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Background Brief:

Artificial Islands and Commercial Development in the South Chins Sea

December 22, 2022

We are looking into any new developments in economic uses of the South China Sea. Have you tracked, for example, increasing use of artificial islands to explore for oil, gas, or other energy sources? Or, is any country's fishing fleet expanding to where its catches are getting noticeably larger?

ANSWER: Artificial Islands

I am unaware of any reports that China's seven artificial islands in the Spratly archipelago are being used as bases for hydrocarbon (oil and gas) exploration in the South China Sea or as service bases to support such exploration.

Over the years, China has occasionally dispatched oil exploration and marine research vessels to the South China Sea. For example, from May-August 2014 [China parked the semi-submersible oil drilling platform](#) Hai Yang Shi You (Ocean Petroleum) 981 in Vietnamese waters near the Paracel islands.

In 2018-19, three newly constructed Chinese research vessels, Hai Yang Dizhi (Ocean Geology) 8, Hai Yang Dizhi 9, and Hai Yang Dizhi 10, conducted maiden research voyages.

In August 2018, Haiyang Dizhi 8, China's first vessel custom-built vessel for geophysical exploration, [deployed to the northern South China Sea](#) to conduct its first marine resources survey providing high resolution three-dimensional images.

In late 2018, the Haiyang Dizhi 10 [sailed to Pakistan](#) where it conducted a joint expedition in the Indian Ocean gathering data on marine geology, geophysics, and hydrology.

In February 2019, the Haiyang Dizhi 9, left its home port of Qingdao, Shandong province for a [year-long research voyage](#) in the East China Sea, South China Sea and the western Pacific Ocean. The Haiyang Dizhi 9 is the only Chinese research ship capable of carrying out seismic, geological and geophysical surveys simultaneously. On its maiden voyage, the Haiyang Dizhi 9 conducted seismic, multi-beam, shallow stratum profile, and ocean current surveys as well as geological sampling.

In April 2021, it was reported that a Chinese research vessel conducted deep drilling in the South China Sea to locate crystal natural gas hydrates on the seabed.

In August-September 2021, the Guangzhou-based Hai Yang Dizhi 10 (Ocean Geology No 10) was deployed to Indonesia’s Natuna Sea where it carried out “research activities.” It left briefly for resupply at Fiery Cross Reef and then returned to Indonesian waters in October.

None of these Chinese Ocean Geology research vessels or the oil drilling platform were based at China’s artificial islands.

Fishing Fleets

As early as 2008, the South China Sea reportedly was overfished and the fish stock declined since then. Both China and Vietnam polluted and overfished in their Exclusive Economic Zones. Illegal, Unreported and Unregulated Fishing (IUUF) by China and Vietnam pushed further south into Indonesian and Malaysian waters.

China has the [largest distance water fishing fleet](#) globally estimated at 2,500 vessels a number that rises to 17,000 if unregistered and illegal vessels are included.

China also has the largest number of fishing fleets operating in the South China Sea. Chinese and Vietnamese fishermen have been identified as among the top illegal fishers in the South China Sea and well as globally. Vietnam is currently subject to a yellow card issued by the European Union for IUUF. Vietnam responded by instituting new regulations on fishing vessels to curb illegal fishing; this has resulted in the decline in the size of its fishing fleet.

IUU fishing makes it difficult to estimate how much fish are captured in the South China Sea.

There is a debate among specialists about whether to include China’s Maritime Militia in its fishing fleet. It is clear from satellite imagery and other sources that many of China’s so-called fishermen are not engaged in fishing at all. They are being paid and subsidized to “squat” in Philippine waters to prevent local fishermen from accessing traditional fishing grounds.

The [Global Illegal Fishing Index](#) provides a benchmark of a country’s vulnerability, prevalence and response to Illegal Unreported Unregulated (IUU) fishing based on a suite of 40 indicators. Index scores range from 1 (best-performing) to 5 (worst-performing) at country, regional and ocean basin levels. According to this index China was ranked as the worst offender globally (see Table 1) and China hauls in [20 per cent of the world’s annual catch](#).

Table 1 Global Illegal Fishing Index (2019)

	5 best-scoring states	5 worst-scoring states
1	Belgium (1.43)	China (3.93)
2	Latvia (1.57)	Taiwan, Province of China (3.34)
3	Estonia (1.67)	Cambodia (3.23)
4	Finland (1.67)	Russia (3.16)

5	Poland (1.68)	Vietnam (3.26)
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In sum, I do not see any evidence that China or any other country in Southeast Asia is expanding its fishing fleet to increase its share of captured fish. Given current depletion of fish stocks in the South China Sea there is already intense competition to capture what fish remains. Expanding a fishing fleet would result in diminishing returns.

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