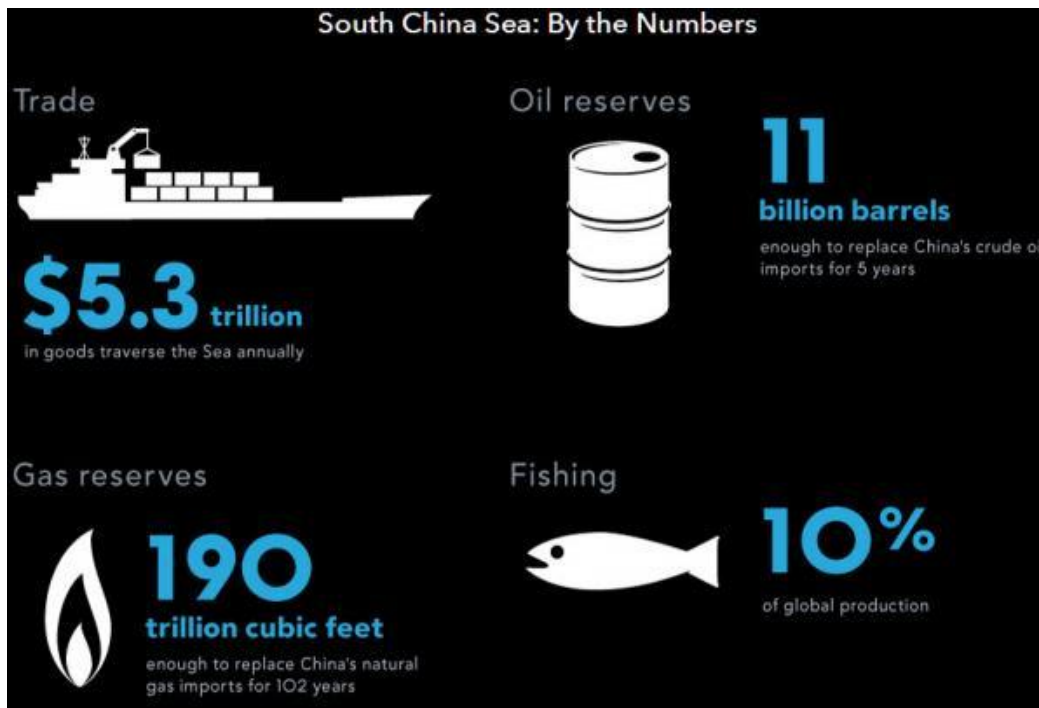
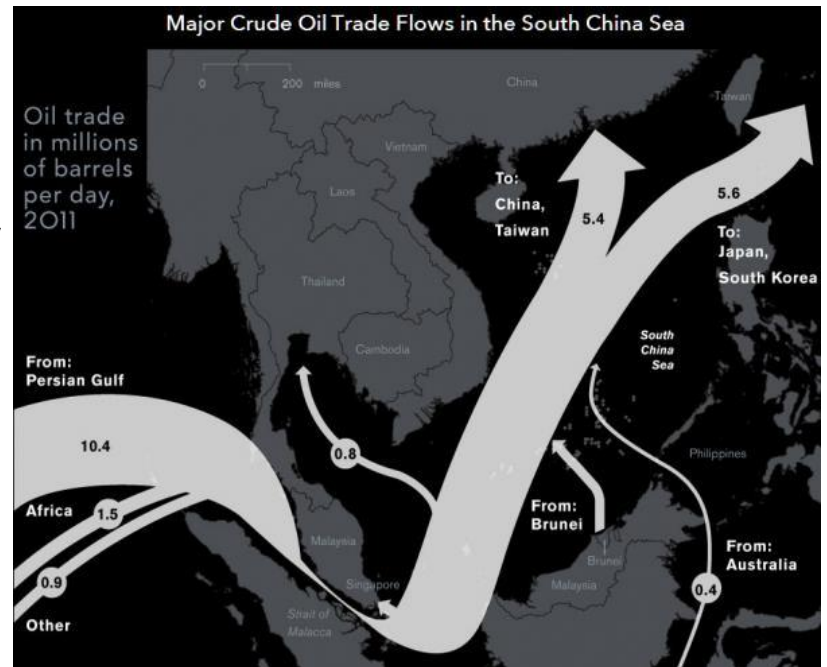


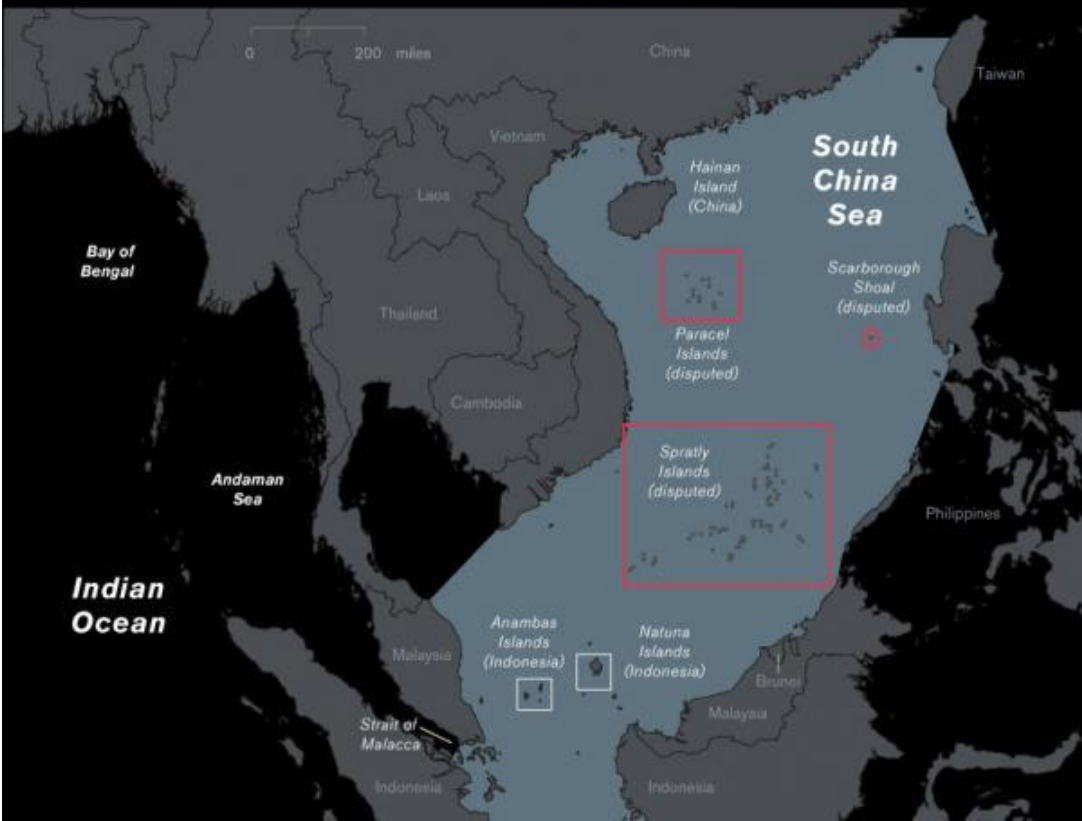
# Why China Wants Control Of The South China Sea

A stunning **\$5.3 trillion in goods cross South China Sea every year**, and as we previously explained, 190 trillion cubic feet of gas reserves sit below the ocean floor – **enough to replace China's natural gas imports for over a century** – so it is hardly surprising that the world's largest importer of oil wants control of such a critical region.



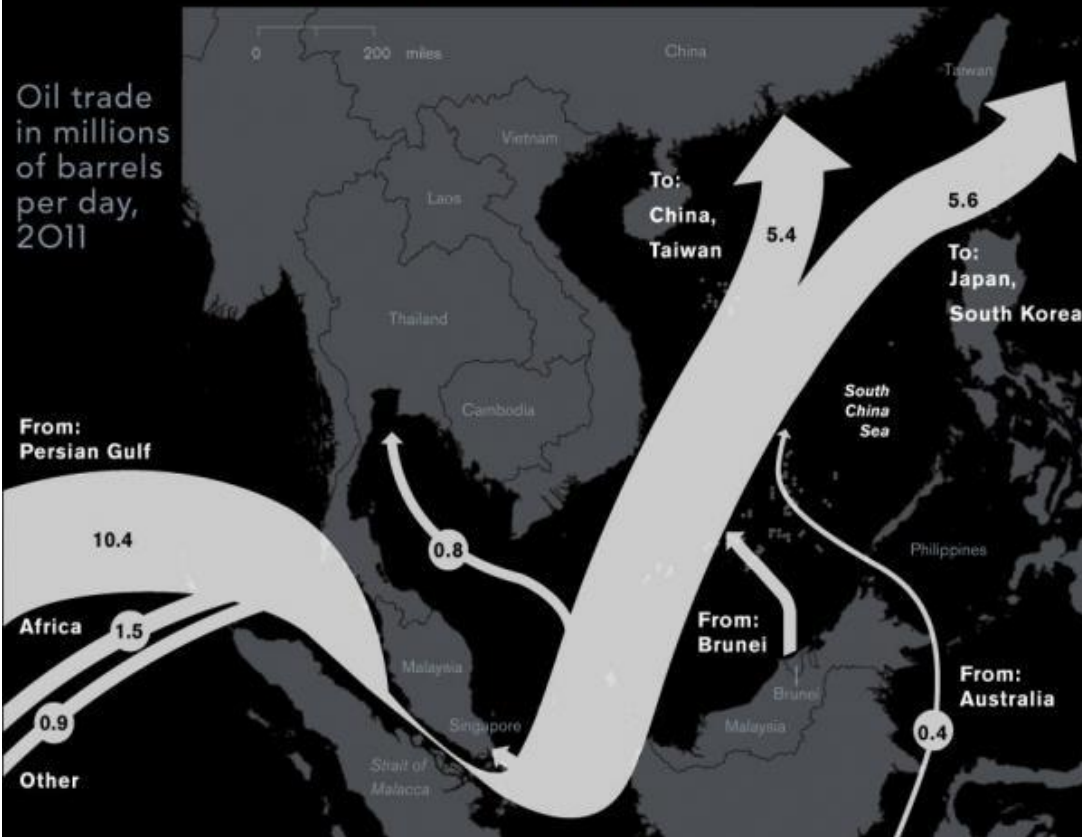
As Bloomberg illustrates in these 10 incredible graphics, everyone has a claim on the same territory and **tensions are rising**. "The Chinese believe they have the right to be a great power," said Richard Bitzinger, a senior fellow at the S. Rajaratnam School of International Studies in Singapore. **"What we are seeing is a hardening of China's stance about its place in the world."**

### Dynamic Economies, Competing Claims

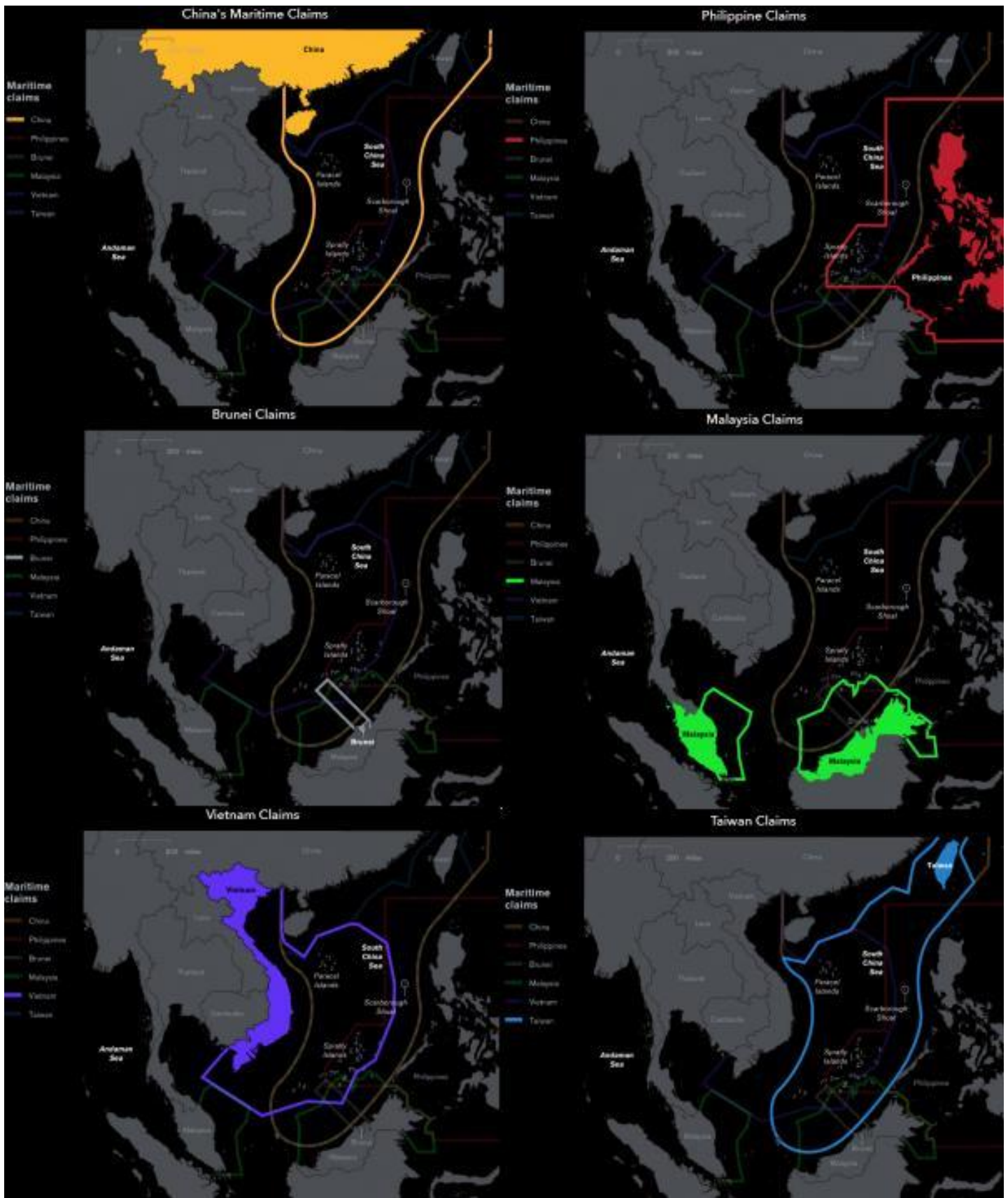


What's at stake...

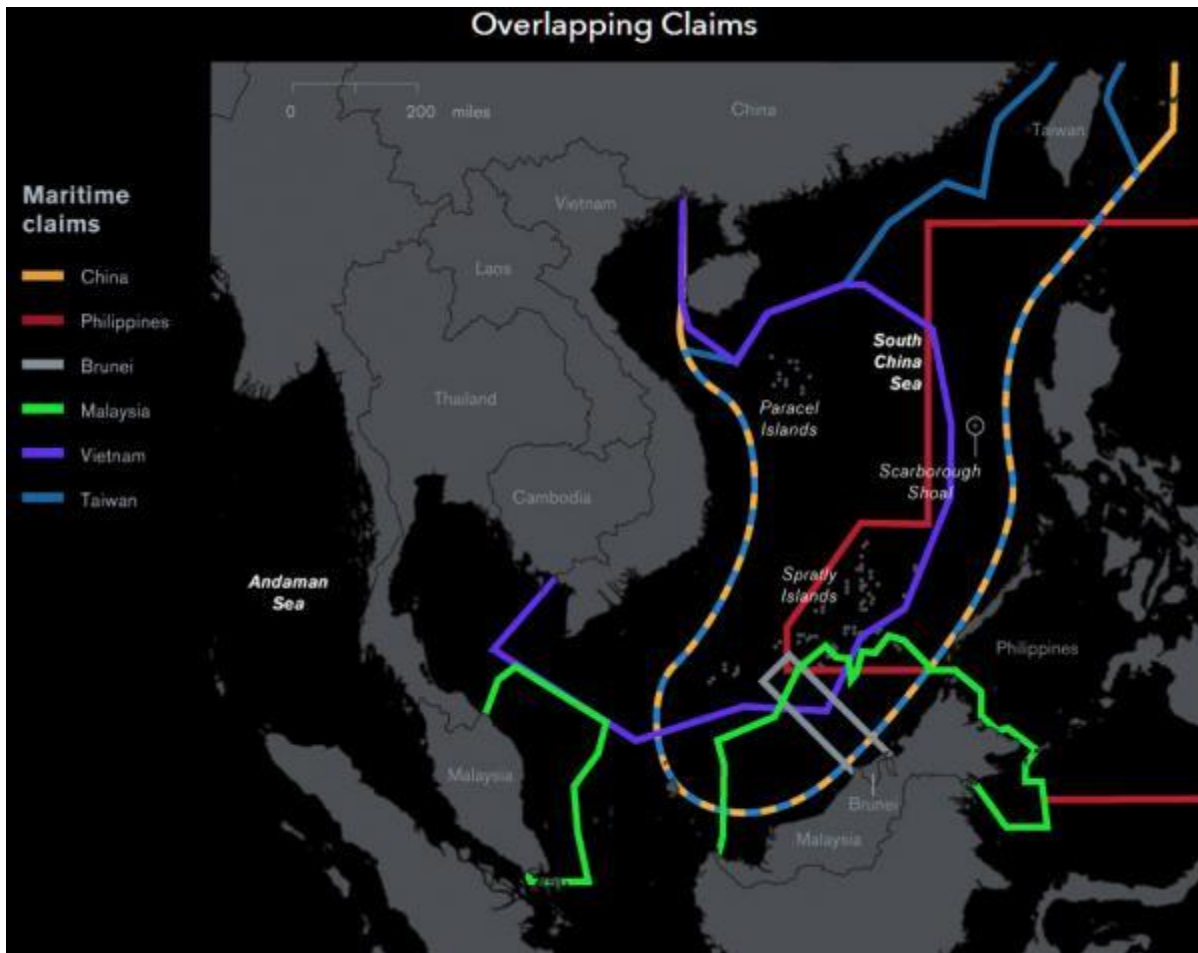
### Major Crude Oil Trade Flows in the South China Sea



# The Claims...



# The Chaos...



*As Bloomberg concludes,*

The ambitions of China's leaders don't stop at the nine-dash line.

**"China's ultimate long-term goal is to obtain parity with U.S. naval capacity in the Pacific,"** said Willy Wo-Lap Lam, adjunct professor at the Centre for China Studies at the Chinese University of Hong Kong. "This is a long-term proposition. At this stage the Chinese understand they don't have the capacity to take on the U.S. head-on."

**"China is testing the limits of America's alliance relationships in Asia,"** said Storey. "By pushing and probing and essentially showing that the U.S. isn't willing to respond to these provocations, it is undermining those alliances and hence ultimately U.S. credibility and U.S. power over the long term."

There are two schools of thought on the eventual outcome of China's ascendancy, according to Rory Medcalf, director of the International Security Program at the Lowy Institute for International Policy in Sydney.

**One argues that dominance of the South China Sea is an inevitable outcome of China's economic and military expansion. The other says that China will have to curb its ambitions or risk provoking a conflict, even war, which could draw in the U.S.**

It's not possible to judge which scenario ends up proving right, said Medcalf. **"The story is only beginning."**

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