



# National Defense College of the Philippines

## EXECUTIVE POLICY BRIEF

Issue Number 2022-05

June 30, 2022

### Key Points and Policy Considerations

- Economic coercion is increasingly becoming a preferred tool to compel countries towards concessions.
- China, given its growing economic power, is quite likely to wield this power more, especially if the target economy is dependent on China and inconsequential to the Chinese economy.
- The DND and AFP need to prepare for the possible impacts of economic coercion to its operations. This involves ensuring that the supply chains relative to military and defense systems remain in friendly hands, as well as increase stocks of key materials to ensure operations.

## Economic Coercion: Implications to the Philippines and Possible Counters

*Erick Nielson C Javier*

Coercion, or the act of ‘making someone do something by force or threats’<sup>1</sup>, especially in terms of defense and security, is often thought of in terms of purely military activities. Military coercion, as described by Thomas Schelling, is essentially use of “the power to hurt as bargaining power”<sup>2</sup> Invasion, fly-bys of armed aircraft, gunboat diplomacy, and more recently, hybrid and gray-zone operations using deniable forces and militias, are examples of such coercive acts. However, increasing attention must also be paid to other, more subtle forms of coercion by states.

Economic coercion, or compelling by way of economic instruments, is one such subtler form. It is not a new avenue of coercion; in fact, since the end of World War II, it has often been the preferred instrument of pressure by the advanced economies both in wartime and peacetime.

This research aims to answer the following questions:

- What are the Philippines’ economic levers of vulnerability?
- What measures are being undertaken to minimize impact of economic coercion and preserve Philippine strategic autonomy and freedom of movement? How may these measures be strengthened?

This paper is divided into the following sections: First a backgrounder on the nature of economic warfare and economic coercion, which will include discussion of the various types of economic coercive tools that can be used and a recent history of uses of economic coercion to achieve political-strategic objectives. Next, a general overview of key economic sectors of the Philippines which could be vulnerable to specific economic coercive acts by likely adversaries. Finally, the paper is to be capped off with recommendations for the defense sector, in the event the Philippines faces such coercion.

### Editorial Board

BGEN ARCHIMEDES H VIAJE AFP (RET),  
PhD, MNSA, CESE, President, NDCP

CAPT ALDRIN C CUÑA PN (RES) MNSA,  
Executive Vice President

MR CLARENCE ANTHONY P DUGENIA,  
Acting Chief, RSSD

MS ARIELLE ANN NICOLE LOPEZ,  
Senior Defense Research Officer, RSSD

### Executive Policy Brief (EPB)

A Publication Series on National Security Issues by the Research and Special Studies Division (RSSD) of the National Defense College of the Philippines (NDCP).

The views expressed in this policy brief are those of the author alone and do not necessarily reflect the views of the NDCP. The readers are free to reproduce copies mechanically, or to quote any part provided proper citations are made.

Copyright © National Defense College of the Philippines (NDCP) 2022.

## BACKGROUND OF THE ISSUE

### General Rationales for Economic Coercion

Increased globalization and trade have long been hoped to lead not only to prosperity but also peace. The “commercial peace” concept posits that economic interdependence and growing commerce fosters peaceful coexistence of self-interested states. One of the factors contributing to commercial peace is signaling. When states ‘signal’ their intention to use economic sanctions and coercion, despite possible costs that may be incurred in their implementation, such resolve deters or dissuades adversaries.<sup>3</sup>

Economic coercion features an attractive alternative to military coercion as it does not involve direct killing or destruction of property, thus making it more politically palatable. It is also assumed that the threat of economic losses from sanctions would result in, if not capitulation, then a willingness to compromise or abide by the desires of the sanctioning state. Thus, economic coercion is often used to extract concessions from target states, which can either be a change in the target’s behavior, or abandonment of planned or ongoing actions.

### Types of Economic Coercion

According to Jonathan Kirshner of Cornell University, there are four general types of economic coercion: foreign aid, monetary power, financial power and trade.<sup>4</sup>

- **Coercion in foreign aid** entails withholding the financial and other resources provided by one country to another, which are normally used to address critical shortfalls in the recipient country’s service provision or to build up the recipient’s capabilities. Depending on the type and scale of aid, as well as the level of dependency of the recipient country to that aid, cutting it off could have outsized effects on the target country’s population.<sup>5</sup>

- **Monetary power** refers to a state’s ability to influence currencies of other states, whether via buying or selling bonds, currency, and securities, with an aim of manipulating a target country’s currency and thus its overall financial and economic position.

- **Financial power** is related to monetary power and refers to a country’s ability to influence finance flows into or out of a country, either by capital and investment controls, or asset seizures.

- **Trade** includes both imports and exports, which can be influenced with tariffs or subsidies, or active embargos of supply of goods. Such embargos can be of raw materials, such as oil and agricultural

products, finished goods, or components and tools necessary for production and industrial operations.

All four types of economic coercion can be done by states or by international bodies such as the United Nations (UN). They are scalable, either specific sanctions for certain persons, groups or industries, or comprehensive sanctions which target entire economies.

### Recent History of Economic Coercion

There are many examples of economic coercion in the late 20th and early 21st centuries. In the past 33 years, economic sanctions of varying degrees of severity have often been levied, particularly by the United States (US) and the European Union (EU). Due to the above-mentioned benefits of demonstrating resolve and the relative political palatability compared to direct military action, economic coercion has become a frequently used foreign policy tool by Western democracies, which often also have the economic power to make such threats credible. Between 1989 and 2015 alone, the US issued 276 economic sanctions, either unilaterally or with other states and institutions. The EU and the UN are also significant users of sanctions, as shown in Figure 1.

Most economic sanctions deployed by the US and EU are in response to human rights violations. Sanctions have also been utilized against states which sought to develop nuclear weapons or other weapons of mass destruction (WMD) outside of the Permanent members of the UN Security Council. These included the sanctions employed against Saddam Hussein’s Iraq from 1990 to 2003, the sanctions regime imposed against Iran for its nuclear weapons program that was briefly interrupted by the Joint Comprehensive Plan of Action (JCPOA) between 2015-2018, and the ongoing sanctions regime against the Democratic People’s Republic of Korea (DPRK). Most recently, comprehensive economic sanctions<sup>6</sup> targeting the Russian oil, natural gas, defense industries and political economic elites tied to Vladimir Putin, were imposed by Western countries against Russia for its invasion of Ukraine in February 2022. Russia is the largest state yet to be subjected to overt economic coercion.

The effectiveness of economic coercion in shaping the behavior of target states features a mixed record. Western and UN economic coercion have had a success rate of 50.7% from 325 cases between 1989-2015.<sup>7</sup> Furthermore, comprehensive economic sanctions have largely fallen out of favor, in part due to perceived overreach and negative humanitarian harm. Such has been observed in the sanctions imposed on Iraq which led to high rates of malnutrition

and breakdown of social and economic fabric. Sanction regimes then have evolved towards “targeted measures”, which aim to punish elites of countries directly, hopefully altering their behavior.<sup>8</sup>

Although the West are the most frequent users of economic coercion and sanctions, other groups of states have been able to use economic coercion. A notable example is the Arab oil embargo of 1973, when the Organization of Petroleum Exporting Countries (OPEC) organized an embargo of petroleum products against the United States and several other European countries in retaliation for their support of Israel and to get them to pressure Israel for concessions during the Yom Kippur War.<sup>9</sup> While not the first of such activity, the massive price increase resulting from such an embargo led to a large-scale economic recession with far reaching effects,<sup>10</sup> even though the embargo by itself did not lead to long-term US abandonment of Israel or an Israeli defeat.

More recently, Russia has capitalized on economic coercion to shape its war on Ukraine. It used its oil and natural gas exports to Europe as a coercive lever against the EU and North Atlantic Treaty Organization (NATO) members, for the purposes of deterring intervention and overt support in favor of Ukraine, as well as to retaliate against sanctions levied against it.<sup>11</sup> Responses to these threats have been mixed; most of Europe came together in support of Ukraine, and have somewhat preempted the Russian leitmotif when they announced a partial ban on Russian oil on 08 June 2022.<sup>12</sup> At the same time, it is believed that these kinds of economic threats still affects the decision-making of key countries such as Germany, which was less than forthcoming in its aid of Ukraine in the opening days of the 2022 invasion, as well as Hungary, which imposed restrictions that led to resupply/delivery flights of arms to Ukraine having to be rerouted around their airspace (despite being a NATO member).

Ongoing Sanctions per Year by the EU, the US, and the UN (1989 to 2015)

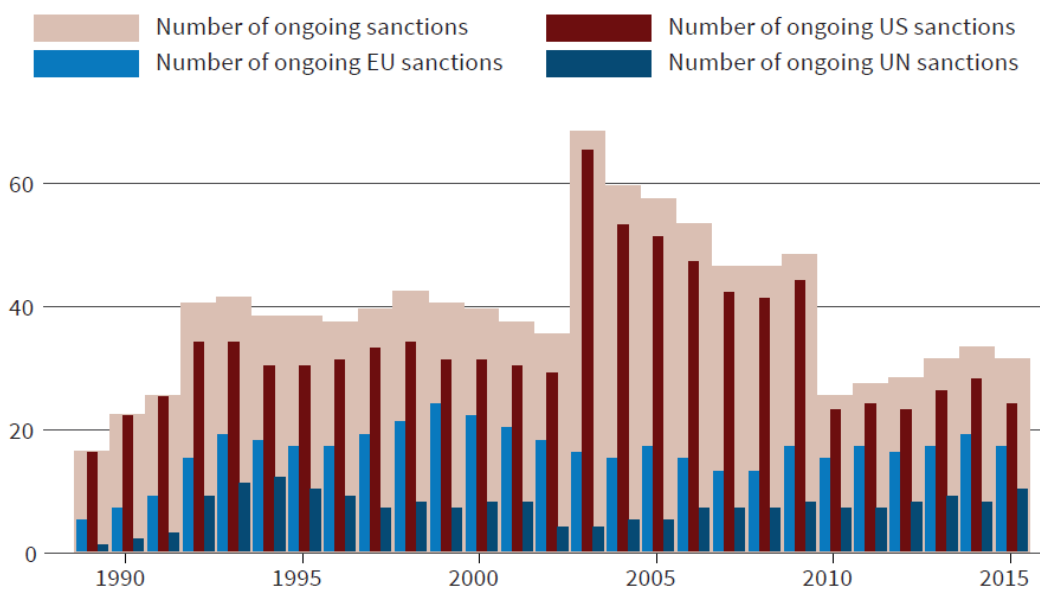


Figure 1  
Ongoing Sanctions per Year by the EU, US, and the UN.  
Source: Schneider and Weber 2019<sup>13</sup>

Research focusing on the People’s Republic of China and its use of economic statecraft, including economic coercion has begun to emerge in recent years. With its increasing economic clout, being the second largest economy in the world, the world’s largest trading state, and the world’s largest holder of foreign currency reserves, it is therefore unsurprising that China is using its newfound economic power as leverage in its dealings with other states. The extent of how China will wield this power has become a subject of increasing concern for many states, especially those with outstanding disputes or

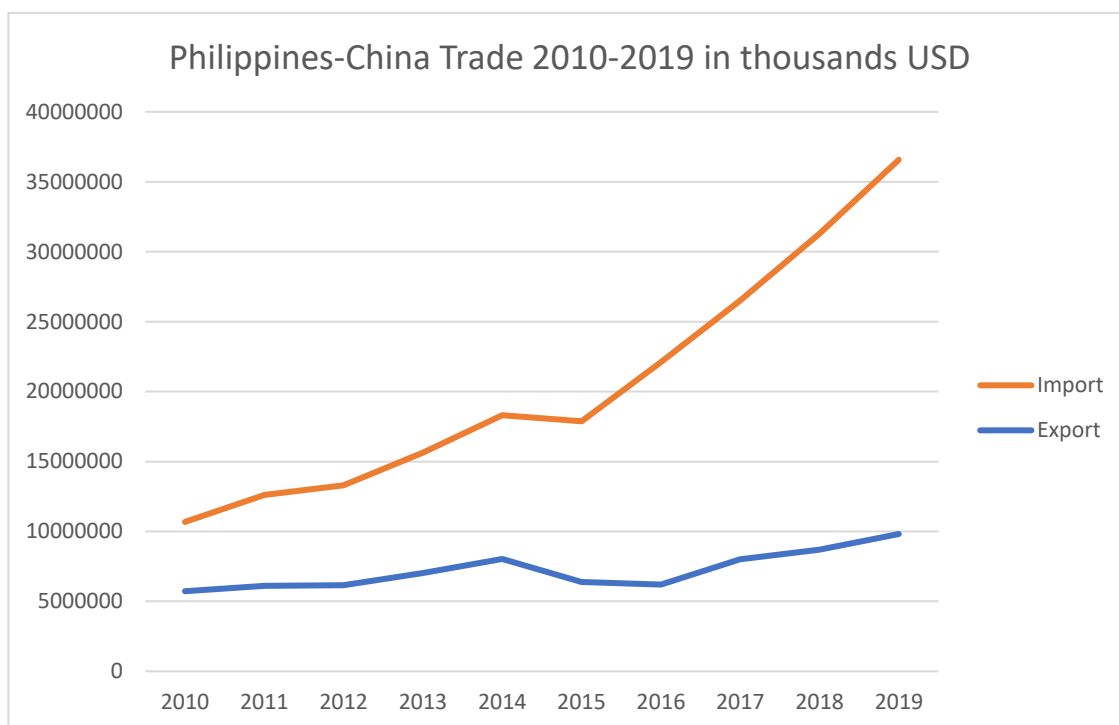
differences with China.<sup>14</sup> Notable episodes of China using economic coercion include:

- (1) Freezing free-trade-area negotiations, imposing new inspections on salmon, and snubbing of active and retired diplomats of Norway, following the awarding of the Nobel Peace Prize to dissident Liu Xiaobao in 2010 (despite the Nobel Committee not being a Norwegian government entity)<sup>15</sup>;
- (2) Temporary embargo of rare earth mineral exports to Japan, following the arrest of a Chinese fisherman captain at the Senkaku islands, also in 2010<sup>16</sup>;

(3) Multiple incidents with Australia since 2017,<sup>17</sup> in the form of assorted indirect tariffs and embargos on Australian consumer exports such as wine and beef, both to punish it for taking increasingly pro-US foreign policy stances, “interfering” in the South China Sea disputes, and more recently following Australia’s leading calls to investigate the origins of the ongoing COVID-19 pandemic; and

(4) Economic sanctions on South Korea following that country’s agreement to deploy the Terminal High Altitude Area Defense (THAAD) system in 2017, which included limiting commercial flights and putting sanctions on Korea’s Lotte Group.<sup>18</sup>

It should be noted that not all these cases led to the sanctioned state acquiescing to Chinese demands. Norway normalized relations with China in 2016, but this has not stopped them from criticizing Chinese actions against the Uighur minority, via lending its signature to a diplomatic letter condemning China’s Xinjiang policies that was sent to the UN Human Rights Council.<sup>19</sup> While Japan did eventually release the arrested Chinese captain, Japan continues to contest and defy China in the Senkaku Islands. Australia has not ceased its US engagements, and in fact has become a very active member of the Quadrilateral Security Dialogue (Quad) and promoting its own version of an Indo-Pacific Strategy. South Korea’s THAAD deployment continued.



**Figure 2**  
Philippines-China Economic Trade 2010-2019  
Source: World Bank World Integrated Trade Solution (WITS) Database, Table by the author

### Philippine Experience with Economic Coercion

The Philippines has experience with economic coercion, both participating in and being targeted by such measures. In fulfillment to its international obligations, the Philippines implements economic sanctions aimed at preventing the transfer and development of WMDs, such as with Iran and DPRK,<sup>20</sup> pursuant both to the relevant UN resolutions and Republic Act 10697 or the Strategic Trade Management Act. The Philippines also sanctions individuals who provide support to transnational terrorist organizations such as *Daesh* (Islamic State) and *al-Qaeda*, and their local allies such as the Abu Sayyaf Group, as well as those who support the Communist New People’s Army.

The Philippines has also been on the receiving end of economic coercion, both threatened and actualized. The European Union has threatened at least three times to withdraw trading privileges to the Philippines in protest towards alleged human rights violations, with the European parliament voting overwhelmingly to withdraw the Philippines’ privileges under the Generalized Scheme of Preferences Plus (GSP+) in September 2020.<sup>21</sup> The Wallonian regional government of Belgium, home to several arms manufacturers such as Fabrique Nationale (FN) Herstal, had sanctioned the Philippines as well due to human rights concerns, impacting the supply of aircraft weapons for the Philippine Air Force.

The most infamous recent examples of economic coercion against the Philippines have come from China. These acts are believed to be levied in response to Philippine actions in defiance of Chinese sovereignty claims in the South China Sea/West Philippine Sea (SCS/WPS). During the April 2012 Panatag (Scarborough) Shoal standoff, wherein China began blocking imports of Philippine agricultural products, particularly bananas. China also began discouraging Chinese tourist groups from the country in 2014, ostensibly due to “security concerns”, only lifting the ban in 2016.<sup>22</sup> Additionally, Chinese trade to the Philippines dipped significantly from 2014-2016, which was the period after the Philippines pursued legal proceedings with the Permanent Court of Arbitration, as seen in Figure 2.

## MAJOR CASE ISSUE

### Risks and Impacts from Economic Coercion for the Philippines vis-à-vis China

The possibility of material strangulation is always a major concern for any country, due to the wide-ranging effects such acts could have on specific industries and national economy. As indicated above, the signaling value of economic coercive instruments and its potential impacts makes economic coercion a tempting instrument.

The risk of economic coercion from China can be considered significant, as the Philippines and China continue to have outstanding territorial and maritime disputes. Worse, the 2012 Panatag standoff showed that economic coercion could have impacts; banana and exporter industry leaders were among those calling on the Philippine government to end the confrontation for fear of losing exports<sup>23</sup>, which China will likely exploit again in future coercions.

Keitan Zhang of Stanford University argues that China would engage in coercion, economic or military, if:

- 1) Such coercion can be used to send messages to other claimants to not test China;
- 2) Demonstrating resolve can come at low economic cost as the target economy is considered inconsequential, and
- 3) Coercing the target will not entail significant geopolitical cost, i.e. it does not further encourage external powers such as the US to interfere.<sup>24</sup>

The first criteria may not necessarily apply; as mentioned above several countries who have experienced Chinese coercion have resisted despite the repercussions of economic coercion. The Philippines itself has not completely acquiesced to Chinese demands, keeping the Arbitral Award for use

in critical junctures and the Duterte Administration pushing back at times especially in 2021<sup>25</sup>. The third criteria is uncertain; the US now is comparatively more engaged in the SCS/WPS than it was during the Panatag Standoff in 2012, but the ongoing Russia-Ukraine war and domestic concerns may yet pull the US' attention from the region. Increased regional presence by fellow Quad members Japan, Australia and India may make up some of the difference.

The second criteria is a significant concern; according to pre-pandemic data<sup>26</sup> the Philippines only barely comprised 1% of China's total imports, while 1.6% of China's exports went to the Philippines, which implies that China could stand some decreases in trade with the Philippines if it were to impose economic coercion again as it did during 2012-2016.

The structure of the economy is also a key concern in accessing possible levers of economic coercion. Electronic integrated circuits, machinery parts and accessories, copper and nickel ores comprised majority of Philippine exports to China in 2020.<sup>27</sup> Due to their importance to China's industrial activity, it is unlikely China will preemptively target these exports for geopolitical purposes. By contrast, bananas comprise 3.54% of Philippine exports in 2020 and could be substituted for produce from other countries. This explains the ease with which China targeted Philippine bananas during the 2012 Panatag standoff.

Figure 3 shows China's export portfolio to the Philippines as of 2020, notably it shows that the largest export of China to the Philippines is in refined petroleum products, followed by integrated circuits and broadcasting equipment.<sup>28</sup> Considering the importance of petroleum products to overall Philippine economic activity, the continuing increases in fuel prices, and the importance of broadcasting and circuitry especially in the telecommunications and digital sectors, these could be potentially important levers of coercion, should China choose to press on these specific areas.

These items are also important to Philippine defense and security; the modern AFP and its forces depend on steady supplies of petroleum, oil and lubricants (POL) products both for fuel and maintenance, with the demand only expected to increase as AFP Modernization proceeds and more new assets are brought online. The supply of integrated circuits and broadcasting equipment are also an area of concern; apart from the well-known concerns on cybersecurity that were brought up by the United States and others regarding Chinese-made systems, smooth supply chains are necessary for reliable functioning of electronic systems. Any impact to these supply chains resulting from economic coercion would have knock-on effects to defense as well as the wider consumer market.





The DND and AFP also must increase its resiliency from such coercions so that they can continue to perform their duties even under an economically strained environment. Options to achieve this include:

a. **Review existing policies regarding defense supply chains to identify potential vulnerabilities to embargos.** In AFP and DND procurement of critical items, an assessment must be done to ensure that suppliers of defense goods will not be easily disrupted in event of crisis, especially those critical to the performance of the AFP's missions,

b. **Accelerate and revive the Self-Reliant Defense Posture programme to establish Philippine supply chains and improve, if not total self-reliance, then at least a measure of selective sufficiency<sup>29</sup> in key defense goods vital to national defense.** The recent conversion of Government Arsenal property for defense industrial purposes is a necessary step, but more must be done. Due diligence should also be made in ensuring that firms that the defense establishment chooses to cooperate with are reliable and are not susceptible to economic coercion and supply chain disruptions.

c. **Investigate the creation and/or expansion of strategic reserves of crucial resources such as petroleum, oil and lubricants (POL), of circuits and spare parts for vital systems.** This initiative must be informed by analyses of how much the Philippines and key agencies may need in event of a major economic shock. The Philippine National Oil Company (PNOC) has already indicated it shall establish a Strategic Petroleum Reserve (SPR).<sup>30</sup> Although the SPR is presently envisioned to be sufficient for 90 days of the country's domestic oil requirements, it is uncertain if this proposed stock would include the

AFP's requirements, especially if the reserve must be utilized during a crisis or wartime scenario where the AFP will logically increase its consumption of POL for operations. Consider that the Marawi Crisis, the most recent large-scale multi-battalion combat operation the AFP conducted, lasted almost six months from May to October 2017, so it is not inconceivable that future combat operations may last as long if not longer depending on the threat being engaged. It is imperative that should economic coercion be applied to the Philippines, key agencies such as the AFP should not be immobilized by restrictions to fuel or spare parts supply chains.

## CONCLUSION

Economic interdependence and globalization are double-edged swords. On the one hand, increased trade has brought prosperity and benefits to countries that participate. However, as seen in this paper, such trade can also be used as weapons and instruments of coercion, the threat of which can make would-be victims pause. And unlike kinetic warfare, which is, at least nominally, seen as a last resort, economic coercion is likely to be used more often, especially by great powers such as China

Despite the increasing tensions in the security environment, the trend for increased trade is unlikely to be reversed. Scenarios of "decoupling" are less likely for middle-income and developing countries like the Philippines, for whom the imperatives to grow their economies and deliver prosperity via trade are very difficult to resist, even if their largest trading partners are also major security threats. Ensuring the benefits of trade accrue without undue compromise of national interest and sovereignty will be an enduring challenge for national economic and defense planners.

---

*Erick Nielson C Javier is a Defense Research Officer II at the Research and Special Studies Division of the National Defense College of the Philippines (NDCP). For comments and suggestions, please email [ericknielson.javier@ndcp.edu.ph](mailto:ericknielson.javier@ndcp.edu.ph).*

---



Please scan the QR code to access our Feedback Form for your comments, opinions, and suggestions. Thank you very much and we look forward to hear from you!

---

<sup>1</sup> Merriam Webster Dictionary, "Definition of 'Coerce'", accessed at <https://www.merriam-webster.com/dictionary/coercing>

<sup>2</sup> Thomas Schelling, *Arms and Influence*, New Haven University Press, p.2, 1966, 2009 edition

- <sup>3</sup> Paul Poast, “Beyond the Sinew of War: The Political Economy of Security as a Subfield”, *Annual Review of Political Science*, 2019, pp.229-230, accessed at: <https://doi.org/10.1146/annurev-polisci-050317-070912>
- <sup>4</sup> Jonathan Kirshner, *Currency and Coercion*. Princeton University Press, 1997.
- <sup>5</sup> Grant Nordby, “The Four Types of Economic Coercion”, Medium.com, accessed at <https://medium.com/@gnorby01/the-four-types-of-economic-coercion-810f1fd7f11a>
- <sup>6</sup> Department of Trade and Industry, *DTI Advisory on Unilateral Sanctions Recently Imposed by Certain States*, 23 March 2022, accessed at <https://dtiwebfiles.s3.ap-southeast-1.amazonaws.com/STMO/Announcements/Annex1dtiadvisory>
- <sup>7</sup> Gerald Schneider and Patrick M Weber, “Surprisingly Effective: Economic Coercion after the Cold War”.
- <sup>8</sup> Francisco Giumelli, “Understanding United Nations targeted sanctions: An empirical analysis”, *International Affairs*, Issue 91, Vol 6, pp1351-1353, 2015.
- <sup>9</sup> Office of the Historian, “Oil Embargo 1973-1974”, *Milestones 1969-1976*, United States State Department, 31 October 2013, accessed at <https://web.archive.org/web/20140306225604/http://history.state.gov/milestones/1969-1976/oil-embargo>
- <sup>10</sup> Geraint Hughes, “Britain, the Transatlantic Alliance, and the Arab-Israeli War of 1973”, *Journal of Cold War Studies*, Vol 10, No 2, pp.3-40, Spring 2008
- <sup>11</sup> Sam Meredith, “Russia warns of 300\$ oil, threatens to cut off European gas if the West bans energy imports”, *CNBC Europe News*, 08 March 2022, accessed at <https://www.cbc.com/2022/03/08/russia-warns-of-300-oil-if-ban-goes-ahead-threatens-to-cut-off-european-gas.html>
- <sup>12</sup> Ben Cahil, “European Union Imposes Partial Ban on Russian Oil”, *Critical Questions*, Center for Strategic and International Studies, 08 June 2022, accessed at <https://www.csis.org/analysis/european-union-imposes-partial-ban-russian-oil>
- <sup>13</sup> Gerald Schneider and Patrick M Weber, “Biased, but Surprisingly Effective: Economic Coercion after the Cold War”, *CEsifo Forum* Vol 20, pp.9-13, December 2019
- <sup>14</sup> Mingjang Li, *China’s Economic Statecraft: Co-Optation, Cooperation and Coercion*, World Scientific Publishing, p.xvii-xviii, 2017
- <sup>15</sup> Bonnie S Glaser, China’s Coercive Economic Diplomacy: A New and Worrying Trend”, *CSIS Commentaries*, Center for Strategic and International Studies, 06 August 2012, accessed at <https://www.csis.org/analysis/chinas-coercive-economic-diplomacy-new-and-worrying-trend>
- <sup>16</sup> Xiaoyu Pu, “Interdependent Rivals: China’s Economic Statecraft Towards Japan”, *China’s Economic Statecraft: Co-Optation, Cooperation and Coercion*, World Scientific Publishing, pp.106, 2017
- <sup>17</sup> James Laurenceson, Michael Zhou, and Thomas Pantle, “Interrogating Chinese economic coercion: The Australian experience since 2017”, *Security Challenges*, Vol 16, No. 4 Geoeconomics in the Indo-Pacific, pp.3-23, 2020, accessed at <https://www.jstor.org/stable/10.2307/26976255>
- <sup>18</sup> Eric Larber, “Economic Coercion, with a Chinese Twist”, *Foreign Policy*, 28 February 2017
- <sup>19</sup> Catherine Putz, “Which Countries are For or Against China’s Xinjiang Policies?” *The Diplomat*, 15 July 2019, accessed at <https://thediplomat.com/2019/07/which-countries-are-for-or-against-chinas-xinjiang-policies/>
- <sup>20</sup> Department of Trade and Industry, *Advisory on Transactions with North Korea and Iran*, 2021 accessed at <https://dtiwebfiles.s3-ap-southeast-1.amazonaws.com/STMO/Announcements/210507+DPRK+and+Iran+Advisory.pdf>
- <sup>21</sup> Jovic Yee, “EU sanctions on PH will cut 200,000 jobs, labor group warns”, *Philippine Daily Inquirer*, 20 September 2020, accessed at <https://globalnation.inquirer.net/191019/eu-sanctions-on-ph-to-cut-200k-jobs-labor-group-warns>
- <sup>22</sup> Oxford Business Group, “Surge in Chinese Tourism to the Philippines”, 24 February 2017, accessed at <https://oxfordbusinessgroup.com/news/surge-chinese-tourism-philippines>
- <sup>23</sup> Renato De Castro, “The Philippines Confronts China in the South China Sea: Power Politics vs. Liberal-Legalism”, *Asian Perspective*, Vol 39, No.1, pp.87-88, 2015
- <sup>24</sup> Keitan Zhang, “Cautious Bully: Reputation, Resolve and Beijing’s Use of Coercion in the South China Sea,” *International Security*, Vol 44, No.1, pp.117-159, Summer 2019
- <sup>25</sup> Erick Nielson C Javier, “Rethinking the Philippines’ Deterrence in the South China Sea”, *The Diplomat*, 26 March 2022, accessed at <https://thediplomat.com/2022/03/rethinking-the-philippines-deterrence-in-the-south-china-sea/>
- <sup>26</sup> World Integrated Trade Solution, “China trade balance, exports and imports by country 2019”, World Bank, accessed at <https://wits.worldbank.org/CountryProfile/en/Country/CHN/Year/LTST/TradeFlow/EXPIMP/Partner/by-country>
- <sup>27</sup> Observatory of Economic Complexity, “China-Philippines”, *Bilateral Profiles*, 2022, accessed at <https://oec.world/en/profile/bilateral-country/chn/partner/phl>
- <sup>28</sup> Ibid
- <sup>29</sup> Benjamin Leander, “The Role of Defense Materiel Development in the Philippines’ Credible Defense Posture: From Self-Reliance to Selective Sufficiency,” presented at the National Security Studies Program Colloquium on 24 March 2021
- <sup>30</sup> Philippine National Oil Company, *Establishment of PNOC’s Strategic Oil Reserve*, 31 December 2021, accessed at [https://www.pnoc.com.ph/?page\\_id=3913](https://www.pnoc.com.ph/?page_id=3913)