

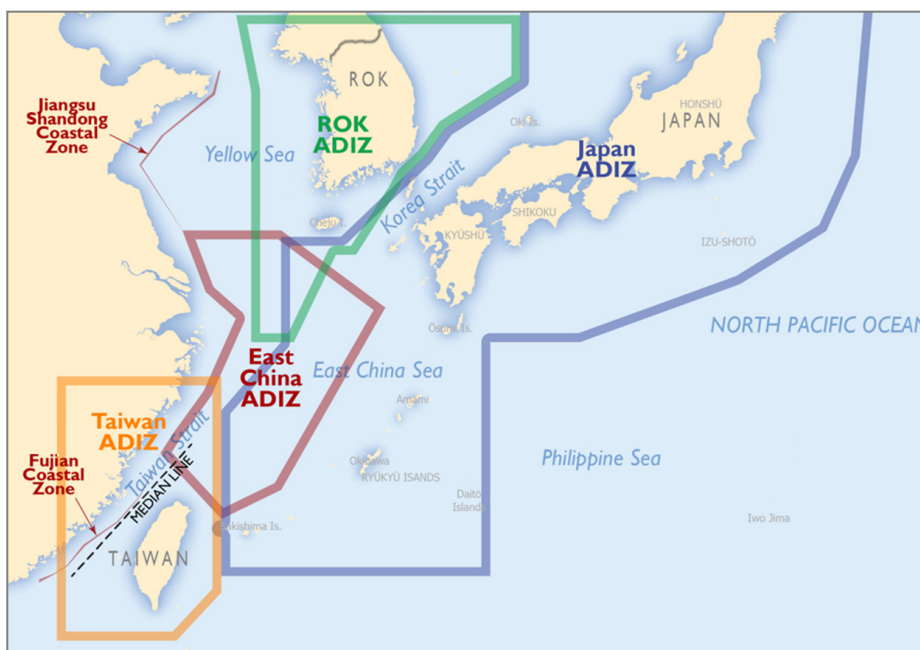


5 JUNE 2025

(U) China's Escalating Gray Zone Campaign

(U) EXECUTIVE SUMMARY

(U) China escalated its gray zone activities in the East and South China Seas in 2024, primarily targeting Taiwan but also increasing pressure on Japan, Vietnam, and the Philippines. This escalation aims to undermine Taiwan's legitimacy, wear down its defenses, gather intelligence, and gradually shift the strategic landscape in China's favor. Taiwan remains the primary target of China's gray zone campaign, enduring the highest number of distinct gray zone tactics, including a dramatic increase in People's Liberation Army (PLA) aircraft incursions into Taiwan's air defense identification zone (ADIZ) and the normalization of crossing the median line. Against Japan, China set records for incursions near the Senkaku Islands, including breaches of Japanese territorial waters. China continued its aggressive tactics against Vietnamese vessels in the South China Sea, using artificial islands and its maritime militia. While maintaining a pervasive presence in the South China Sea, China has been particularly aggressive against the Philippines within its exclusive economic zone (EEZ) for the past three years. Given its commitment to Taiwan's defense and regional stability, China's aggressive actions present significant strategic, operational, and tactical challenges for the U.S. Army.



(U) Figure 1: ADIZs off China's East Coast
(Source: TRADOC G-2)

(U) CHINA'S REGIONAL MARITIME AND AIR GRAY ZONE ACTIVITIES

(U) ***In 2024, China's gray zone activities^a significantly escalated across the East and South China Seas, with a particular focus on Taiwan.*** These coercive operations included record incursions into Taiwan's ADIZ, challenges to Japan's claims in the Senkaku Islands, and aggressive actions against Vietnamese and Philippine vessels.¹ Although China employs gray zone tactics across the region, Taiwan remains the primary target, reflecting its centrality to China's core interests.

(U) ***China's gray zone pressure on Japan intensified in 2024, centering on the Senkaku Islands, which China claims despite Japan's control since 1895.*** China's actions against Japan are increasingly assertive, but they remain more measured than those directed at Vietnam and the Philippines, reflecting a calculated approach based on perceived adversary capabilities.

- (U) In 2024, Chinese vessels sailed through the islands' contiguous zone (12 to 24 nautical miles from the shore) on 355 days, setting a record for the third consecutive year; among the ships, Chinese Coast Guard vessels—including some of their largest—entered Japan's contiguous zone around the islands on numerous occasions and even breached Japanese territorial waters (out to 12 nautical miles from the shore) for 44 days.²
- (U) Joint Chinese-Russian naval exercises and air patrols near Japan further heightened tensions, culminating in three airspace violations by Russian aircraft, the third time prompting Japan's Air Self-Defense Force to employ flares for the first time as a warning.³
- (U) One month prior to these incursions, a Y-9 Chinese intelligence aircraft violated Japan's airspace for the first time.⁴

(U) ***China's gray zone activities against Vietnam are historically rooted in China's 1974 occupation of the Paracel Islands and continue today with aggressive tactics against Vietnamese vessels in the South China Sea.***

a 'Gray zone' is defined as a realm of international relations between peaceful interstate diplomacy, economic activity, and people-to-people contact at one end of the spectrum and armed conflict on the other, in which states and non-state actors use coercive or subversive means that can be violent or nonviolent to achieve their objectives at the expense of others, in contravention or the absence of international norms. 'Gray zone activity' is a coercive or subversive action that, when conducted by or on behalf of a state outside of armed conflict, violates international norms or exploits their ambiguity or absence. Similar activities may be conducted by non-state actors, by state actors in wartime, or by state actors in isolated incidents not intended to coerce or subvert other states. Gray zone tactics include many domains, fields and activities, including geopolitical, cyber, economic and informational actions, as examples. This paper focuses on military air and sea gray zone tactics. (National Intelligence Council, Updated IC Gray Zone Lexicon: Key Terms and Definitions, July 2024, p.4, <https://www.dni.gov/files/ODNI/documents/assessments/NIC-Unclassified-Updated-IC-Gray-Zone-Lexicon-July2024.pdf>).

- (U) These tactics include ramming, shooting, and sinking⁵ Vietnamese ships, as well as frequent airspace incursions by Chinese aircraft.⁶
- (U) Since 2013, the construction of artificial islands in the Spratly Islands has provided China with forward military bases, enabling a persistent air and maritime presence. China's maritime militia—fishing boats acting as an extension of Chinese maritime power—further bolsters this presence. Despite China's persistent presence throughout the South China Sea, other claimants, including “Malaysia, Indonesia, and Vietnam have shown no sign of stopping their oil and gas projects, with the former two actively expanding their efforts in recent years.”⁷

(U) ***China's pressures on the Philippines in the South China Sea have substantively intensified since 2022 with one analyst describing it as having “taken on the character of a maritime occupation.”***⁸

China has contended with the Philippines in the South China Sea for many years.

- (U) In 2012, for instance, China took effective control of Scarborough Shoal from the Philippines. Under President Duterte the Philippines pulled back from confronting China, even after an international court found China had no legal basis to claim the features it does in the South China Sea.
- (U) China's aggression has increased since President Ferdinand Marcos Jr. was elected in 2022 and directed a vigorous defense of its interests.⁹ As a result, the Philippines has felt the brunt of China's “sail, swarm and skirmish” gray zone tactics for the last three years.¹⁰ Last summer a Philippines sailor lost his thumb, and several other sailors were injured when the Chinese rammed their vessel.¹¹

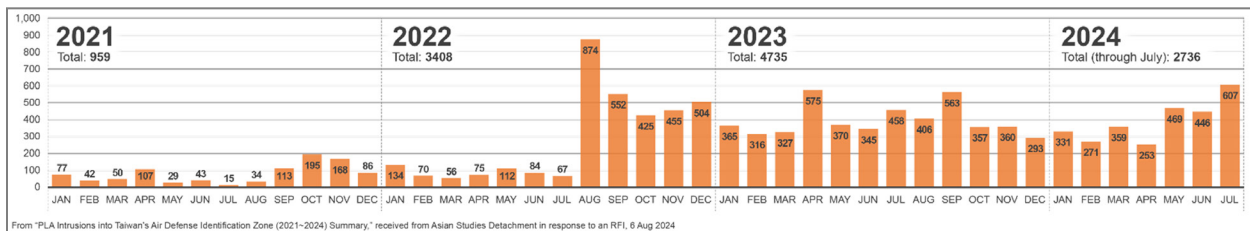
(U) ***Despite the widespread escalation of gray zone tactics across the region, Taiwan bears the brunt of China's pressure.*** One study identified 77 distinct gray zone activities employed by China, revealing that 62 of these tactics have been used against Taiwan—the highest number directed at any target.¹² This targeted pressure underscores Taiwan's critical importance in China's strategic calculations.

(U) CHINA'S FOCUS ON TAIWAN

(U) ***China's gray zone campaign^b against Taiwan escalated dramatically in 2016 following the victory of the Democratic Progressive Party—which China considers separatist—in the presidential election.***

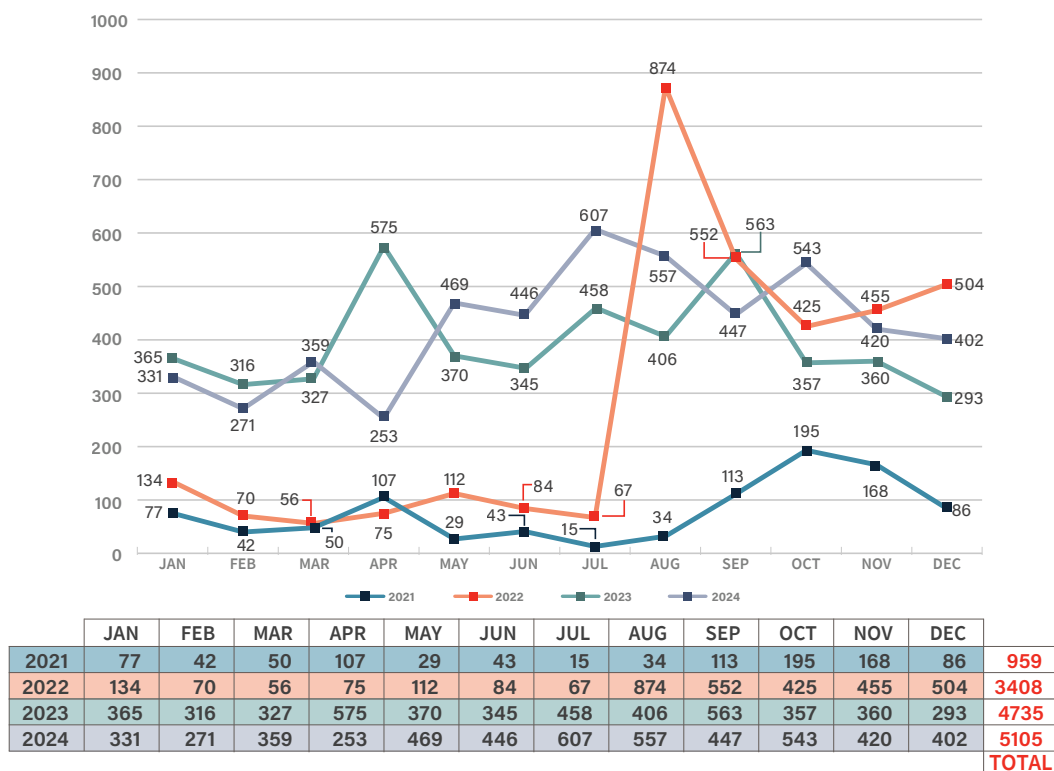
b A ‘gray zone campaign’ is the deliberate use of coercive or subversive instruments of power by, or on behalf of, a state to achieve its political or security goals at the expense of others, in ways that exceed or exploit gaps in international norms but are intended to remain below the perceived threshold for direct armed conflict. Gray zone campaigns are commonly characterized by a sustained, multidomain approach, indirect methods, and deliberate ambiguity about their aims and sponsorship. (ODNI)

This escalation has manifested most prominently in the increasing number of PLA aircraft incursions into Taiwan's ADIZ, particularly after the visit of the then-U.S. House Speaker in August 2022. While such incursions were previously rare, over five times the number of incursions occurred in 2024 compared to 2021.



(U) Figure 2: PLA Intrusions Into Taiwan's Air Defense Identification Zone, 2021~2024 (used with permission)¹³

(U) **The median line of the Taiwan Strait, a longstanding informal demarcation, has effectively been erased by the PLA's routine incursions since August 2022.** Prior to this, PLA aircraft generally respected the median line of the Taiwan Strait.¹⁴ However, crossing the median line has become routine, erasing this stabilizing boundary and substantively altering what is considered the norm. Moreover, PLA aircraft have expanded their operations from solely targeting the southwestern portion of Taiwan's ADIZ to encompass all ADIZ sectors.¹⁵



(U) Figure 3: PLA Intrusions Into Taiwan's Air Defense Identification Zone, 2024 Summary (used with permission)¹⁶

(U) ***China continues to escalate its gray zone pressure on Taiwan in 2025, as evidenced by the record detection of Chinese surveillance balloons.*** This evolving and increasing gray zone intimidation has continued into 2025. Taiwan detected a record of 11 Chinese surveillance balloons near the island in March 2025—signaling China’s continued intent to escalate gray zone pressure.¹⁷

(U) CHINA’S STRATEGIC CALCULUS

(U) ***China’s escalating gray zone activities against Taiwan are a multifaceted strategy aimed at undermining Taiwanese legitimacy, erode its defense capabilities, and gradually shift the strategic landscape in China’s favor—all while avoiding decisive confrontation.***

- (U) Firstly, the normalization of PLA aircraft incursions into Taiwan’s ADIZ and across the median line advances China’s narrative that Taiwan is a renegade province and undermines its legitimacy as an independent entity. These actions consistently demonstrate China’s resolve to unite Taiwan with the mainland, by force if necessary.¹⁸
- (U) Secondly, these incursions increasing frequency and intensity are designed to wear down Taiwan’s defenses, assess its responses, and collect valuable intelligence on Taiwan’s capabilities and those of its partners. This approach allows China to calibrate its actions, exploit vulnerabilities, and gain a tactical advantage in potential conflicts.
- (U) Thirdly, China employs “salami slicing” tactics—incremental actions that individually may not warrant a significant response but collectively erode the status quo—to advance its interests without triggering a major escalation.

(U) IMPLICATIONS FOR THE U.S. ARMY

(U) ***The Chinese military’s escalating gray zone campaign in the Taiwan Strait presents significant challenges for the U.S. Army, impacting operations in several key areas:***

- (U) ***The gray zone blurs the lines between peace and conflict, creating an ambiguous operational environment where routine activity and hostile intent are difficult to distinguish without enhanced situational awareness, cultural understanding, and nuanced decision-making at all levels.***

- (U) ***China’s gray zone campaign creates a heightened risk for U.S. forces in the Indo-Pacific, requiring a deliberate approach to monitor activities and mitigate the increasing potential for miscalculation and unintended escalation.*** The United States’ intelligence, surveillance, and reconnaissance capabilities are necessary to effectively monitor and assess PLA activities in the Taiwan Strait. U.S. forces operating or training in the region face increased risk due to the constant presence of PLA aircraft and the compressed timeframe for responding to potential threats. The risk of miscalculation and unintended escalation is heightened as the distinction between routine gray zone activities and hostile actions become increasingly blurred.
- (U) ***China’s gray zone campaign employs all traditional U.S. domains, as well as China’s broader domain definitions, which include the cognitive dimension and electromagnetic spectrum.*** This multidomain approach requires the Army to integrate and synchronize its capabilities across these domains to counter China’s activities.
- (U) ***The regional nature of China’s gray zone activities highlights the critical importance of strong alliances and partnerships.*** Interoperability with allies—including Japan, Australia, and the Philippines—is essential for coordinated responses, shared intelligence, and a unified approach to deterring further Chinese aggression.
- (U) ***China’s gray zone activities against Taiwan increase pressure on the U.S. commitment to ensure Taiwan’s self-defense capability.*** This commitment, rooted in the Taiwan Relations Act, is further underscored by Taiwan’s democratic partnership with the United States, its critical role in global semiconductor production, and the potential for severe economic and geopolitical consequences should China attempt to seize the island.^{19 20}

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- 18 Taiwan has never been part of the People’s Republic of China (PRC). During the dynastic era if the Chinese state Taiwan was an island where criminals, pirates and other ne’er-do-wells could take refuge from imperial authorities. The eastern plains of the main island were colonized by the Dutch in the 17th century, but some of the aboriginal inhabitants fled to join other aboriginal tribes in the mountains, which the Dutch never controlled. In fact, the entire island never came under single administrative rule until the Japanese colonized Taiwan in the 19th century. In 1945 Japan ceded sovereignty to the Republic of China (RoC). Chiang Kai-shek, along with the survivors of his army and administration fled to Taiwan in 1949, after losing the civil war to the CCP, and Taiwan still refers to itself as the Republic of China. But Taiwan cannot reunite with the PRC; it was never united with it.
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