 to 6 meters above water, spread over 160,000 to 180,000 square kilometers of sea zone (or 12 times that of the Paracels), with a total land area of 10 square kilometers only. The Paracels also has a total land area of 10 square kilometers spread over a sea zone of 15,000 to 16,000 square kilometers.

Many of these islands are partially submerged islets, rocks, and reefs that are little more than shipping hazards not suitable for habitation. The islands are important, however, for strategic and political reasons, because ownership claims to them are used to bolster claims to the surrounding sea and its resources.

The South China Sea is rich in [natural resources](#) such as oil and natural gas. These resources have garnered attention throughout the Asia-Pacific region. Until recently, East Asia's economic growth rates had been among the highest in the world, and despite the current economic crisis, economic growth prospects in the long-term remain among the best in the world. This economic growth will be accompanied by an increasing demand for energy. Over the next 20 years, oil consumption among developing Asian countries is expected to rise by 4% annually on average, with about half of this increase coming from China. If this growth rate is maintained, oil demand for these nations will reach 25 million barrels per day - more than double current consumption levels -- by 2020.

Almost of all of this additional Asian oil demand, as well as Japan's oil needs, will need to be imported from the Middle East and Africa, and to pass through the strategic Strait of Malacca into the South China Sea. Countries in the Asia-Pacific region depend on seaborne trade to fuel their economic growth, and this has led to the sea's transformation into one of the world's busiest shipping lanes. Over half of the world's merchant fleet (by tonnage) sails through the South China Sea every year. The economic potential and geopolitical importance of the South China Sea region has resulted in jockeying between the surrounding nations to claim this sea and its resources for themselves.

Military skirmishes have occurred numerous times in the past two decades. The most serious occurred in 1976, when China invaded and captured the Paracel Islands from Vietnam, and in 1988, when Chinese and Vietnamese navies clashed at Johnson Reef in the Spratly Islands, sinking several Vietnamese boats and killing over 70 sailors.

The disputed areas often involve oil and gas resources:

- Indonesia's ownership of the gas-rich Natuna Island group was undisputed until China released an official map indicating that the Natunas were in Chinese-claimed waters.
- The Philippines' Malampaya and Camago natural gas and condensate fields are in Chinese-claimed waters.
- Many of Malaysia's natural gas fields located offshore Sarawak also fall under the Chinese claim.

- Vietnam and China have overlapping claims to undeveloped blocks off the Vietnamese coast. A block referred to by the Chinese as Wan' Bei-21 (WAB-21) west of the Spratly Islands is claimed by the Vietnamese in their blocks 133, 134, and 135. In addition, Vietnam's Dai Hung (Big Bear) oil field is at the boundary of waters claimed by the Chinese.
- Maritime boundaries in the gas-rich Gulf of Thailand portion of the South China Sea have not been clearly defined. Several companies have been signed exploration agreements but have been unable to drill in a disputed zone between Cambodia and Thailand.

Most of these claims are historical, but they are also based upon internationally accepted principles extending territorial claims offshore onto a country's continental shelf, as well as the 1982 United Nations Convention on the Law of the Sea.

The 1982 convention created a number of guidelines concerning the status of islands, the continental shelf, enclosed seas, and territorial limits. Three of the most relevant to the South China Sea are:

1. Article 3, which establishes that "every state has the right to establish the breadth of its territorial sea up to a limit not exceeding 12 nautical miles";
2. Articles 55 - 75 define the concept of an Exclusive Economic Zone (EEZ), which is an area up to 200 nautical miles beyond and adjacent to the territorial sea. The EEZ gives coastal states "sovereign rights for the purpose of exploring and exploiting, conserving and managing the natural resources, whether living or non-living, of the waters superjacent to" (above) "the seabed and of the seabed and its subsoil..."
3. Article 121, which states that rocks that cannot sustain human habitation or economic life of their own shall have no exclusive economic zone or continental shelf.

The establishment of the EEZ created the potential for overlapping claims in semi-enclosed seas such as the South China Sea. These claims could be extended by any nation which could establish a settlement on the islands in the region. South China Sea claimants have clashed as they tried to establish outposts on the islands (mostly military) in order to be in conformity with Article 121 in pressing their claims.

In mid-1991, fresh from diplomatic success in helping to end the Cambodian civil war, Indonesia took the initiative in seeking to open multilateral negotiations on competitive South China Sea claims, especially those claims involving jurisdictional disputes over the Spratly Islands. Indonesia has taken a leading role in diplomatic initiatives and cooperative agreements to resolve South China Sea issues, particularly through the ASEAN (Association of Southeast Asian Nations) [forum](#), which has called for the peaceful arbitration of territorial claims. ASEAN includes all South China Sea nations except for China and Taiwan, and has held a number of working groups with China and Taiwan on related issues that have the potential to foster the cooperation and friendship needed to resolve the more contentious issues in the region. Indonesia hosted the first of these workshops in 1990. The ASEAN foreign ministers have reiterated the invitations to all parties directly concerned to subscribe to the principles of the ASEAN Declaration on the South China Sea.

In late 1998 the presidents of China and the Philippines agreed to form a committee of experts to advise on confidence-building measures.



In late November 1999 officials of ASEAN agreed to draft a regional code of conduct to prevent conflicts over the Spratly Islands in advance of the ASEAN summit in Manila. The Philippines, which drafted much of the proposed code, sought to align ASEAN's members in a common stance against what it saw as Chinese expansionism in the Spratlys. China agreed to hold talks with ASEAN member nations on the newly formulated draft code of conduct. But China, which claims the entire South China Sea, signalled it was not ready to agree to the ASEAN draft. Vietnam wanted the code to cover the Paracels while Malaysia did not want the

code to refer to all of the South China Sea. China, which is not an ASEAN member and claims all of the islands, opposed inclusion of the Paracels in the code. Australia pressed for the proposed code to include a moratorium on the occupation of reefs and atolls or building on them.

In January 2000 photographs of Mischief Reef in the Spratly Islands were shown to the foreign ministers of the other eight ASEAN countries by Philippine foreign minister, Domingo Siazon. The photographic evidence showed that China had expanded installations on the reef since 1995, when it first started building what it said were shelters for fishermen. There are now four sites on the reef with installations that could be connected to form a fortress, like Gibraltar, or a five-star hotel for fishermen.

Southeast Asian countries, concerned that Beijing might be strengthening its claim to much of the South China Sea, called for restraint and strict observance of international law in a high-level meeting with China in January 2000.

On 04 November 2002 the Governments of the Member States of ASEAN and the Government of the People's Republic of China signed the "Declaration on the Conduct of Parties in the South China Sea." The Parties undertook to exercise self-restraint in the conduct of activities in the South China Sea that would complicate or escalate disputes and affect peace and stability including, among others, refraining from action of inhabiting on the presently uninhabited islands, reefs, shoals, cays, and other features and to handle their differences in a constructive manner.

China and the Philippines have discussed possible joint exploration for petroleum in the disputed Spratly Islands in the South China Sea. The speaker of the Philippine [House of Representatives](#), Jose de Venecia, said the chairman of China's parliament, Wu Bannguo, made the proposal 31 August 2003 during talks in Manila. China also pledged to increase investment in the Philippines. Chinese Foreign Minister Li Zhaoxing vowed to increase investments in the Philippines to match the growing Philippine investment in China. The two ministers also discussed the territorial disputes in the South China Sea.

In September 2003 representatives of the Philippines, China and other claimant countries of the Spratly Islands signed a declaration of peace to promote the development of the resources in the disputed islands. The declaration was signed at the Asian Association of Parliaments for Peace (AAPP) conference in the Philippines.

In March 2005, the national [oil companies](#) of China, the Philippines, and Vietnam signed a joint accord to conduct marine seismic experiments in the Spratly Islands for economic purposes.

Suggested confidence-building measures among claimant countries include joint research and development in the Spratlys. Among the suggestions to enhance the development of the Spratly Islands include the creation of a marine park; establishment of a South China Sea Institute for Marine Resources Management, conducting a joint survey and assessment of the mineral and hydrocarbon potential and implementation of maritime safety and surveillance measures.

## **[SOUTH CHINA SEA TERRITORIAL ISSUES](#)**

Competing territorial claims over the South China Sea and its resources are numerous, with the most contentious revolving around the Spratly Islands and Paracel Islands (the Xisha and the Nansha in Chinese; the Hoang Sa and Truong Sa in Vietnamese). The Spratlys are claimed in total by China, Vietnam, and Taiwan, whereas Malaysia laid claim to parts of the continental shelf underlying the southernmost islands in the chain. Indeed, ownership of virtually all of the South China Sea is contested. The disputed islands in the South China Sea assumed importance only after it was disclosed that they were near the potential sites of substantial offshore oil [deposits](#).

In 1939 the Japanese military government announced its decision to take possession of the Spratlys. France protested on 04 April 1939 when Japan announced it had placed the Spratlys "under its jurisdiction." In 1941 Japan forcibly took over the islands as part of its World War II strategy. During the War, France defended the Spratlys from Japanese military forces. In 1949 Vietnam "inherited" from France all former French rights over the Paracel Islands and the Spratly Islands. Vietnam emphasizes

"actual exercise of sovereignty over mere geographic contiguity" as a basic ground for its claim. In the 1951 "San Francisco Peace Treaty" Japan relinquished all titles and claims to the Paracel Islands and the Spratlys Islands. From 1956 to 1963, Vietnamese naval troops built "sovereignty steles" in the Spratlys.

The most proactive claimant in the region is China. In 1909 it seized some islands in Xisha (the Paracels). In 1946 it seized Itu Aba (in the Spratlys) and Phu Lan Island (in the Paracels). In 1950's China seized additional Hoang Sa (Paracels) islands, which it forcibly repeated in 1974. Vietnam claims that these acts were unlawful and that the [United States](#) in 1974 conspired with China for the take-over of the Paracels.

In January 1974, Chinese military units seized islands in the Paracels occupied by South Vietnamese armed forces, and Beijing claimed sovereignty over the Spratlys. Following their conquest of South Vietnam in the spring of 1975, units of the People's Army of Vietnam (PAVN) nevertheless moved to occupy the Spratly Islands previously held by the Saigon regime. In 1978 Vietnam and the Philippines agreed to negotiate but failed to settle their conflicting claims to the Spratly Islands. Foreign Minister Thach, during a late-1982 visit to Indonesia, took a conciliatory position in discussing Vietnam's and Indonesia's competing claims to the Natuna Islands, and in 1984 Hanoi made a similar gesture to Malaysia in order to help resolve their conflicting claims over Amboyna Cay.

In a 1988 incident, possibly related to Cambodia because it potentially strengthened China's position at a future bargaining table, the ongoing dispute between China and Vietnam over sovereignty to the Spratly Islands erupted into an unprecedented exchange of hostilities. The situation was reduced to an exchange of accusations following the armed encounter. Vietnam's repeated calls for China to settle the dispute diplomatically won rare support for Vietnam from the international community, but elicited little response from Beijing. A conciliatory mood developed on both sides of the Sino- Vietnamese border in 1989, partly because Vietnam's proposal to withdraw completely from Cambodia responded to a basic Chinese condition for improved relations.

Mischief Reef is part of the Spratly Islands. Mischief Reef was discovered by Henry Spratly in 1791 and named by the German Sailor Heribert Mischief, one of his crew. China has sent naval vessels into the area and has constructed crude buildings on some of the islands. Beijing maintains that the shacks are there solely to serve Chinese fishing boats. Manila describes the buildings as "military-type" structures. According to reconnaissance photos by the Philippine Air Force, these structures do not look like fishermen's sanctuaries. They seem to have radar systems which are not normally associated with the protection of fishermen.



Itu Aba Island is used by Taiwan, ROC fishermen as a rest stop. Itu Aba Island is located at the northwest end of the northern part of the Spratly Archipelago near the Cheng Ho Reefs (Tizard Bank). In 1938 the Indochina Meteorological Service set up a weather station on Itu-Aba island which remained under French control from 1938 to 1941. When World War II erupted in 1941 Japan took control of said weather station.

On 08 June 1956 Taiwan sent troops to occupy Thai Binh Island (Itu Aba - Peace Island), the largest island in the Spratlys. Vietnam claims that "as late as December 1973, the [Far Eastern Economic Review](#) of Hongkong reported that a marker still stood there with the inscription: 'France - Ile Itu Aba et Dependences - 10 Aout 1933.'" The northwestern part of the Tizard Bank consists of Itu Aba in the west, Center Cay in the center, and on the east side Sand Cay, all claimed by Taiwan since 1955.

Since the end of World War Two, the ROC navy has guarded the island for over fifty years; they have a major responsibility to ensure the security of the South China Sea. A Taiwan, ROC garrison is stationed on Itu Aba on a permanent basis, making the building of roads and military installations an important

task. As a result, the island now has well-built roads, and the soldiers keep it as clean as a well-kept park.

The the Kalayaan Islands, as Filipinos call some of the Spratlys, lie in a shallow section of the South China Sea west of the Philippine archipelago. Kalayaan is a rich fishing area that had been identified as a potential source of petroleum deposits. Tomas Cloma, a Manila lawyer, visited the islands in 1956, claimed them for himself, named them Kalayaan (Freedomland), then asked the Philippine government to make them a protectorate.

Vietnam brands as erroneous the Philippine theory that the Spratly Islands were "res nullius" when Tomas Cloma "pretended to 'discover' the Vietnamese Truong Sa islands in 1956". Manila regularly tried to extract from the United States a declaration that it would defend the Philippines' claim to the Kalayaans as part of the Mutual Defense Treaty between the Republic of the Philippines and the United States of America, but the United States just as regularly refused so to interpret that treaty.

The Philippine government first put forth informal claims to Kalayaan in the mid-1950s. Philippine troops were sent to three of the islands in the Kalayaans in 1968, taking advantage of the war situation in the Republic of Vietnam. In 1974, the Philippine government declared that it had garrisoned five of the islands. In 1978 Marcos made formal claims by declaring that fifty-seven of the islands were part of Palawan Province by virtue of their presence on the continental margin of the archipelago. The Philippine military continued to garrison marines on several islands.

Layang Layang (Swallow's Reef, although there are no swallows present) is a small reef in the Spratly Islands, and is currently operated and managed by the government of Malaysia. Swallow Reef is the only reef in Swallow Atoll, which is exposed to the sea. The island is long and narrow, stretching from the northeast to the southwest. It is small in area, around 0.1 square kilometers.

The amazing fact about Swallow Reef is that this tiny, exposed islet was practically man-made! It was built by the Malaysian government, which collected sand and connected two isolated reefs by filling the channel between them. The Malaysian government opted to build an airstrip, dive resort and military installation on this reef since in 1983. Seventy soldiers live on this island and the dive resort is open to any visiting scuba divers. Swallow Reef is fast becoming another of Malaysia's premier dive destination.

The Spratly Islands dispute eased since the 1990s. This was due, in part, to China's rising economic stature and the interdependency it, in turn, fostered amongst Asian nations. China knows that any crisis in the South China Sea could severely restrict the commercial shipping traffic that is vital to their continued prosperity. Another contributor to the relative calm is fact that proven oil reserves in the area are disappointingly low.

