# BUILDING A WORLD-CLASS NAVY: THE STORY OF CHINA'S FIRST AIRCRAFT CARRIER

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THE PEOPLE'S LIBERATION Army Navy (PLAN) is increasingly making its presence felt regionally and globally. The security pact between the People's Republic of China (PRC) and Solomon Islands signed in April 2022 opens the possibility for Chinese maritime security vessels to operate deep into the Pacific.[1] In May, a Chinese surveillance ship was spotted in the Indian Ocean near the West Australian coast, which then defence minister Peter Dutton described as 'an act of aggression'.[2] On 17 June 2022, the PRC launched its third aircraft carrier, the *Fujian* 福建舰, which is named for the mainland coastal province directly opposite Taiwan. This is the first aircraft carrier to be fully designed in China.[3] Compared with China's previous two carriers, the *Fujian* has a larger displacement, of approximately 85,000 tonnes, and is fitted with advanced technologies such as an electromagnetic catapult system for launching aircraft, putting it almost on par technologically with the carriers of the United States.[4]

The launch of the *Fujian* was a defining moment for the PLAN, marking its rise as a world-class navy. The story of how the PLAN acquired its first aircraft carrier —

a second-hand Soviet ship bought from Ukraine — is filled with plot twists worthy of a good spy novel.

## Admiral Liu Huaqing's Vision

Liu Huaqing 刘华清 (1916–2011), who served as navy commander-in-chief from 1982 to 1988, was the first to articulate the dream of a Chinese-built aircraft carrier. During his term in office, Liu laid down two fundamental strategies for the PLAN: 'near sea active defence' 近海防御 and the development of a Chinese aircraft carrier. The 'near sea active defence' strategy shifted the PRC's geostrategic focus from land borders and coastlines to the maritime domain. It emphasised defence against immediate maritime threats, especially offshore territorial disputes.[5] Moreover, the strategy regarded the East and South China seas and Taiwan as a buffer zone to protect China's mainland. To prevent foreign intervention, the PLAN aimed to gain anti-access/area denial capacity in the maritime zone, which is a military strategy to control access to and within an operating environment. The doctrine remains influential and was cited in the most recent National Defence White Paper, in 2019.

Liu stipulated that China should build an aircraft carrier by 2000. He saw this as necessary to manage security in the Taiwan Strait, assert Chinese sovereignty over the Spratly Islands (which are also claimed by the Philippines, Malaysia, Vietnam, and Brunei), and generally safeguard China's maritime rights and interests.[6] The navy set up a research institute in Shanghai in the early 1980s to design an aircraft carrier.[7] In 1985, Chinese shipbreakers purchased the HMAS *Melbourne*, a damaged light aircraft carrier, from the Royal Australian Navy. According to some observers, the Australian government did not oppose the sale at that time because China was seen as an important strategic counterweight to Soviet expansion in the Asia-Pacific. Chinese naval architects were able to study the design and build of the HMAS *Melbourne* and the PLAN used its flight deck for pilot training.[8]

However, Liu's vision met with some resistance. Some military officers argued that there was no need for China to have such a

**Ships patrol the ocean**
Source: Vidmarsimon, Pixabay

powerful warship. The Ministry of Foreign Affairs also raised concerns about the profound impact this would have on China's foreign relations, especially with the Association of Southeast Asian Nations (ASEAN) countries, as well as New Zealand and Australia.[9] More critically, the West imposed bans on military technology transfers after the 4 June massacre in 1989. Research and development stalled.

## Getting the *Varyag* Home

The turning point in the achievement of Liu's vision came after the collapse of the Soviet Union in 1991. Ukraine had inherited two unfinished carriers, the Ulyanovsk and the *Varyag*. As the new Ukrainian government lacked the funding to complete their construction, it scrapped the Ulyanovsk and searched for potential buyers for the *Varyag*, which was about 70 percent complete. Both China and India expressed interest in acquiring it.[10] The United States and Japan, however, put pressure on Ukraine not to sell to China, accusing it of engaging with a state that was under an arms embargo. Beijing was also unable to pay the US$2 billion price tag the Ukrainians had put on the vessel.[11]

In 1998, the *Varyag* was put up for auction. A Chinese businessman, Xu Zengping 徐增平, bid US$20 million.[12] He bought the vessel under the name of the Chong Lot Tourism and Entertainment Company 长乐旅游与娱乐公司, which was registered

in Macau. Even though the Chinese government denied any association with Chong Lot, newspapers in Hong Kong reported that Xu was a retired PLA soldier and most of those on Chong Lot's board were former naval officers and Chinese nationals from the province of Shandong, which was home to the North Sea Fleet.[13]

In November that year, Chong Lot unveiled plans to turn the *Varyag* into a floating casino and entertainment complex anchored in Macau harbour — supposed evidence that it was not intended for military use.[14] However, the Macanese authorities never received an application to operate such a casino. It would also have been impossible for the *Varyag* to dock in Macau's shallow harbour.[15]

Getting the *Varyag* to China proved slow and costly. Some design blueprints went missing, and Xu had to request a new copy from the Ukrainian government, which took months of waiting. Then, Türkiye refused the *Varyag* permission to pass through its territorial waters as the ship 'had not taken certain technical measures' required for such a large vessel without an engine.[16] Turkish authorities were also concerned about sea lane safety. It was not until Beijing promised to boost trade and tourism links with Ankara that the eighteen months of deadlock ended.[17] During this time, Xu had to pay Ukraine approximately US$272,000 a month for mooring and towing costs. When the *Varyag* finally passed out of the Black Sea, it was denied entry to the Suez Canal by Egypt for the same reasons. In the end, the *Varyag* had to detour through the Strait of Gibraltar and around the Cape of Good Hope to reach the Indian Ocean. It was 3 March 2002 when it finally arrived in the port of Dalian in Liaoning province.[18]

The Chinese government secretly reimbursed Xu for his expenses and ownership of the *Varyag* was transferred to the PLAN. It took another nine years to transform the vessel into China's first aircraft carrier, the *Liaoning* 辽宁舰, which was launched in 2012. Five years later, the first domestically built carrier, the Shandong 山东舰, which was based on the Liaoning, entered active service, in 2019. Fourth and fifth aircraft carriers are currently in the planning stage, but activity has stalled because of a lack of training staff and pilots.[19]

## Building a World-Class Navy

Addressing a parade of naval forces in April 2018, Xi Jinping, as chairman of the Central Military Commission, announced the goal of constructing a world-class navy.[20] His speech clearly signalled to the world that China intended to expand its influence across the oceans in the coming decades.

Three years before Xi's speech, in the PRC's National Defence White Paper of 2015, the Ministry of Defence proposed extending its naval strategy to 'far sea protection' 远海护卫 in addition to 'near sea defence'. The role of the PLAN would no longer be limited to defending Chinese maritime territory. Far sea protection is about safeguarding China's expanding interests overseas, including the protection of sea lines of communication, maritime cargo, ships, and trade routes as well as the security of its citizens and businesses overseas.[21]

From 2005 to 2021, the PLAN added eighty-six ships to its fleet, many of which were missile-equipped rapid patrol craft, corvettes, and cruisers. It also acquired new classes of submarines, destroyers, frigates, and amphibious ships, most of which were put into operation after 2019.[22] To accommodate the expansion of its naval force, China's shipyards are also expanding. The Jiangnan Shipyard 江南造船厂 in Shanghai — one of the most important for the PLAN — occupies more than 7.3 square kilometres, while the neighbouring Hudong-Zhonghua Shipyard 沪东中华造船厂 will be expanding its shipbuilding area by about 50 percent.[23] Such significant shipbuilding development — all the vessels were constructed in China — allowed the PLAN to enhance its maritime defence capability in both near and far seas.

As defined by military leaders and official media, a 'world-class navy' will play a more crucial role in national rejuvenation than other parts of the military because of its international reach. Robert Ross, a professor at Boston College, describes China's maritime ambition as 'naval nationalism', following the historical pattern that great powers turn seaward with the growth of mass nationalism and nationalistic leadership.[24] Although initially the goal of building an aircraft carrier was to enhance

the PRC's naval capability, Chinese state media now typically portray its construction as a symbol of great-power status, showcasing the country's technological capacity and resources. It presents the deployment of warships, on the other hand, as representing China's ability to defend its own territory and prevent foreign intervention in Chinese affairs — an antidote to the bitter history of the century of humiliation. Indeed, the PLAN has become more assertive since Xi Jinping took power: militarisation and land reclamation in the South China Sea, an increase of navigation in the Western Pacific Ocean, and the series of military exercises across the Taiwan Strait since August 2022.[25]

The party also views the navy as a tool for power projection. Hu Jintao made 'constructing a strong maritime state' 建设海洋强国 a national objective close to the end of his term as party and state leader in 2012. The PLAN supports this national goal by increasing its presence in the open ocean.[26] In 2017, it established the PRC's first overseas base, in Djibouti, in the Horn of Africa. Although state media claim that the base is only for logistical support, it is certainly strategically advantageous. As part of the Belt and Road Initiative, China has been purchasing overseas ports for commercial purposes, which some Western analysts worry could serve the PLAN's military objectives.[27] The concern is valid, given China's need to protect its overseas interests and build a China-led security network. However, according to analysis by RAND Corporation, many factors must be considered for the PLAN to pursue bases in the Indian Ocean, such as the ability to obtain land and access, their utility for overseas military operations, and potential provocation of counterbalancing behaviours. Ultimately, it could take ten to twenty years (that is, until the 2030s) to turn ports into military bases; Cambodia, Myanmar, Bangladesh, and Pakistan are the four countries with highest desirability and feasibility.[28]

In addition, before the COVID-19 pandemic, the PLAN had conducted port visits and joint exercises with foreign navies, including those of the United States, Russia, Pakistan, and Thailand, as a type of naval diplomacy. It has also been involved in non-military operations — such as search and rescue, escort, and

anti-piracy — in the Indian Ocean, through which run some of the world's busiest trade routes. By January 2023, forty-three Chinese fleet groups had conducted anti-piracy escort missions in the Gulf of Aden. The PLAN has also been training civilian vessels to act as maritime militias when necessary, such as escorting other Chinese civilian vessels for fishing activities and tracking and monitoring foreign vessels in disputed waters.[29] It also provides professional guidance to several domestic maritime law enforcement agencies, such as the China Coast Guard. Clearly, the PLAN has become more than a warfighting tool.

A world-class navy also helps protect the PRC's regional interests. Since 2012, the Chinese government has largely employed non-military measures to increase its maritime influence in the East and South China seas, such as law enforcement operations and land reclamation (reef building). China perceives itself as encircled by regional naval powers, including Russia, Japan, and India, as well as the presence of the global US Navy in nearby waters. Beijing believes a world-class navy is required to prevent the United States and its allies from contravening its interests in the Asia-Pacific.

## Challenges Ahead

Despite investing considerable resources to become world-class, the PLAN still faces many challenges. Like the country's other armed forces, the Chinese Navy lacks modern combat experience. The last time the PLAN was involved in a military confrontation was the Johnson South Reef Skirmish with Vietnamese forces in 1988. Even though it has conducted much training and many exercises throughout the years, its ability to operate modern warships and weaponry systems in a sea battle remains untested.

A lesson of the Russia–Ukraine war is that a weakness in modern joint operations is coordination between land, sea, air, cyber, and space forces.[30] Most strategists would still describe the Chinese Navy as a semi–blue-water navy with the capability to navigate globally but lacking operational experience. In addition, the expansion of the carrier fleet is yet to offer a direct challenge to the United States' dominant global sea

power. The *Fujian* demonstrates that China is catching up with US naval technology, but the PLAN is still unable to compete with the US Navy in fleet size and capability. As Sam Roggeveen, the director of the International Security Program at the Lowy Institute, points out: 'Carriers are a sign of Chinese power — but that doesn't mean Beijing has to rule the waves.'[31]

A complicated geopolitical environment hinders further expansion of the PLAN. Blocked from projecting its influence beyond the near seas by Japan, Taiwan, the Philippines, India, and the United States, the PLAN does not have direct access to the open ocean — one reason for the PRC's push for security cooperation with other developing states in the Indian and Pacific oceans, such as Cambodia and Sri Lanka.[32] Moreover, because of the ongoing territorial disputes in the East and South China seas, neighbouring countries tend to view China's assertive naval expansion, especially any build-up of forces in the Asia-Pacific, as a security threat. Such a view was echoed in a March 2022 report by the US Congressional Research Service, which stated: 'In an era of renewed great power competition, China's military modernization effort, including its naval modernization effort, has become the top focus of US defense planning and budgeting.'[33] Regardless, as China's overseas interests increase, its maritime ambition will continue to expand. The goal, as President Xi has stated, is nothing less than the PRC's transformation into a 'true maritime power' 海洋强国.

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