

THE CROUCHING TIGER OR THE HIDDEN DRAGON

Chinese Influence Ops in the Philippines



Table of Contents

Introduction	2
Five Flashpoints in the Philippines-China Relationship	4
The Crouching Tiger	6
Recent History of Chinese Aggressive Maneuvers in SCS/ WPS	8
SCS Arbitral Award	16
The Protests	16
“Philippines cannot avoid getting involved if the Taiwan crisis erupts into a conflict”	18
The Hidden Dragon	20
Role of Popular Culture	20
Role of Chinese Filipinos	22
Role of Chinese Criminal Syndicates	24
Role of Social Media	24
Conclusion	28

The Crouching Tiger or the Hidden Dragon: Chinese Influence Ops in the Philippines

Introduction

The Philippines is positioned on the eastern periphery of Asia, bordered to the west by the **South China Sea (SCS)** and to the east by the **Pacific Ocean**. Comprising more than **7000 islands**, it boasts a land area of nearly **300,000 km² (116,000 square miles)** and an extensive coastline spanning 36,289 km. The Philippine government designates portions of the South China Sea within the country's **Exclusive Economic Zone (EEZ)** as the **West Philippine Sea (WPS)**.

The **South China Sea (SCS)** serves as a vital shipping route, a productive fishing area, and is home to a diverse coral reef ecosystem. Additionally, it is believed to harbour significant oil and gas resources. In the southern region of the SCS lies the Spratly Islands, a collection of small islands and coral reefs that emerge just above or below the water's surface, forming the peaks of undersea mountains rising from the deep ocean floor. Historically recognized as a navigational hazard and marked on nautical charts as the "**dangerous ground**," the Spratly Islands have been at the centre of enduring territorial disputes involving several coastal states in the SCS. China and the Philippines were parties to the 2016 Arbitration Case related to these disputes.

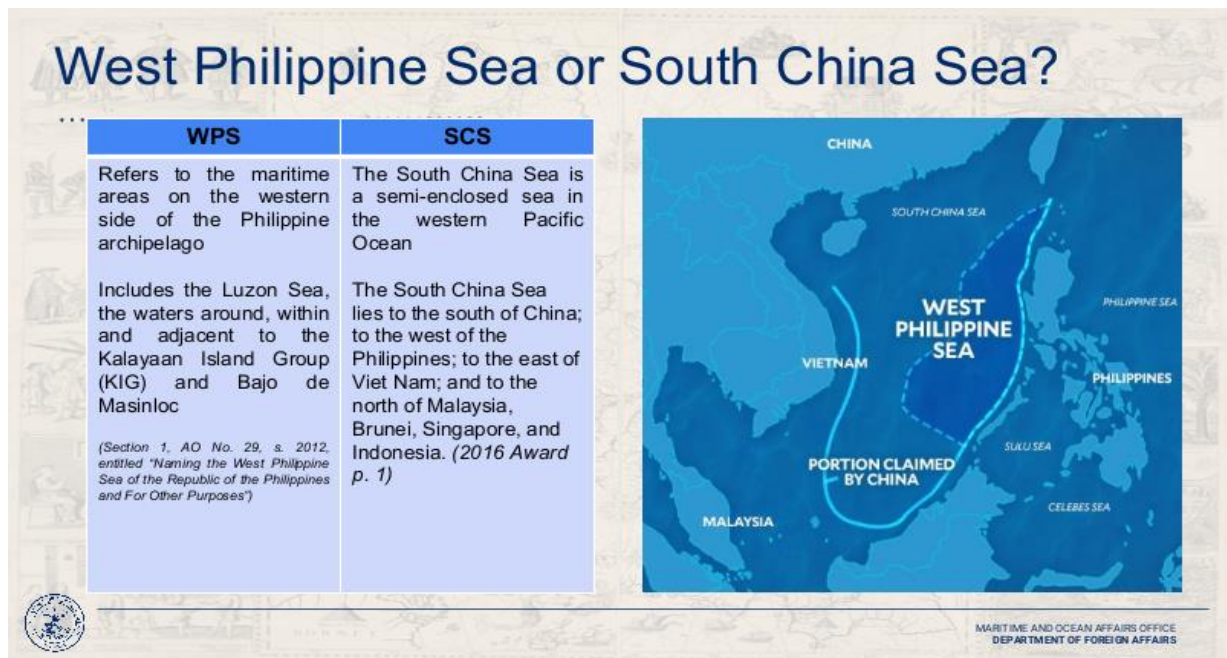


Figure 1 West Philippine Sea or the South China Sea

The Republic of the Philippines formally established diplomatic relations with the **People's Republic of China (PRC) on 09 June 1975**. Prior to 1975, the Philippines' close ties with the **United States and US partners like Taiwan**, along with the Philippine elite's anti-communist politics, had resulted in an antagonistic stance toward Beijing. Filipino diplomatic presence in China is observed through its embassy in [Beijing](#) and consulates in Chongqing, Guangzhou, Shanghai, Xiamen, Hong Kong and Macau. China maintains its diplomatic presence in the Philippines through its embassy in [Manila](#), with about 65 diplomats, the second highest number of foreign diplomatic corps in Manila after the United States. Bilateral trade grew by [17 percent per year](#) on average between 2014 and 2019. These figures reveal the Philippines' role as an active business partner and trading market for China, while Manila is making [concerted efforts to deal with belligerent Beijing](#).

CHINA

Embassy of the People's Republic of China

Chancery and Postal Address	:	4896 Pasay Road, Dasmarinas Village, Makati City
Tel. No.	:	
Fax No.	:	
Email Address	:	chinaemb.manila@gmail.com
Website	:	http://ph.china-embassy.org/eng http://ph.chineseembassy.org
Working Hours	:	8:30 A.M. – 5:00 P.M. (Monday – Friday)

Figure 2 Chinese Embassy in the Philippines

BILATERAL INVESTMENTS 双边投资

In 2018, China ranked first in foreign investments to the Philippines, amounting to US\$975 Million, up by 2,072 percent from just US\$ 47 Million in 2017. This growth was spearheaded by businesses and companies from sectors like IT & communications, manufacturing, real estate, and electricity.

In 2019, China continued to show strong interest and ranked as the second top source of investments, with US\$ 1.7 Billion, translating to 32 percent of total foreign investments and 174 percent growth in 2018.

The biggest project was the development of the 3rd telecommunications provider, a joint venture with China Telecom. This investment is attracting related projects in telecom, infrastructure, and services. Other notable Chinese Investments in the Philippines are C&U Group Ltd., New Hope Liuhe, Azure Gaming (Hongkong) Ltd., Suzhou Boamax Technologies Group Co., Ltd., and JTK Technology (Suzhou) Co., Ltd.

Figure 3 Chinese Bilateral Investments in the Philippines

Five Flashpoints in the Philippines-China Relationship

1. The **first flashpoint is the Reed Bank** which is rich in gas. The [arbitral tribunal](#) expressly ruled that Reed Bank is fully submerged, within 200 nautical miles from the archipelagic baselines of the Philippines, and **forms part of the exclusive economic zone of the Philippines**. Thus, the gas in Reed Bank belongs exclusively to the Philippines.

As **Malampaya, which supplies 40% of the energy requirement of Luzon**, will soon run out of gas, there is urgency for the Philippines to develop Reed Bank. In past years, Chinese Coast Guard vessels have shoved away Philippine survey ships sent to Reed Bank. This time, before the end of 2023, the Philippines will be sending its survey and drilling ships to Reed Bank at the same time that Philippine and U.S. naval vessels will be conducting joint patrols in Reed Bank. This was the formula used by Malaysia and Indonesia in April 2020 and the latter half of 2021 respectively when US conducted drills in the region.

2. The **second flashpoint is Ayungin Shoal (also known as the Second Thomas Shoal)**, which the arbitral tribunal ruled is a low-tide feature and, like Reed Bank, **falls within the exclusive economic zone of the Philippines**. Under the [United Nations Convention on the Law of the Sea](#) (UNCLOS), only the Philippines can erect structures within its exclusive economic zone like Ayungin Shoal.

Ayungin Shoal is about 20 nautical miles from Mischief Reef. The arbitral tribunal ruled that Mischief Reef is a low-tide feature forming part of the exclusive economic zone of the Philippines. Despite this, China illegally reclaimed Mischief Reef and converted it into the largest air and naval base of China in the Spratlys. Because of Ayungin Shoal's proximity to Mischief Reef, China wants to seize Ayungin Shoal from the Philippines. Ayungin Shoal is where the BRP *Sierra Madre* is beached, manned by a dozen Philippine soldiers.

Ayungin Shoal is the nearest low-tide feature to Reed Bank and can serve as the Philippines' outpost to monitor Reed Bank. **For the longest time China has been trying to force the Philippines to abandon Ayungin Shoal.**

3. The **third flashpoint is Sandy Cay**. During the Duterte administration, China seized from the Philippines Sandy Cay, a high-tide sandbar located about two nautical miles from Pagasa Island within Pagasa's territorial sea. Chinese militia vessels have surrounded Sandy Cay 24 hours a day, seven days a week. Before the **Duterte administration, Sandy Cay** was controlled by the Philippines since it is located just **two-nautical miles from Pagasa Island** within the territorial sea of Pagasa.

The arbitral tribunal ruled that **Subi Reef**, about 14 nautical miles from Pagasa, is still within the 12-nautical mile territorial sea of Pagasa because of a low-tide feature situated about two-nautical miles from Pagasa. In short, the 12-nautical mile territorial sea of Pagasa is measured from this low-tide feature and not from the low-water mark of Pagasa Island itself.

Subi Reef, a low-ride feature reclaimed by China, is the site of China's third air and naval base in the Spratlys. To take Subi Reef outside of the territorial sea of Pagasa, China seized Sandy Cay. China is now claiming that Subi Reef is within the 12-nautical mile territorial sea of Sandy Cay, not Pagasa.

Thus, China is expected to hold on to **Sandy Cay to prevent Subi Reef** from forming part of the territorial sea of Pagasa. The Philippines will have to contest China's control of Sandy Cay if the Philippines does not want to lose one-third of Pagasa's territorial sea, including Subi Reef.

4. The **fourth flashpoint is San Felipe Reef or Whitsun Reef**, a low-tide arrow shaped atoll that **the Philippines considers part of its exclusive economic zone**. San Felipe Reef is just 50 nautical miles from **Mischief Reef, China's largest air and naval base in the Spratlys**. Given its proximity to Mischief Reef, San Felipe Reef is important to China, just like Ayungin Shoal. Physical control over San Felipe Reef will continue to be contested between the Philippines and China.
5. The **fifth flashpoint is Scarborough Shoal, a high-tide rock whose territorial sea was declared by the arbitral tribunal as a common fishing ground of Philippine, Chinese and Vietnamese fishermen**. Scarborough Shoal is about 120 nautical miles from the coast of the Philippines' Zambales Province, the nearest land mass to Scarborough Shoal.

China seized Scarborough Shoal from the Philippines in mid-2012, triggering the arbitration case that the Philippines filed against China. **China plans to dredge Scarborough Shoal and convert it into an air and naval base to complete China's control of the entire SCS.** At present, China has no air and naval base in the northern part of the SCS.

An air base in Scarborough Shoal will allow Chinese warplanes to cover the entire SCS from bases in islands on the eastern and western side of the SCS. It will also allow Chinese warplanes to easily reach the Bashi Channel, the gateway to the Pacific for China's nuclear-armed submarines whose ballistic missiles at present can reach the continental United States only if fired from the Pacific Ocean. Of course, a Chinese air and naval base in Scarborough Shoal will be important for China if it invades Taiwan.

The Crouching Tiger

As the title suggests, while *crouching tiger* refers to the aggressive muscle flexing actions of Beijing in SCS/ WPS vis-à-vis Manila, *hidden dragon* refers to the malign Chinese influence activities in the Philippines.



Figure 4 The Nine Dash Line and Its Basis in International Law (Source : <https://www.chinausfocus.com/>)

Under President Ferdinand Marcos, the Philippines has taken a much tougher stance on the dispute, with Manila accusing Chinese vessels of “**aggressive actions**” in SCS. In SCS, China claims all the islands, waters and resources falling within its [nine-dash line](#), equivalent to about 85.7 percent of the maritime area of the SCS.

Chinese Coast Guard vessels are authorized under China’s new Coast Guard Law (came into force since 1 Feb 2021) to fire their weapons on foreign vessels, and to forcibly dismantle structures, that encroach on China’s nine-dash line claim.



Figure 5 The Filipino fishing community protesting against the Chinese Coast Guard Laws

Therefore, structures erected by other states on islands claimed by China, like those in the Spratly Islands, such as the **beached BRP Sierra Madre in Ayungin Shoal**, can be demolished by **Chinese coast guard vessels under the said new Coast Guard Law**. Filipino fishing community held a [protest action](#) on 24 February 2021 at Manila Baywalk to denounce China's new coast guard law.

Ij-Reportika covered the issues of the **Dubious Chinese Distant-Water Fishing Fleet (DWF)** in the SCS/WPS in a comprehensive manner in "[An Investigation into the Dubious Chinese Distant-Water Fishing Fleet \(DWF\)](#)". Do check out the complete report.

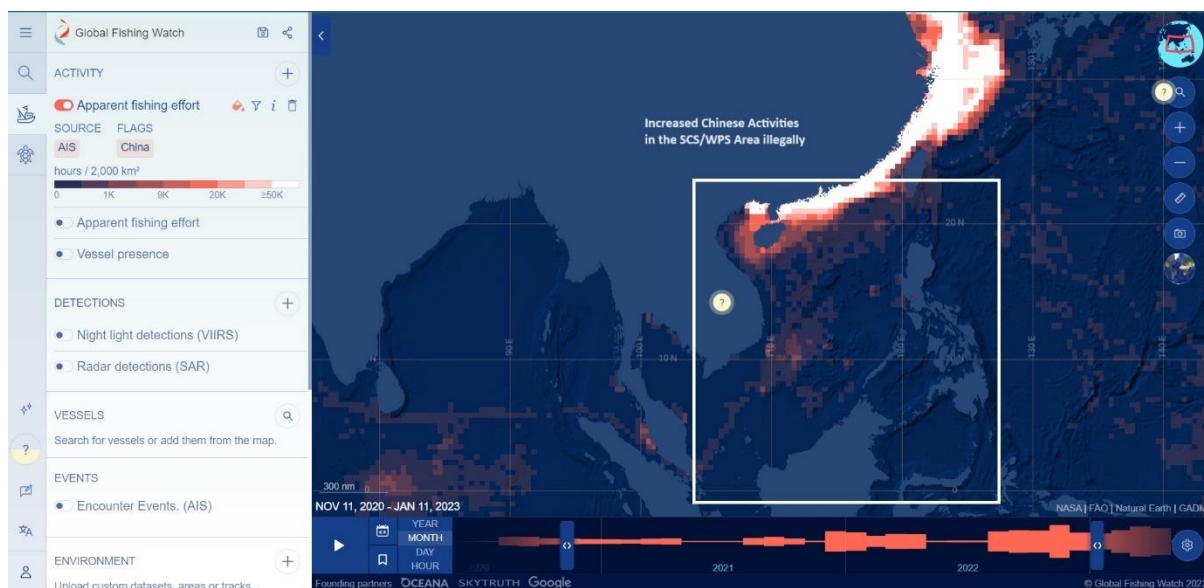


Figure 6 Chinese Activities in the SCS/WPS in the 2020-2023 period

Recent History of Chinese Aggressive Maneuvers in SCS/ WPS

The following timeline briefly highlights the recent regular Filipino woes regarding the Chinese aggressive manoeuvres in SCS/ WPS through the **Beijing's Coast Guard and Maritime Militia**:

- 13 Apr 2021 — The Philippines Department of Foreign Affairs (DFA) [summoned Chinese Ambassador](#) to the Philippines Huang Xilian on 12 April 2021. The DFA expressed displeasure over the **illegal lingering presence of Chinese vessels in Julian Felipe Reef**. Its Acting Undersecretary Elizabeth P. Buensuceso informed Ambassador Huang that Julian Felipe Reef lies within the EEZ of the Philippines. On the untoward statements of the Chinese embassy spokesperson on Defense Secretary Lorenzana, the Chinese side was [reminded of proper decorum and manners](#) in the conduct of their duties as guests of the Philippines.

DFA SUMMONS CHINESE AMBASSADOR, EXPRESSES UTMOST DISPLEASURE OVER JULIAN FELIPE REEF ISSUE

DFA Summons Chinese Ambassador, Expresses Utmost Displeasure over Julian Felipe Reef Issue

STATEMENT: DFA DEPLORES CHINESE EMBASSY RESPONSE TO SECRETARY OF DEFENSE'S STATEMENT

Statement: DFA Deplores Chinese Embassy Response to Secretary of Defense's Statement

Figure 7 DFA Summons Chinese Ambassador, Expresses Utmost Displeasure over Julian Felipe Reef Issue

- 23 Apr 2021 - DFA has lodged on 21 April [two new diplomatic notes in protest](#) of the continued deployment, lingering presence, and activities of Chinese vessels in Philippine maritime zones. **It says: the presence of these vessels blatantly infringe upon Philippine sovereignty, sovereign rights and jurisdiction.** The new diplomatic protests were in addition to the daily protests being filed by the DFA against the continuing presence of Chinese vessels in Julian Felipe Reef. As of 20 April 2021, Philippine maritime law enforcement agencies observed the continued unauthorized presence and activities of a total of one hundred and sixty (160) Chinese Fishing Vessels and Chinese Maritime Militia Vessels in Philippine waters. The vessels were observed within the territorial sea of high tide features in the Kalayaan Island Group, in the Philippine EEZ, and in and around the territorial waters of Bajo de Masinloc, it added. Meanwhile five (5) Chinese Coast Guard vessels with bow numbers 3103, 3301, 3305, 5101, and 5203 were seen deployed within the vicinities of the Pag-asa Islands, Bajo de Masinloc and Ayungin Shoal.



DFA PROTESTS ANEW ILLEGAL PRESENCE OF CHINESE VESSELS IN PHILIPPINE WATERS

DFA Protests Anew Illegal Presence of Chinese Vessels in Philippine Waters

Figure 8 DFA Protests Anew Illegal Presence of Chinese Vessels in Philippine Waters

- 03 May 2021 – The Department of Foreign Affairs has [protested](#) the shadowing, blocking, dangerous manoeuvre, and radio challenges by the Chinese Coast Guard (CCG) of Philippine Coast Guard (PCG) vessels conducting legitimate maritime patrols and training exercises in the vicinity of Bajo de Masinloc on 24 to 25 April 2021. It has also protested the **incessant, illegal, prolonged, and increasing presence of Chinese fishing vessels and maritime militia vessels in Philippine maritime zones**. From 01 January to 18 March 2021, Philippine maritime law enforcement agencies monitored the continued unauthorized presence and activities of hundreds of Chinese vessels in WPS, particularly in the areas around the **Pag-asa Islands, Zamora Reef, Panata and Kota Islands, Ayungin Shoal, Quirino Atoll, and Bajo de Masinloc**.

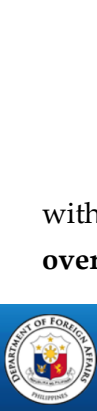


STATEMENT: ON THE ILLEGAL PRESENCE OF THE CHINESE COAST GUARD IN BAJO DE MASINLOC, AND THEIR BELLIGERENT ACTIONS AGAINST THE PHILIPPINE COAST GUARD

Statement: On the Illegal Presence of the Chinese Coast Guard in Bajo de Masinloc, and their Belligerent Actions Against the Philippine Coast Guard

Figure 9 Illegal action of the Chinese Coast Guard Against the Philippine Coast Guard

- 29 May 2021 — DFA [lodged a diplomatic protest](#) on 28 May 2021 against the **incessant deployment, prolonged presence, and illegal activities of Chinese maritime assets and fishing vessels** in the vicinity of the **Pag-asa islands**, demanding that China



withdraw these vessels. **The Pag-asa Islands are an integral part of the Philippines over which it has sovereignty and jurisdiction, Filipino DFA asserted.**

STATEMENT: ON THE CONTINUING ILLEGAL PRESENCE AND ACTIVITIES OF CHINESE VESSELS IN THE PAG-ASA ISLANDS

Statement: On the Continuing Illegal Presence and Activities of Chinese Vessels in the Pag-asa Islands

Figure 10 Illegal Presence and Activities of Chinese Vessels in the Pag-asa Islands

- 18 Nov 2021 - **Chinese coastguard vessels** have blocked and **used water cannon on two Philippine supply boats** heading to a disputed shoal occupied by Filipino marines in the SCS, drawing an angry protest from Manila. The Philippines' foreign secretary warned that its vessels are covered under a [mutual defence treaty with the United States](#).
- 14 Mar 2022 – DFA, through Acting Undersecretary Ma. Theresa P. Lazaro, [summoned Chinese Ambassador Huang Xilian over the People's Liberation Army – Navy's \(PLAN's\) illegal incursion in the Sulu Sea](#). It said: From 29 January to 01 February 2022, a **PLAN Electronic Reconnaissance Ship (Dongdiao-class)** with bow number 792 entered Philippine waters without permission, reaching the waters of Palawan's Cuyo Group of Islands and Apo Island in Mindoro. The Philippine Navy vessel BRP Antonio Luna (FF-151) challenged PLAN 792, which alleged that it was exercising innocent passage. Its movements, however did not follow a track that can be considered as continuous and expeditious, lingering in the Sulu Sea for three days. PLAN 792 also continued its activities in Philippine waters despite being repeatedly directed by the BRP Antonio Luna to leave Philippine waters immediately.
- 30 May 2022 – DFA has filed a [diplomatic protest](#) against PRC's 01 May 2022 unilateral imposition of a **three-and-half-month fishing moratorium in areas of the SCS north of the 12 degrees North latitude**. The fishing ban is expected to last until 16 August 2022. In a diplomatic note dated 30 May 2022, the DFA conveyed its protest to the moratorium, which covers areas in WPS over which the Philippines has sovereignty, sovereign rights, and jurisdiction.

- 21 Nov 2022 - China accused of seizing rocket debris from Philippines navy in SCS dispute - The Chinese vessel twice [blocked the Philippine naval boat](#) before seizing the floating debris it was towing off Philippine-controlled Thitu Island, Vice Admiral Alberto Carlos said. He said no one was injured in the incident. Metal debris from Chinese rocket launches, some showing a part of what appears to be a Chinese flag, have been found in Philippine waters on at least three other occasions. Thitu Island, which Filipinos call Pag-asa, hosts a fishing community and Filipino forces and lies near Subi, one of seven disputed reefs in the offshore region that [China has turned into missile-protected islands](#), including three with runways.

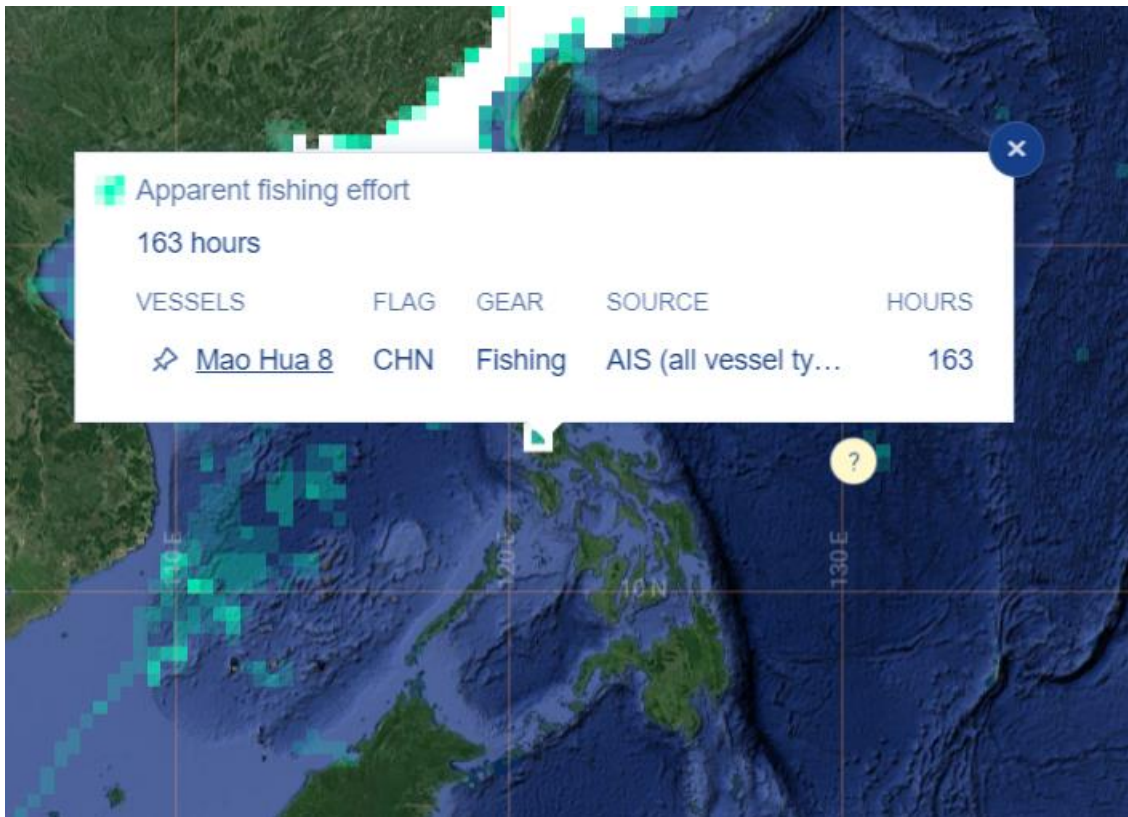


Figure 11 Chinese Fishing Vessels very close to the Philippines' land border

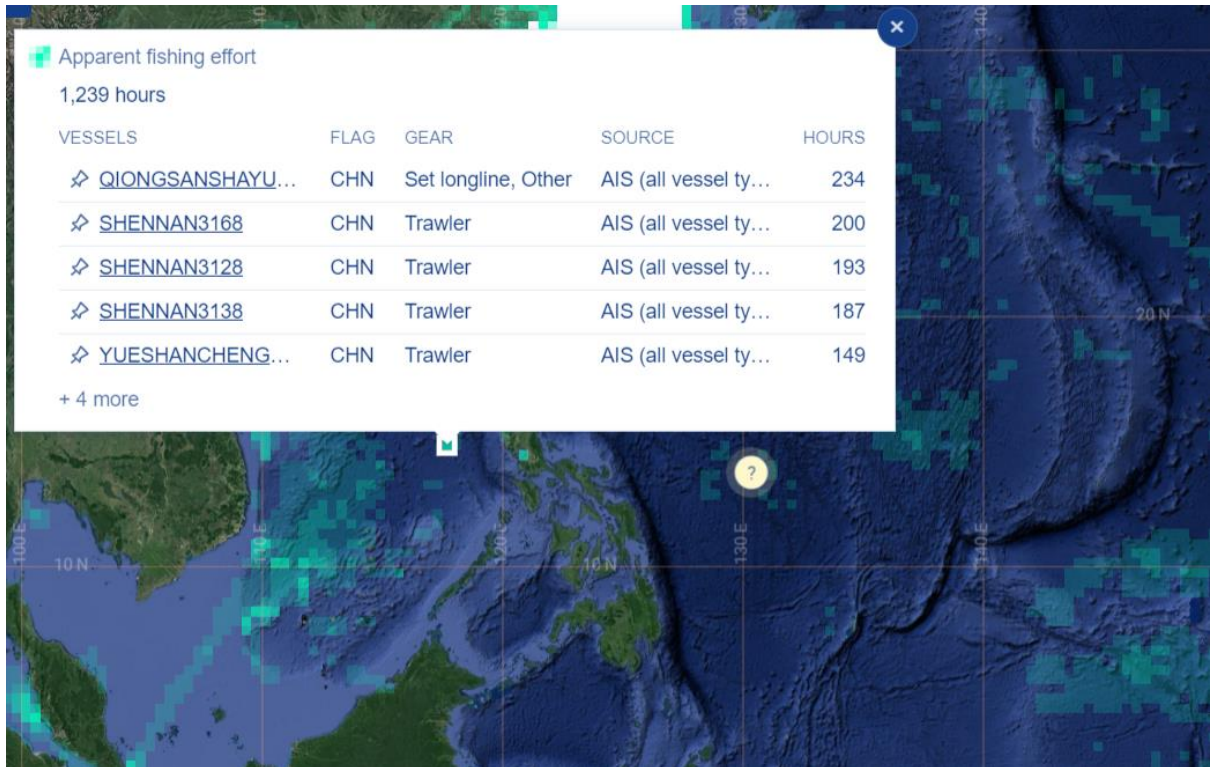


Figure 12 Prominent Chinese Trawlers activities in the SCS/WPS in 2023

- 6 Feb 2023 - The **Philippines** has accused a **Chinese coastguard ship** of directing a **“military-grade laser light”** at one of its vessels, temporarily blinding a crew member and disrupting a mission in the SCS. The Chinese ship shone a green laser light twice towards the boat as it sought to deliberately block a resupply mission, the Philippine coastguard said. It also accused the Chinese vessel of making “dangerous manoeuvres by approaching about 150 yards from the vessel’s starboard quarter”. **Philippine president Ferdinand Marcos** has **summoned the Chinese ambassador** to express serious concern over the “increasing frequency and intensity of actions” by China against Philippine vessels.



Figure 13 Photo released by the Philippine coastguard shows laser light being directed from a Chinese vessel. Photograph: Philippine coastguard (PCG)/6 February 2023

- 23 Apr 2023 - A **Chinese coastguard ship blocked a Philippine patrol vessel from entering into the disputed Second Thomas Shoal**. Journalists from several outlets had joined the Philippine patrol and filmed what the Associated Press described as a “[near collision](#)”, with the Chinese vessel moving suddenly to cut off the Philippine ship.



Figure 14 US and Philippine presidents meet amid China's 'aggressive tactics'

- 08 Aug 2023 - Ayungin Shoal/ Second Thomas Shoal, as explicitly stated in the Award of the 2016 SCS Arbitration, is a low-tide elevation that is not subject to sovereignty claims or appropriation, says Filipino DFA. **The Philippines National Security Council spokesperson, Jonathan Malaya, said the country would “[never abandon](#)**

[Ayungin Shoal](#)". The Philippines decided in 1999 to deploy a permanent station on Ayungin Shoal in response to China's illegal occupation of Panganiban Reef in 1995. Moreover, the Philippine station on Ayungin Shoal was deployed in 1999, years ahead of the conclusion in 2002 of the Declaration on the Conduct of Parties in the SCS (DOC), and is therefore not a violation of the DOC. The China Coast Guard's actions on 05 August 2023 [impeded the Philippines' legitimate and regular activities](#) in its own EEZ and were in violation of the relevant provisions of the 1982 UNCLOS, the Award on the 2016 SCS Arbitration, the 1972 COLREGS, and the 2002 ASEAN-China DOC. It was the [first time since November 2021](#) that the CCG had used water cannon against a Philippine resupply mission to Second Thomas Shoal in the Spratly Islands. The municipal council of Kalayaan in Palawan province has [declared Chinese Ambassador to the Philippines Huang Xilian a *persona non grata*](#) after the envoy defended the harassment of China Coast Guard and militia ships against local vessels recently in WPS. Resolution No. 125-015 [declaring Chinese diplomat Huang an undesirable person](#) in the Palawan town was authored by Kalayaan Sangguniang Bayan Member Maurice Philip Alexis Albayda, who delivered a privileged speech condemning the Chinese envoy's statement defending the actions of the CCG. Since Kalayaan is the only town in WPS, the local government has the responsibility to stand up to such actions, Albayda added.

- 19 Aug 2023 - The Philippine government, through the Department of Foreign Affairs, rejected the fishing moratorium imposed by China in SCS/ WPS. **DFA spokesperson Tess Daza said the Philippines will not abide by China's annual fishing ban. "[We do not recognize China's fishing ban](#),"** she said. "This has been the subject of our diplomatic protests and we will continue to register our formal opposition to it." It also stated that Manila is ready to [apprehend illegal fishers](#) who will venture into its territorial waters and EEZ after the end of China's fishing ban in the SCS. The fishing ban imposed by China from May 1 to August 16 has been the subject of Manila's diplomatic protests. China has imposed such fishing bans each year since 1999.

NEWS

Philippines ready to nab illegal fishers with end of China ban

By GMA Integrated News

Published August 18, 2023 8:31pm

Figure 15 The Philippines is ready to apprehend illegal fishers who will venture into its territorial waters

SCS Arbitral Award

International Law Expert Prof. Wolfrum has conducted virtual lecture on SCS Arbitral Award in November 2021. He is the judge appointed by the Philippines to the Arbitral Tribunal that decided the landmark 2016 Award on the SCS Arbitration in favour of Manila. The lecture series was initiated by Foreign Affairs Secretary Teodoro Locsin, Jr., through the [DFA's Maritime and Ocean Affairs Office, in collaboration with the German Embassy in Manila](#), to promote understanding and awareness of the 2016 Arbitral Award and various maritime issues confronting the Philippines. Filipino DFA has been making regular annual statements on the anniversary of 2016 Arbitral Award (12 July 2012) with the recent statements made by its Secretary Enrique A. Manalo in [2022 \(6th\)](#) and [2023 \(7th\)](#).

The Protests

The Philippines has filed [461 diplomatic protests](#) against China since 2016. In 2022 itself, she filed at least [200 diplomatic protests](#) over Chinese activity in SCS/ WPS, including at least 77 since Marcos took office in June 2022. He has vowed the country “[will not lose one inch](#)” of its territory. The Philippine coast guard has launched a strategy of publicizing aggressive actions by China in the disputed SCS/ WPS, which has countered Chinese propaganda and sparked international condemnation that has put Beijing under the spotlight. [Former Filipino Supreme Court Justice](#) Antonio Carpio criticised Duterte's [panda-hugging attitude](#) during the Independence Day celebrations in 2021, saying: *This is not how an independent sovereign state should act. This is how a vassal state acts.* Protestors waved Philippine flags in front of the Chinese Embassy in Manila, chanting, “*Atin ang Pinas! China, Layas!*” (**The Philippines is ours! China, go away!**).

Filipino environmentalists noted that there is no sense of urgency on the part of former President Duterte to protect the rights to the West Philippine Sea that is “**damning enough to be considered treasonous.**” “We’ve seen how the **Chinese militia vessels** have displaced our fisher folk as President Duterte blatantly surrenders the West Philippine Sea to China. It is also a surrender of our constitutionally guaranteed enjoyment of our national patrimony – marine biodiversity, fisheries, and offshore oil and gas reserves,” said Leon Dulce, national coordinator of Kalikasan PNE. The country has also lost about [900 trillion cubic feet of natural gas and 130 billion barrels of oil reserves to Chinese exploration](#). During the protest action, Pamalakaya Chairperson Fernando Hicap said Filipino fisherfolk have also lost their livelihoods, with 70-percent lesser catch than before Chinese commercial vessels encroached the

Philippine waters. He added that there were also instances when [Chinese fishing vessels would confiscate their catch](#).

Manila's coast guard has intensified patrols in the disputed waters and taken extra efforts to document and publicize assertive Chinese behaviour in the strategic waterway, including a 6 Feb 2023 incident in which a CCG ship aimed a military-grade laser that briefly blinded some crew members on a Philippine patrol boat off a disputed reef.

During a [press conference in Quezon City](#) on 14 August 2023, Zhou Zhiyong, deputy chief of mission of the Chinese Embassy in Manila, said that the Philippines had breached an earlier understanding that it not transport construction materials to the Sierra Madre. Zhou said that the agreement was reached at the end of 2021 following "[several rounds of discussions](#) in order to manage the disputes."

China's foreign minister, Wang Yi, has [offered](#) bilateral dialogue with the Philippines as a means to 'resolve differences' in the SCS. But this will cut little ice in Manila, where faith in direct talks with China has all but collapsed. One prominent Filipino [maritime expert](#) advocated terminating the tortuous [ASEAN-China code of conduct](#) negotiations in the wake of Beijing's latest provocations at Second Thomas Shoal, while the coast guard has declared its bilateral hotline with Chinese counterparts to be [officially defunct](#) following fruitless attempts at communication during the latest standoff. Washington's [reaction](#) to the most recent incident at Second Thomas Shoal was contrastingly impressive in its speed and expression of common purpose with a treaty ally. **However, China may still be tempted to road test this renewed US commitment to deterrence. Any more Filipino muscular attempts to resupply the ship, perhaps with support from the United States or other partners, runs the risk of prompting an escalation, as China would seize the opportunity, repeating what it did at Scarborough Shoal in 2012, of militarizing its blockade.**

Philippine officials have remained defiant, pledging to carry out another resupply mission within two weeks. The AFP also said last week that it was considering following the example of Vietnam and China and [deploying its own maritime militia](#) to defend its sovereignty. Unless Manila replaces the *Sierra Madre* with another beached ship or more durable structure, ultimately it must withdraw. For its days as a viable outpost are [strictly numbered](#), and China's increasingly heavy-handed tactics are asking a fundamental question. Check our report "[An Investigation into the Dubious Chinese Distant-Water Fishing Fleet \(DWF\)](#)" to understand the entire menace of the Chinese DWFs.

The Philippines government is currently taking a calculated approach of publicizing **Chinese transgressions** in the hope of mobilizing international support for its position, and there are certainly more **legal avenues** that it could pursue. By highlighting the illegality of China's actions alongside the facts, the Philippines is also using **information lawfare** to undermine China's legitimacy before the world. In doing so, the Philippines is able to catch China outright in its lies, publicize the illegality of Chinese actions, and bolster its own legitimacy before its own population and the world. [Professor Richard Heydarian](#), a Manila-based academic and columnist, lauded **President Ferdinand "Bongbong" Marcos Jr.** for leveraging the arbitral ruling under his leadership. He said that since the release of the arbitration award, China has not invoked its nine-dash line concept. **"So actually it worked in a sense that China is not using nine-dash line,"** Heydarian said.



Figure 16 US recently sealed military deal (EDCA) with the Philippines close to China flashpoints

As the **US recently sealed crucial military deal (EDCA) with the Philippines close to China flashpoints**, it allows the US access to four more new Philippine bases, in addition to existing to five Filipino bases, for joint training, storing equipment and supplies, and building of facilities, though not to establish a permanent presence.

"Philippines cannot avoid getting involved if the Taiwan crisis erupts into a conflict"

With rising tensions in Taiwan Straits and aggressive Chinese manoeuvres in SCS, Fuga Island of the Philippines' northernmost Cagayan Province, located 400km to Taiwan, could become critical to the defence of the Philippines itself. It has been identified as a potential site to host the US military under EDCA. Unlike other islands in the area, Fuga has the topography to accommodate an airport and a seaport. **It is**

adjacent to two key passages – the Luzon Strait and the Bashi Channel – which provide access to the SCS and the Pacific. While the likelihood of China’s military invading Taiwan remains a point of debate, the fear that Chinese forces would one day occupy Fuga is very real to its residents. Beijing made futile attempts in 2019, prior to US, to expand its presence in Fuga.

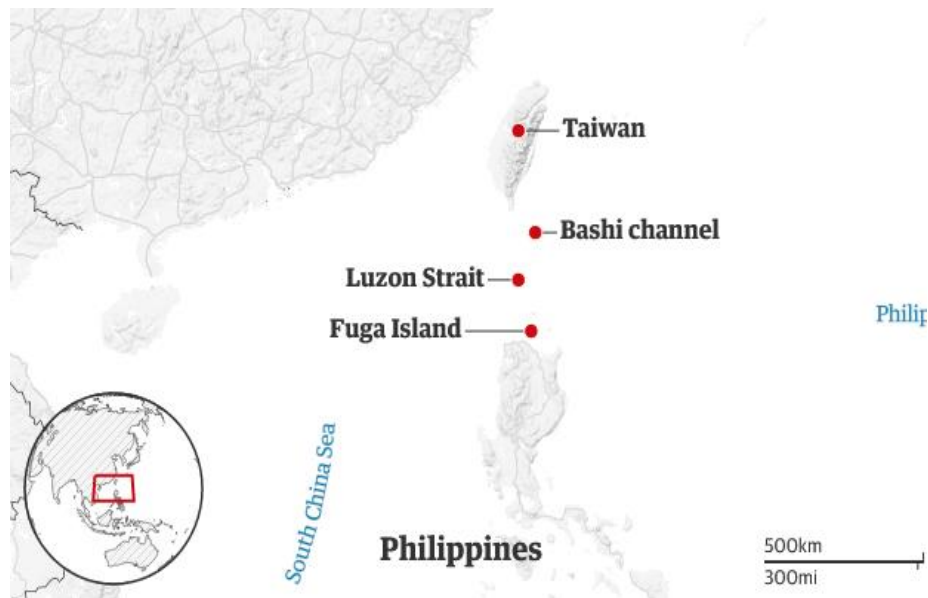


Figure 17 Fuga Island and Luzon Strait between Philippines and Taiwan

As the uncertainty spirals, and the risks of a miscalculation increase, one thing is clear to retired Filipino Rear Admiral Ong: the **Philippines cannot avoid getting involved if the Taiwan crisis erupts into a conflict.** “It’s the [curse of geography](#).” The Philippine government said in its [National Security Policy 2023 to 2028](#), adopted on 14 Aug 2023, that the escalating tension in the Taiwan Strait is a “major concern” that could affect the country. The Philippines Defence Chief Gilbert Teodoro Jr. [stated that](#) the Philippine government is closely monitoring the threat of an invasion of Taiwan by China and preparing for possible contingencies. Teodoro further explained that the Philippines was preparing for “**all contingencies**,” not merely a flashpoint between China and Taiwan. **He also clarified that these preparations are a multi-agency effort, not only focused on the defence side.**

The Hidden Dragon

The concept of the **hidden dragon** alludes to **Chinese propaganda** that operates discreetly and less overtly, in contrast to the more aggressive "**crouching tiger**" approach. This subtle strategy involves manipulating narratives in **favor of China within the Philippines**, leveraging various media platforms such as **News Channels, Radio, Movies**, and other channels to significantly impact the **local culture**.

Role of Popular Culture



Figure 18 News Report in Chinese Media about Chinese TV Theatre

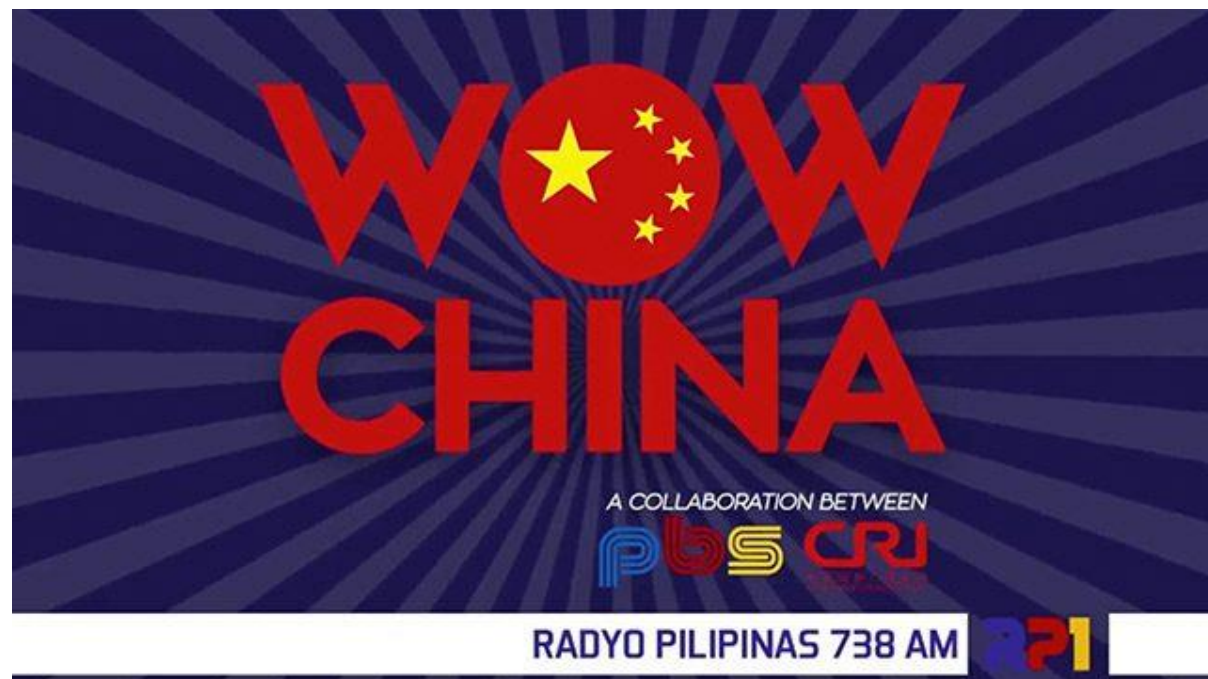


Figure 19 Wow China Radio Program

China has launched "**China TV Theatre**" on the Philippine state-run broadcasting network People's Television Network (PTV)-4. Moreover, **Chinese entertainment shows** have been aired on ABS-CBN and Global Media Arts (GMA), the two largest Philippine private broadcasting networks. Aside from television programs, Chinese

movies are also getting more popular in the Philippines. “[Wow China](#),” a radio program produced through a [collaboration between China Radio International and the Philippine Broadcasting Service](#), has been airing on the local radio station Radyo Pilipinas since mid-2018. These media platforms are utilized by Beijing to disseminate pro-China information in order to improve China’s international image in the Philippines. Ij-Reportika has done comprehensive reports on “[China’s tactics to exploit cultural narratives around the globe](#)”.

Chinese state media succeeded in establishing close ties with former **President Rodrigo Duterte prior to 2019**, leading to the signing of formal media cooperation agreements that are still active. Chinese state media regularly provide content, including inserts, to **state broadcaster People's Television Network and major pro-government Philippine dailies like the *Manila Bulletin* and the *Manila Times***. The *Philippine Star* and *Philippine Daily Inquirer*, two of the country’s most popular outlets, have also published inserts and articles from Chinese state media. Here is an Ij-Reportika report titled “[The manipulation of the world media by China](#)” on how China has history of manipulating the local of media of various countries.

At least 36 people from the Philippine media industry went on a subsidized trip to China in 2019, with some participants parroting Chinese state talking points upon their return. These trips stopped as a result of the COVID-19 pandemic in 2020. During a lunch hosted by the Chinese embassy in Manila, a Chinese government representative reportedly berated Filipino journalists for their reporting about Taiwan and lectured them. **In March 2022, the *Philippines National Union of Journalists* released a set of guidelines outlining how to report on China, the first of its kind in the region.** This coincides with increased attention to Chinese government influence in the Philippines.

TELECOMMUNICATION

China-backed telco launches service to take on Philippine duopoly

Dito Telecommunity kicks off mobile operations in provinces of Davao and Cebu



Telecom companies in the Philippines have been under pressure from President Rodrigo Duterte to improve services for customers.

Figure 20 China-backed Dito Tele community kicked off commercial operations in the Philippines (Source: Asia. Nikkei)

Apart from the risks associated with technology from China-based companies, there is some vulnerability associated with Chinese investment in Philippine telecommunications companies, which could grant influence and leverage to the Chinese stakeholders. **In March 2021, the Philippine company Dito Tele community, in which the Chinese state telecommunications company [China Telecom holds a 40 percent stake](#), launched its mobile services in the country.**

Role of Chinese Filipinos

The early Chinese immigrants who came to the Philippines during Spanish times were first called *Sangleyes* (which meant “businessmen” or “frequent visitors”). They were later called *Intsik* (from the Malay word *encik*, meaning “venerable uncle”). In 1992, a new term, *Tsinoy*, was coined, which has gained popularity and common usage. **The term “Tsinoy” is colloquial for Tsinong Pinoy, or [Chinese Filipino](#).** They are the dominant merchant community in the Philippines since the Spanish colonial era and continues to have significant sway over Filipino businesses. Chinese-language media in the Philippines are dominated by pro-Beijing content, which can influence local politics given that members of the Chinese diaspora are active in business and public affairs.

Chinese Filipinos

咱儂 / 咱人 / 華菲人
Chinito / Chinita / Intsik
Pilipino Instik
Lannang / Chinoy / Tsinoy



Figure 21 A picture of Filipina Chinese maiden dated 4 November 1913

Around 1.35 million Philippine residents—representing roughly 1.2 to 1.8 percent of the population—have a Chinese parent, and as much as [25 percent of the Filipino population is estimated to have Chinese ancestry](#). Diaspora elites in the country also have strong economic and political influence, raising the possibility that a successful Chinese-language media influence campaign could have a significant impact on Philippine politics.

The Chinese Embassy in Manila regularly interacts with these “overseas Chinese” and ensures that their loyalty remains to **CPC-led PRC through various [UFWD activities](#)**, especially in and around the **world’s oldest Chinatown in Manila: Binondo** (峴倫洛). All major Chinese newspapers published in the Philippines takes editorial guidance of Chinese state media for news reportage on both China as well as the Philippines, instead of carrying out independent journalism. They include, but not limited to, [Chinese Commercial News](#) (菲律賓商報), [Philippine Chinese Daily](#) (菲律賓華報), [World News](#) (菲律賓世界日報) and [United Daily News](#) (聯合日報). Six diaspora print publications including *Yazhou Zhoukan*, an international publication that also publishes in the Philippines, featured special issues to [honour the 100th anniversary of the CCP in 2021](#).

Role of Chinese Criminal Syndicates

Lending apps in the [Philippines](#) such as *Pesoloan*, *Fast Cash*, *Atome PH*, *Good Loan*, *Qcash* and 25 other such having Chinese origin victimized huge number of Filipino people. Complainants say the **harassment and shaming** started when they **failed to pay their balances on time**. The people behind the lending app called or texted their contact list about their inability to return the money, causing them embarrassment and emotional stress.

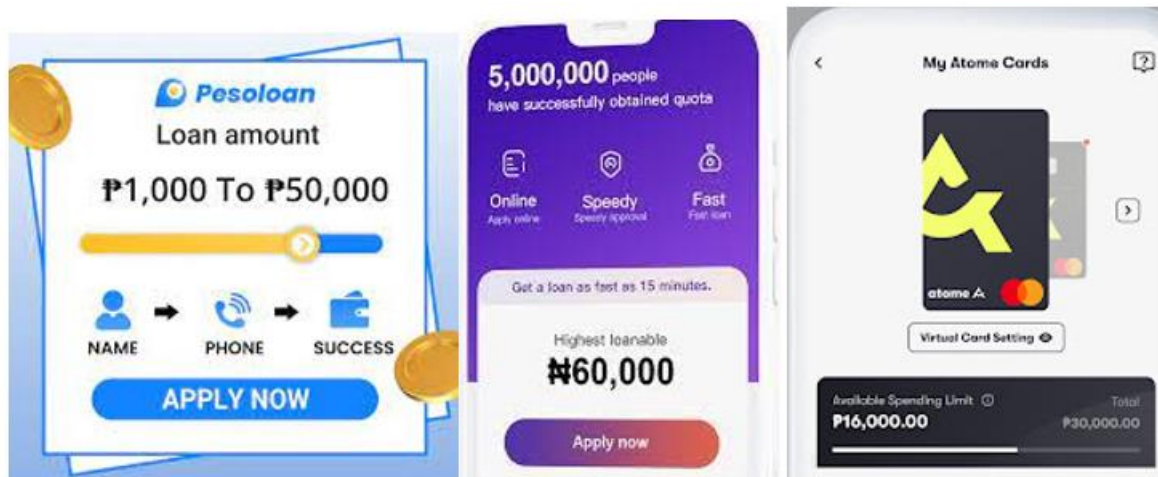


Figure 22 Popular Loan Apps in the Philippines

The **Securities and Exchange Commission (SEC) of the Philippines** [has issued](#) a cease and desist order against **30 illegal Chinese-origin mobile lending applications**, heeding complaints of unreasonable and abusive lending and collection practices. The commission also ordered the online lending operators to cease offering and advertising their lending business through the Internet and to delete or remove promotional presentations and offerings of such lending businesses from the Internet including the lending applications that they operate.

Role of Social Media

The Philippines is vulnerable to disinformation by pro-Beijing actors due to gaps in the country's legal and policy safeguards as well as in public expertise and knowledge on the issue.

In September 2020, **Facebook** [announced](#) that it had dismantled a Chinese disinformation campaign that used false accounts and profiles to dupe unwitting individuals into consuming Beijing's disinformation. Dubbed "[Operation Naval Gazing](#)" by the social media analysis firm *Graphika*, the network consisted of **155 accounts, 11 pages, nine groups and six Instagram accounts** and attracted an

audience of at least 130,000 followers. The network particularly targeted the Philippines, where it actively interfered in **Philippine politics and generated millions of digital interactions** by promoting politicians favourable to China, including former President Rodrigo Duterte. This marks the second time that Facebook has [removed](#) disinformation networks emanating from China and heralds a new age of information warfare in the Indo-Pacific region, where the United States and its allies like the Philippines are uniquely vulnerable to attack.

We removed **155 accounts, 11 Pages, 9 Groups and 6 Instagram accounts** for violating our policy against **foreign or government interference** which is coordinated inauthentic behavior on behalf of a foreign or government entity. This activity originated in China and focused primarily on the Philippines and Southeast Asia more broadly, and also on the United States.

We identified several clusters of connected activity that relied on fake accounts to pose as locals in countries they targeted, post in Groups, amplify their own content, manage Pages, **like and comment on other people's posts particularly about naval activity in the South China Sea, including US Navy ships.** This campaign took operational security steps to conceal their identity and location including through the use of VPNs. Some of this network's Pages were previously removed for violating our inauthentic behavior and spam policies.

Figure 23 Statement by Facebook on Removing the Chinese Accounts targeting Philippines

Below is a sample of the content posted by some of these Pages and accounts:

The United States has urged governments, parties and institutions around the world to assess the risk and reconsider business deals with "predatory" Chinese state-owned enterprises. All China-backed projects, including the Sangley Airport project, will push through based on the latest decision of President Duterte despite the United States' trade sanctions on certain firms.



MB.COM.PH
'All China-backed projects will continue despite US sanctions,' directs Duterte - Manila Bulletin



Figure 24 Controversial Posts by Propaganda Accounts

China's embrace of foreign influence operations marks a key evolution in its cyber statecraft. While Beijing has long embraced [cyber espionage](#) in particular as a central facet of its national security, it has historically [struggled with information warfare](#). Yet a reassessment appears to be under way in Beijing. **The Philippines provided an ideal target for Beijing to exercise its capabilities in foreign influence operations and is uniquely susceptible to manipulation through Facebook.** The Philippines tops the world in [daily usage of social media](#), with Filipinos spending an average of roughly 4 hours per day on social media. **Facebook dominates the Philippine social media landscape with [75 million active users](#) representing 71 percent of the Philippines' population.**

General social media stats

- Filipinos are the **world's number one social media users** in terms of time spent online
- **76 million active social media users**, 71% penetration, 13% year-over-year increase
- 72 million mobile social media users, 67% penetration, 16% year-over-year increase
- Average time spent on social media is **4 hours and 12 minutes**

Facebook stats

- **75 million Filipinos** are on Facebook, where 53% are female and 47% male
- Growth has been positive (2.7%) the past quarter
- 'Page video posts' show the **highest engagement rate (6.05%)**
- **97% of internet users** report using Facebook
- One of the most engaging posts in 2019 so far came from **Angel Locsin**:

Figure 25 Philippines social media statistics (Source: Talkwalker)

Beginning in March 2018, the *Operation Naval Gazing* began creating a series of Facebook accounts, pages and groups that explicitly targeted Philippine domestic politics. **The pages promoted the activities of politicians seen as sympathetic to China, including President Rodrigo Duterte, his daughter Sara Duterte-Carpio (the mayor of Davao City and a potential successor as president), and Imee Marcos (the daughter of the late Filipino ruler Ferdinand Marcos), who was elected to the Philippine Senate in 2019.** While *Naval Gazing's* other influence operations fizzled, its interference in the Philippines flourished. One Facebook group backing **Imee Marcos** attracted over 50,000 followers and, despite being active since January 2019, a group named *Solid Sarah Z Duterte 2022* (referring to her potential presidential bid) made 115,000 posts and generated over 9.1 million interactions.

As the **Filipino National Security Policy 2023 to 2028** noted, in order to achieve a credible defence capability, **the Philippines will strengthen the mutual defence treaty with the United States.** Teodoro, the Philippine defence minister, said on 20 July 2023 that the United States has promised to further enhance the military capabilities of the Philippines and both sides have cooperated on establishing a “credible deterrent posture.”

Operation Naval Gazing's explicit and unequivocal interference raises difficult questions in Manila about the outsized role that social media plays in public life, and the nation's subsequent susceptibility to disinformation. It would be a misnomer to perceive China's activities only [through the lens of Philippine politics](#). The launch of *Naval Gazing's* Philippine campaign in March 2018 was not primarily tied Philippine

politics but was initiated immediately after the former U.S. [Secretary of State Mike Pompeo reaffirmed](#) American defence commitments to the Philippines in the SCS.

On Facebook, various profiles, page, and groups not only promoted politicians aligned with China, but unambiguously campaigned for the Philippines to realign itself with China. For example, amid the COVID-19 outbreak *Naval Gazing* defended China's handling of the pandemic, celebrated [medical aid from Beijing](#) despite [its dubious benefits](#) and praised China for its generosity in [offering as-yet non-existent vaccines](#) to the Philippines. The SCS featured prominently throughout these efforts, including praise for Duterte after he stated that China was ["in possession"](#) of the SCS.

Having failed to either bully the Philippines into obedience or buy its acquiescence, China has now embraced political interference as a means of decoupling the Philippines from the U.S. Specifically, China has identified the political discord within the U.S.-Philippine alliance as the partnership's greatest vulnerability and recognized social media as the ideal tool with which to inflame this divide and achieve its strategic objectives. At its heart, *Operation Naval Gazing* is a warning siren as to whether [Tokyo](#), [Seoul](#), [Canberra](#), [New Delhi](#), Manila and especially [Washington DC](#) are willing to take proactive measures to defend their cyberspace sovereignty.

Conclusion

In conclusion, the Philippines possesses independent expertise on China within academic circles, particularly through **top universities like Ateneo de Manila University and De La Salle University**. However, the consultation between academic experts and journalists remains unclear, with a predominant focus on topics directly related to Sino-Filipino bilateral relations, potentially neglecting crucial aspects of Chinese party-state internal politics, governance, and influence tactics.

Organizations like the **Philippine Association for Chinese Studies** and the Manila-based **Integrated Development Studies Institute (IDSI)**, run by a **Chinese Filipino businessman**, contribute to a developing community of China scholars. However, some public events and content dissemination may overlook **sensitive issues**, such as the crackdown on civil society in **Hong Kong and Beijing's persecution of religious and ethnic minorities**.

IDSI, in particular, has been noted for sharing questionable content on Facebook, predominantly pro-China and anti-U.S., including articles from pro-Beijing, pro-Duterte newspapers like the Manila Times.

From the Chinese perspective, the Philippines' emphasis on the Taiwan issue is seen as a strategy to attract U.S. military assistance and bolster its stance on South China Sea disputes. This approach contrasts with the previous administration's policies, as the current government, led by Marcos, supports AUKUS and takes a more assertive stance in the South China Sea.

The shift in the Philippines' approach under Marcos, compared to Duterte's era, reflects a divided stance among Philippine elites regarding China policy and the Taiwan issue. While Duterte sought closer economic ties with Beijing, the military, under the influence of hardliners, is taking steps to strengthen defense capabilities and enhance deterrence against China.

Despite China's public statements advocating resolution through international frameworks like the U.N. Charter and UNCLOS, its actions on the ground contradict these principles. Manila faces calculated risks in effectively dealing with Beijing, encompassing armed insurgency issues, ethnic conflicts, territorial disputes, and Chinese activities in the West Philippine Sea, requiring careful navigation of diplomatic challenges.