

In 1996, China became a full dialogue partner of ASEAN, a status earlier reserved for ASEAN's closest non-communist allies such as the United States, Japan, the European Union, Canada and Australia. Then in 1997, the China-ASEAN Joint Cooperation Committee (AJCC) was set up. The AJCC coordinates all cooperation between China and ASEAN at the working group level. It is run by a Joint Management Committee, co-chaired by the ASEAN Secretary General and the Chinese ambassador in Jakarta. An ASEAN-China Cooperation Fund was established under this committee.

The first ASEAN-China Political Consultations were held in Hangzhou. The meeting marked the first occasion where ASEAN collectively engaged China in direct dialogue on the South China Sea disputes. It was considered a significant move on the part of China, which had hitherto insisted on discussing the disputes only bilaterally with each of its rival claimants. Discussion on the South China Sea then became a prominent feature of subsequent ASEAN-China dialogues. The ASEAN member-states, claimants as well as non-claimants, appeared to be speaking with increasing confidence and solidarity on the issue notwithstanding differences in their perceptions and national interests vis-à-vis China.

During the second annual ASEAN-China political consultations held in Bukittinggi, Indonesia in June 1996, ASEAN raised clarificatory questions regarding China's recent ratification of UNCLOS and its declaration of straight baselines around the Paracels. The following year, discussions focussed on the need for a code of conduct among claimants, especially in light of another recent incident in which Chinese vessels and an oil rig were seen operating in what Vietnam claimed was its EEZ and continental shelf.

The significance of the Senior Officials' political consultations is that it became the main forum for multilateral discussion of the South China Sea issue involving China and ASEAN claimants. By allowing the territorial disputes to move up the agenda of the talks, China signals that it considers this forum appropriate and legitimate in addressing the issue. In contrast, China refuses to address it in the ASEAN Regional Forum, despite efforts by the Philippines and other governments to raise the matter.

At a higher level than SOM are the annual ministerial level ASEAN + China meetings and the Summit of the Heads of State. In 1997 in Kuala Lumpur, the Heads of State for their first summit and issued a joint statement on "ASEAN-China cooperation towards the 21<sup>st</sup> century". The statement referred to the importance of cooperation in the ASEAN Regional Forum and other international fora, and in promoting economic growth as well as working together to overcome the effects of the Asian financial crisis. On the South China Sea disputes, the two sides undertook "to continue to exercise restraint and handle relevant differences in a cool and constructive manner."<sup>36</sup>

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<sup>36</sup> Joint Statement of the Meeting of Heads of State/Government of the Member States of ASEAN and the President of the People's Republic of China, Kuala Lumpur, 16 December 1997.