

## China's Strategic Interest in Indian Ocean Region

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### ABSTRACT

*In recent years China's growing influence is seen in relative term to those of other states and have outgrown the expectations of even its own leaders. Based on its enhanced global position, Chinese foreign and security policies have shown unprecedented assertiveness. It is important for the international community including India to reassess China's strategic culture Till very recently, China had formally referred to Taiwan, Tibet and Xinjiang province as 'core interests'. It is indicative of its assertion of national sovereignty and territorial integrity and implied that it would not be open to compromise on this issue. China's ever expanding 'core interests' is already leading to tensions in East and South China Sea is being seen as the likely cause of instability in East Asia.*

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### INTRODUCTION

The China's core interest was found more frequently through its official sources since 2003-04. China's core interest was however put forward by State Councilor Dai Bingguo in Jul 2009 during the US-China Strategic and Economic Dialogue (S&ED). The three elements of are 'Preserving China's basic state system and national security; 'National sovereignty and territorial integrity and 'Continued stable development of China's economy and society.<sup>1</sup> Till very recently, China had formally referred to Taiwan, Tibet and Xinjiang province as 'core interests'. It is indicative of its assertion of national sovereignty and territorial integrity and implied that it would not be open to compromise on this issue. China's ever expanding 'core interests' is already leading to tensions in East and South China Sea is being seen as the likely cause of instability in East Asia.

### CHINA'S FORAY INTO IOR

There has been gradual shift in the strategic focus of China's maritime interest to Indian Ocean. Few years back Pacific was more important. Its actions in the IOR indicate the need to secure its SLOCs. This is crucial for his energy imports. However, there are indications of its larger designs in the region. China's declared goal was to convert into a fully modernized state by the middle of the century. It has articulated its overall strategic approach which includes its requirement of land, maritime, economy and energy security. Its compulsion for securing the critical SLOCs in the IOR for energy security has been closely linked to its maritime interest in the IOR. "The PRC's naval objectives have undergone a shift – from that of conducting coastal defence activities to offshore defence and ultimately to far sea defence.<sup>2</sup> A case in point is the stress noticed in China's latest Defence White Paper (2013) on "protecting national maritime rights and interests and "armed forces providing reliable support for China's interests overseas". It is clear that the PRC to wants extend to naval

capabilities especially to operate abroad. This marks a new stage in China's development which is quite related to the increasing needs by a rising China to secure its growing global interests. China's expansionist behaviour is well known to the students of international politics. The purpose is quite clear as it wants to acquire naval facilities along the crucial choke-points in the Indian Ocean to serve not only its economic interests but also to enhance its strategic presence in the region. China too realizes that its emergence as the regional and a potential superpower would be possible if it has a strong maritime capability and this will give it the requisite strategic leverage. China's dependence on maritime space and resources are reflected in its aspiration to expand its influence and to dominate the strategic environment of the IOR. China consolidation over the South China Sea and the Indian Ocean has emerged clearly in a secret memorandum issued fifteen years ago by the Director of the General Logistic Department of the PLA : "We can no longer accept the Indian Ocean as only an Ocean of the Indian...we are taking armed conflicts in the region into account."<sup>3</sup>

### CHINA'S SECURITY POLICIES IN MARITIME SPHERE

#### China has emphasised on following policies:

- **PLA Naval (PLAN) Modernisation Plan** since 1990, has undergone a rigorous modernization program. At present it gradually enhanced its capability for operations in water beyond Taiwan and its immediate periphery. To shift to an even broader sea control strategy, it is now pursuing the full operationalisation of an aircraft carrier. China's naval capabilities have increased to such an extent that its modernization programme which includes development of Anti-ship ballistic missiles, Anti-ship cruise missiles, submarines and amphibious ships and maritime surveillance equipment. Even though China's entry into the Indian Ocean with a Carrier Task Force could take some more

time, Indian Ocean would remain important to China for energy and SLOCs.

- **PLAN's Operational Activities:** PLAN's include its participation in anti-piracy operations off the coast of Somalia since 2011. Its naval logistics exercise in Indian Ocean in Dec 2013 as well as counter piracy search and rescue drill carried out in Jan 2014 by a three ship navy squadron included participation of its largest amphibious landing ship Changbaishan. The last exercise was held in Lombok Strait – the choice of location is significant as it seems to suggest Chinese intention of opening new areas for operational activities by PLAN given that earlier exercises of such nature were always conducted in Malacca Strait.<sup>4</sup>
- **PLAN's Sub-Surface Activities in Indian Ocean:** Indian Security concern to the activities of Chinese submarines in the Indian Ocean. It is felt that the rivalry between India and Chinese Navy will become more intense in the years to come as “implicit focus” of the Chinese Navy appears to be on “undermining the Indian Navy's edge to control the highly sensitive sea lines of communication”<sup>5</sup> The recent docking of a “Chinese Song class diesel electric attack submarine along with its attendant Type 925 submarine support ship at the Colombo International Container Terminal on 19 September 2014” also suggested that the more such visits by Chinese naval platforms may continue in the immediate vicinity of India.<sup>6</sup>
- **String of Pearls** China has persistently tried its presence in IOR through the ‘String of Pearls’ strategy. It indicate China's growing ambitions through greater access to ports and airfields, and stronger diplomatic relationships with trading partners.<sup>7</sup> However, Chinese Government insists that China's naval strategy is entirely peaceful in nature and designed for the protection of regional trade interests.
- **China's Two Ocean Strategy:** The last few decades has seen the emergence of a new complex world order. At the same we saw the rise of China and the USA being pulled down in Iraq and Afghanistan. The new order involves maritime Eurasia as well as the Western Pacific.<sup>8</sup> If everything goes well Chinese interest result in PLAN having more ships than the US in the next decade. While US struggles to maintain a Navy at its current size in the face of an economic downturn, China's defence budget has been upgraded by double digits for two decades. China's undersea arsenal includes 12 Kilo-class and 13 Song-class conventional submarines, 2 Shang-class nuclear attack submarines, and one Jin-class nuclear ballistic-missile submarine, with three more on the way. At present, this line-up bears no comparison to the US Navy's 74 nuclear-powered attack and ballistic missile submarines. The US has 11 of the world's 21 aircraft carriers and the Chinese have one. But, soon China will catch up, but to US will then realise that its time of dominance is not forever. Chinese development of missile and space programs could make it riskier for the US in the future to move their carrier strike groups close to the Asian mainland. China's geographical centrality to Asia, coupled with its growing navy and burgeoning economy could cause US to lose influence in the Indian Ocean.<sup>9</sup>

## CHINA'S RELATIONS WITH COUNTRIES IN IOR

China's has not yet enunciated a comprehensive Indian Ocean policy like the US. It is therefore important to discuss the dynamics of its relations with important countries in the IOR with specific focus on South East Asia and South Asian Countries. China seeks to strengthen its relations with these countries without challenging their alliances with the US. A broad guideline for its South Asian and South East Asian policies is to focus intensely on countries in the IOR which are not yet close formal allies of US while maintaining a balanced approach towards other US allies to ensure the ties do not worsen.

## CHINA'S RELATIONS WITH SOUTH EAST ASIAN COUNTRIES

Beijing wants to develop a pre-dominant sphere of influence in South East Asia. It values the role that ASEAN and the role of its member countries which could play an important role in realization of its ambition of being a superpower. The new leadership of Xi Jinping in China now emphasizes on enhancing bilateral ties and forgoing strategic partnerships with key neighbours. China's foreign policy with South East Asian neighbours is based on individual countries relationship with China and with the US. It has taken a more hardline approach towards major US allies like Philippines and Japan. Beijing is always worried about its relationships with South Korea, Thailand and Australia because these countries have great economic potential for China.

- **Vietnam:** China and Vietnam, has territorial disputes as well as there is a close economic cooperation. It focuses on minimal those issues that ties do not get worsened. The relationship between Hanoi and Beijing is very complex as Vietnam maintains close relations with New Delhi against China's assertiveness in South China Sea.

But, recently one see the prime focus of China in South East Asia is to improve its bilateral relations with Myanmar, Indonesia, Cambodia and Malaysia. These countries having sharing important economic interests with China have no formal alliance with the US. Therefore these countries offer major potential markets for Chinese investment as well as strategic foothold for Chinese maritime assets.

- **Indonesia:** Indonesia position is very important in IOR. In order to rebalance US strategy towards Asia it becomes important for China to closeness. At the same time China would look to maintain closed ties with Indonesia. It will be able to harbour enough support whenever territorial disputes arise in South China Sea. It also looks at addressing the security concerns of Jakarta by providing maritime assistance in safeguarding Indonesia's coast and seas.
- **Myanmar:** Sino- Myanmar relations have historically been stable. However in recent years significant efforts have been made by Beijing when China-Myanmar signed bilateral agreement on strategic partnership. Myanmar has provided a land bridge to China for linking it to South and South East Asia. It also affords China, the shortest land and sea access to South Asia and Myanmar's sea boundaries are barely 30 km from the Andaman Islands. This will be advantageous to China as it will reach Indian Territory in Bay of Bengal. China has made huge

investments in infrastructure development to include roads, railways and hydropower projects. China has been the main supplier of military hardware to Myanmar and has also undertaken two major projects on its coast at Kyaukphyu – US\$ 2.5 billion oil and gas pipeline from Kyaukphyu to Kunming and development of a deep sea port.

#### CHINA'S RELATIONS WITH SOUTH ASIAN COUNTRIES

- **India:** India's relations with China are faced with long standing border disputes. China fear is of the Indian support to Dalai Lama and its implications on the unrest in Tibet. Economically both countries maintain good trade between the two countries. But at the moment it remains heavily balanced in favour of China. New Delhi is quite apprehensive of the strategic initiatives of China to build maritime logistic bases in its vicinity as an attempt at maritime encirclement.
- **Pakistan:** So far is Pakistan is concerned China is the largest trading partner. Bilateral trade between the two reached US \$ 15 billion by 2015.<sup>10</sup> Besides economic ties, military cooperation and in infrastructural development are more important for China. It remains the core of the bilateral relations. The strong defence ties are primarily meant counter India's regional influence. China has been the major actor in the development of Pakistan's nuclear infrastructure, especially when stringent export controls by West made it difficult for Pakistan to pursue its uranium enrichment for nuclear weapons programme. The development of deep-water port at Gwadar on Arabian Sea is seen by strategic experts as opening a communication link for China through the Karakoram highway to the warm waters of Arabian Sea.
- **Bangladesh:** Though China and Bangladesh established diplomatic relations in 1975, but it initially did not recognize Bangladesh as a separate state in 1971. China has significantly assisted Bangladesh in development of infrastructure and power. China is Bangladesh's largest trading partner with total trade exceeding US\$ 7 billion<sup>11</sup>. There are number of projects between the two to connect Chittagong with Yunan through Myanmar. India is worried about Chinese initiative to develop the deep sea port off Chittagong at Sonadia Island. It will provide China with the blue water access in Bay of Bengal. China is also a major supplier of military hardware to Bangladesh. It includes artillery guns, missile, tanks and small arms. Bangladesh Navy is largely made up of Chinese origin platform like 053-H1 Jianghu I class frigates, Huang Feng missile boats and Hainan class submarine chasers. Similarly the Air Force also has a large population of Chinese origin aircrafts like the F7 and Q5 fighter aircrafts.<sup>12</sup>
- **Sri Lanka:** Sri Lanka too had strong, multi-lateral relationship with China. China has provided large economic, military and technical assistance to Sri Lanka over the years. China has always supported Sri Lanka in multilateral forums on all issues important. China was Sri Lanka's largest lender in 2009-10. The trade between the two has improved drastically and there are large number of Chinese companies which are investing in special economic zones in Sri Lanka. Major infrastructure development projects include Sri Lankan Railways modernization programme. Hambantota Development Zone provides an international airport and other facilities. There are other projects like improvement of roads and thermal power projects in Sri Lanka which have being funded/executed by China. Military relations between the two countries have also improved as China has emerged as the largest supplier of conventional arms to Sri Lanka. It include ammunition, armoured fighting vehicles, anti-tank guided missile shoulder fired SAMs, artillery equipment and ammunition and small arms. China also trains Sri Lankan officers. Recent visit of Chinese submarine to Hambantota in Nov 2014 had raised security concerns at New Delhi.<sup>13</sup>
- **Maldives:** Diplomatically China and Maldives relations goes back to 1972. In 2009 Maldives established its embassy in Beijing and China reciprocated in 2011 by opening their embassy in Male. Maldives is important because it is the world's busiest maritime trade route that passes through the territorial waters of Maldives. China has a moderate trade with Maldives of which rice and consumer foods comprise the major share. Hong Kong and Singapore are the main transit ports for China's exports to Maldives. China seems interested in developing Ihavandhoo and Maarandhoo Islands (situated to the North of Maldives) as trans-shipment ports.<sup>14</sup> Reports are there absent Chinese interests in establishing a naval submarine base on Marco but these have remained shrouded in secrecy.
- **Nepal and Bhutan:** China's policy has been a 'wait and watch' with Nepal. Political turbulence has opted Nepal to increase its depth of relations with China in the form a of economic incentives and infrastructure development projects. It has begun construction of a 770 km railway link connecting Lhasa to the border town of Khasa in Nepal. It has also proposed a project to connect Tibet with Kathmandu by a road link (Syafubesi – Rasuwagadi) and link it further to Lumbini- a major Buddhist religious town, close to the borders with India. Similarly, in Bhutan it has made offer to invest in economy and infrastructural development. China wants to open diplomatic ties with Bhutan, which at present is the only country in neighborhood not having such relations with China. "Like Nepal, China's strategy is a mix of persuasion and coercion with Bhutan as well reminding the repercussions of siding with India."<sup>15</sup> Settlement of few pockets of territorial disputes is also being seen as Bhutan's attempt at moving out of the shadow of India and inching towards China.<sup>16</sup> Developments in both Nepal and China are a matter of immediate concern to India as the notion of them being the buffer between two nuclear giants is fast losing credibility.
- **Afghanistan:** China and Afghanistan established diplomatic relationship in 2001 after the fall of the Taliban regime. Afghanistan was also made an observer in the Shanghai Cooperation Organisation (SCO) in Jun 2012 meet at Shanghai. Though the

trade and military cooperation is not much between the two, but China has promised to grant more economic aid to Afghanistan, Afghanistan looks at Chinese investment in exploring the mineral wealth that it offers for the sustained growth of Chinese industries. The dynamics of their military engagement is also likely to take shape in the coming decade when NATO troops withdraw from Afghanistan.

- **China's Relation with West Asia:** China's relations with the countries in West Asia could be well understood by its energy needs. It includes oil and gas imports, energy investments in West Asia and investment from West Asia. China's strong economic growth and stagnation in its domestic energy output has turned it into a net oil importer. "In such a situation, world's top oil producer and exporter, the West Asian countries obviously become the most important partners of China to develop energy relations.<sup>17</sup> Most significant among its relations in the region is that with Iran. Because of Iran's controversial nuclear programme, China has been quite cautious in its policy approach. It therefore separates its commercial interests with Iran from the nuclear concerns. Iran is as an observer in SCO but is not a full member in the group. China therefore ensures that a complex balance is maintained between securing its oil needs and supporting its allies in the region on issues of concern.

#### MARITIME SILK ROUTE AND ITS IMPLICATIONS FOR INDIA

The concept of Maritime Silk Route (MSR) was first introduced by President Xi Jinping during his meeting with ASEAN members in Oct 2013. The initial proposal aimed at promoting maritime trade and cooperation between China and ASEAN countries. The plan is based on the lines of ancient 'Silk Route' and will involve building of maritime infrastructure in the region for "increasing connectivity and enabling everyone to share development opportunities."<sup>18</sup> However, Beijing now plans to expand this idea beyond ASEAN region so that the IOR is included. Outwardly, the project seems to be about development of massive maritime infrastructure to include construction of ports, logistical bases, storage facilities and free-trade zones and the idea is being sold by Beijing as that involving only commercial interest with no geo-strategic intentions.

"The Chinese state-owned Xinhua News Agency's recently revealed some information about the maritime silk route. The Chinese shows a map which has Kolkata and Colombo as possible venues on infrastructure development. The omission of Gwadar from the plan seems to be an overt incentive for India to join in.<sup>19</sup> Beijing realizes that an Indian acceptance of the proposal will serve as Chinese interest and will be free to implement its strategy in the IOR. It has been trying to sell the project as 'benign' initiative which will be an economic game-changer in the region. While so far New Delhi has been cautious in saying 'yes', the scale of the project and promised economic pay-offs are hard to resist, adding to the Indian dilemma.<sup>20</sup> Going by the economic benefits of the project, India would be a loser in IOR as its dominance will be accorded by Chinese massive infrastructure in the region. Further the project could lead to create more logistics hub in the region and accentuating the dilemma of existing 'string of pearls' for Indian establishment.

#### CONCLUSION

**Blue-water Navy Ambitions:** China's desire for a blue-water Navy has not been fully realised. Once it consolidates Taiwan, its navy will be in a advantageous strategic position vis-à-vis the first island chain and all national energies will be directed to project its power outward into the Pacific. China has an aggressive policy because it wants to change the dynamics of the American-dominated First Island Chain. Towards the East China has started working on the Second Island Chain in territories like Guam and the Marianas Islands. China is fast developing its economic interests in Oceania areas like tourism and is also strengthening its diplomatic and economic relations with many of these small island nations.<sup>21</sup> But the situation is quite in the complex maritime region of the South China and Java Seas which have been dominated by Singapore, Malaysia and the many islands of southern Philippines and the Indonesia archipelago, where China's naval interests are most pronounced – and where its SLOCs are at most risk.

**Prognosis:** US and China's Competing Maritime Interests in the Region: The question becomes important with this kind of policy the peaceful rise of China will involve US policy in the Indo-Pacific regions. Looking out to 2025, this is likely to continue to be the case. Exactly how the US might react to share more of the international space with a rising China and what is the perception of US regarding China's legitimate interests in the Indian Ocean and Asia-Pacific regions. This remains largely uncertain. If not managed well, friction could result from China's military build-up and increased assertiveness regarding Taiwan, Japan, South Korea and the South-East Asian countries, particularly in the South China Sea.<sup>22</sup> For the US, there is a need to maintain its partnerships with Australia, Japan, South Korea, Singapore and Vietnam. On the other hand, because China and the US (and India), all have too much to lose from a conflict in the Indian Ocean, and efforts should be more made to manage differences and prevent them from escalating.

China's interests in the Indian Ocean region and beyond are, in most cases, are same as those of other countries. But the potential for future co-operation exists. It wants the region's sea lanes to be secured and knows its weakness in that regard. There are few signs that China would like to act as a guarantor of the global commons in the similarly fashions way that the US does. In many cases, just getting China to discuss the issues can be difficult, although counter-piracy co-operation in the Gulf of Aden for instance, proves that Sino-US co-operation on regional strategic issues is possible. It also gives China an opportunity to demonstrate to Washington its credentials as a responsible international citizen.<sup>23</sup>

In response to rising influence of China in high seas, the US must maintain its strategic posture and military deployment with such countries like Australia, Philippines, Japan and Singapore. Despite not so good US-China maritime relations, both substantial shared interests could enable extensive maritime security cooperation, as they attempt to reach an understanding of "competitive coexistence". This kind of partnership becomes important in the maritime sphere as both countries' interest lies in the global maritime trading system. Strong American-Chinese bilateral relations are moving forward but the best case scenario for the global system in the twenty-first century is to allow true world governance to take shape.<sup>24</sup>

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