

## THE EMERGING STRATEGIC RIVALRIES IN INDIAN OCEAN REGION: AN ANALYSIS OF INDO-AMERICAN AMBITIONS AND IMPLICATIONS FOR CHINA

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### Abstract

*Since the end of cold war the balance of power has dominantly shifted to the pax Americana making the United States of America the leading hagemon in world politics. The onset of war on terror since 2001 and consequent US global policies in pursuit of Bush doctrine of pre-emption have created a global power imbalance. China being part of an energy-rich Caspian Region and in proximity of the oil-rich Persian Gulf has emerged as the largest economy of the world. In order to sustain its global economic stature China needs to secure its trade beyond Asia by securing the sea lines of communications in Indian Ocean. In order to counter balance Chinese influence in Indian Ocean, the USA has adopted a New Defence Strategy. It has made major strategic restructuring in Indian Ocean first time since 1945. It has plans to shift 60 per cent of its naval vessels to South Pacific by 2020. This paper is an analysis of the implications of the US strategy in Indian Ocean for Chinese strategic designs.*

**Key Words:** Indian Ocean, Strategy, Caspian Region, war on terror, hagemon

### Introduction

China shares its territorial boundaries with fourteen countries and covers an area of over 28,073 kilometres. China has a coast line measuring 14,500km including Yellow, East China and South China Sea (SCS). The communist revolution (1929-1949) resulted in the loss of a portion of its original national territory (The island state of Taiwan now)<sup>1</sup>. The consequent establishment of a communist

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<sup>1</sup> Michal Lee Lanning, Lieutenant Colonel Retired, *The Military 100* (Pakistan Services Book Club Press, Rawalpindi, 2000), 182.

government of Chinese Communist Party in October 1949 was a natural set back to the capitalist US in global politics. The USA did not recognize new communist state of China for about three decades. The main concern was the loss of huge market and American governments extended maximum possible commercial and military support to Taiwan during this period. On the other hand the relationship between Maoist China and former USSR were not at their best. The winds of change in global politics for instance detente and Vietnam War made it strategic rational choice for the US to connect diplomatic ties with communist China. In 1972 former US President Richard Nixon visited Mao Zedong, which was facilitated by Pakistan. Resultantly China adopted a policy of non-confrontation and concentrated on its economic growth.

The socialist economy of China developed rapidly during 1980s and post-Cold War 90s; by September 2009 the foreign exchange reserves of China touched US \$2,273 billion combined with GDP growth rate of 9.1 per cent.<sup>2</sup> The emergence of socialist China as a military and economic competitor concerned the strategists of the USA. In the wake of War on Terror and revival of pre-emption doctrine of the USA, first time since 1945, a major restructuring of US forces in Indian Ocean took place. The doctrine of pre-emption coupled with probability of long-term US presence in the region compelled other major powers including China to beef up their military budgets. On the other hand, pursuance of the policy brought the US under severe economic implications and forced the US to revisit the Pre-emption Policy and to adopt a new Defence Strategy Guidance in Jan 2012 (entitled as Sustaining US Global leadership). The USA prioritised its strategic and economic options for 21st Century Defence with a view to offset the Chinese economic and military ingress in Indian and Pacific Oceans. It is felt that China has capability to influence Indo-US presence in the energy-rich Indian Ocean Region (IOR). In order to maintain its domination in IOR against the Chinese, 'String of Pearls Strategy' the US is shifting 60 per cent of its naval resources in Asia Pacific Region (APR) by repositioning its vessels to South Pacific so as to remain poised towards Indian and Pacific Oceans including SCS. Considering the Chinese presence in IOR, its economic concerns and dispersed deployment of its navy, the US is also supporting India in its efforts to emerge as an Indian Ocean naval power to counter China.

## **Chinese Independent Foreign Policy of Peace**

The rise of China as the largest economy in world has its roots in its independent and peaceful foreign policy. The Chinese leadership

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<sup>2</sup> Charlos A Piggot, *China in the World Economy: The domestic policy challengers*, (Paris: OECD Press, France 2002), 60.

propagates five Principles of Peaceful Coexistence as are appended below<sup>3</sup>:

- Mutual respect for sovereignty and territorial integrity.
- Mutual non-aggression.
- Non-interference in each other's internal affairs.
- Equality and mutual benefit.
- Peaceful coexistence.

Beijing has also increased its participation in peacekeeping operations, supporting contingents in East Timor, Congo, Liberia and elsewhere.<sup>4</sup> Apart from these peacekeeping efforts it has covertly contained Russo-Afghan War.<sup>5</sup>

### **Chinese Geo-Political Interests in IOR**

The emerging power China is at the crossroads of energy rich IOR, and Caspian Region. It has a unique historical legacy and discreet foreign policy choices. China has not been involved in offensive strike for last two centuries. Though it possesses an important regional economic and military route Wakhan Corridor that had been used as a trade link between Caspian Region and IOR for long, yet it has not opened this corridor for the deployment of NATO forces in Afghanistan. China will not risk doing anything which can go against the vital Chinese economic concerns. China wants to secure its economic routes passing through Afghanistan and even Pakistan leading to much wanted Gwadar Port at the choke point energy rich Hurmoz in IOR.<sup>6</sup> The presence of the US in Afghanistan is making China compromise its regional domination, however, analysts and economists are of the view that China being a growing economy can wait, and the US being a deficit economy has reason to get concerned. Although all regional and extra regional players understand that the stability in Afghanistan is central to regional and economic interests, yet every player has a self-centred approach. The IOR rivalry is a zero sum game among major players where stakeholders are not willing to share a chunk of pie with others. As per China, the point of

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<sup>3</sup> Speech by Wen Jiabao, Premier of the State Council of the People's Republic of China at Rally Commemorating the 50th Anniversary of the five principles of peaceful coexistence.

<sup>4</sup> Harold J Johnson, *UN Peacekeeping: Status of long standing operation and US interest in supporting them* (USA, Washington DC: General Accounting Office, 1997), 2.

<sup>5</sup> A James Gregor, *The China Connection: U.S Policy and People's Republic of China* (Stanford: Hoover Institution Press, 1986), 228.

<sup>6</sup> China builds a plan to defend Afghan resource projects, 2013, <<http://www.syedfazlehaider.com/china-builds-a-plan-to-defend-afghan-resource-projects/>>, (accessed May 23, 2013).

concern is not only the USA but also the aspirant India that is eager to fill in the power vacuum in IOR created by awaited ouster of the USA forces.<sup>7</sup>

China's economic policies are growth oriented and despite being a controlled economy of a socialist government it does not interfere with the internal and domestic politics of its allies. China believes in stable governments to prosper and grow while the US believes in regime change. China wants an Afghan Government to be strong enough to enforce complete withdrawal of the US forces so that China can continue its economic policies exclusive of the expected US interference in the region. Recent decision of Pakistani Government to hand over the functioning of Gwadar Port to China and concluding a deal with the Iran to construct 753km long gas pipeline with Chinese support, speaks of Chinese interests and the US concerns.<sup>8</sup> In pursuance of its policies, India is aligning its regional and extra regional interests with the US interests. India views Chinese economic span broaden and China's opening border at Wakhjir pass with cautiousness.<sup>9</sup> This outflanking move will put India at disadvantage as it will enhance the ties between an emerging trio of Afghanistan, China and Pakistan. India does not enjoy a much needed trade access to Afghanistan through Pakistan and is dependent on the Iranian Chahbahar Port. It will be prudent to note that the US has never raised its eyebrows over India for its involvement in Iran.

Chinese presence at Gwadar Port in the west of India is being termed as an Indian encirclement by China and at present Iran seems to be the only hope for its opportunities. India is rightfully concerned that once the US will be leaving Afghanistan, Russia will reach out to Afghanistan and Pakistan with a view to not only improve their trade but also the relations with the neighbouring Muslims living in south; en route to the warm waters. India is quite alarmed over the emerging Pakistan-Russian relations; the visit of Pakistani Army Chief to Russia in September 2012 and Russian promises of investment to improve the Pakistani Industry are being certainly viewed as point of concern by India. Indian stance is surely apprehensive over the pledges made by the Chinese Premier Li Keqiang during his visit to Pakistan on May 22, 2013 whereby it was announced that "whatsoever happens at the international scene, our relations with Pakistan will continue to flourish and strengthen further."<sup>10</sup> India is making an all out effort to forestall it by projecting a much propagated threat of religious extremism from Pakistan.

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<sup>7</sup> Bob Woodward, *Obama's Wars; The Inside Story*. (UK: Simon & Schuster UK Limited, 2010), 8.

<sup>8</sup> Khaleeq Kiani, "Gwadar port to be transferred to Chinese firm; Cabinet ratifies Iran pipeline agreement," *Daily Dawn*, Lahore, January 31, 2013.

<sup>9</sup> Sujan Dutta, "Outflanking move near Afghan border with interests for India: Ex-chief New Delhi," *The Telegraph*, Calcutta, June 5, 2012.

<sup>10</sup> *The Dawn*, Islamabad, May 23, 2013.

## The US Interests and Concerns

The strategic significance of the Central Asian region is due to its large hydrocarbon reserves, which are mostly intact as yet. Fifty one per cent of the US oil needs (19.5 million barrels daily) are being met through import. It is estimated that by 2020, the US will have to import 64 per cent of oil (25.8 million barrels daily) to suit its requirements. The US is importing much of its oil from Venezuela and Persian Gulf while Europe fulfils its requirements from Persian Gulf and the North Sea.<sup>11</sup> From the eastern power block China has already reached the Caspian region and is using the hydrocarbon resources by constructing pipelines to meet its growing energy needs. In the north, Russia is still maintaining its influence over the CARs; which is not appreciated by the strategists of the US as it wants an influence which suits its demands and interests. Europe is also enhancing its access to Caspian region; which further concerns the US as it is still fixed in the targets of Afghan invasion and putting Iran under strict economic sanctions. In order to reach up to the CARs and Caspian Sea the US needs an approach or combination of approaches in form of trade routes. Despite being sole superpower the US is losing in terms of time.

## Geo-Political Significance of Asia Pacific Region for China and US

The significance of politics played among major powers mainly China and the US in and around Indian Ocean and Pacific is interconnected. These politics between China and the USA for dominant influence are directly affecting littoral states. The littoral states include 15 African, 2 Asian 4 Australian and 2 Oceanic states. The politics of littoral states were dominated by Soviets and Americans during Cold War. Contemporarily China has replaced Soviet Union in the region. The Indian Ocean offers prime SLOCs linking with Europe, Middle East, Africa, Asia and Americas through Europe. It provides 40 per cent of petroleum from the Persian Gulf oilfields and Indonesia.<sup>12</sup> Large hydrocarbon reserves from Middle East, Iran and Western Australia combined with energy reserve of CARs have caught the attention of all regional and extra regional key players for the 'New Great Game'. The sailing of comparatively superior flow of energy vessels has invited the piracy at African Coast.

In order to offset the effects of rising militarisation in Central Asian Region, China has constructed a dynamic Gwadar Port in Pakistan at the gate of the most important choke point; Hurmoz Strait in the Indian Ocean

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<sup>11</sup> J. David Brown, *Bridges* (London: Macmillan Publishing House, 1993), 130.

<sup>12</sup> Shojai Siamack, *The New Global Oil Market: Understanding Energy Issues in the World Economy*, (USA: Green Wood Publishing Group, 1995), 6.

which can provide China a base in proximity of the US 5<sup>th</sup> Naval Fleet.<sup>13</sup> The Gwadar Port will also provide the facility of being a hub for oil and gas pipelines linking to Central Asian Region to warm waters through KKH and Afghanistan. A marine capability at Gwadar has concluded sensitivities regarding Chinese geo-political aims in the arena. As highlighted by various stakeholders, possible Chinese militarisation, only 500km away from Hurmoz may offer apprehensions about Beijing's "string of pearls" strategy because of the Chinese strategic presence in IOR.

Gwadar Port as envisaged by China is conventional shipping facility to link China with Indian Ocean SLOCs. The recent launch of Chinese aircraft carrier has added the anxieties for the US and its dependent ally, India over the military challenge springing from the fastest rising Asian Giant. The China has accomplished assembly of the new China-Kazakhstan energy pipeline in 2009 along China-Kazakhstan border to Caspian by filling it up from Tengiz Oil Field.<sup>14</sup> China's hierarchy seems taciturn to keep on subcontracting their national SLOCs to the U.S and ally India.

Chinese have crafted ingress in Myanmar involving several projects such as fuel expansion by construction of harbours and docks, development of oil plus gas terminus, road construction, and pertinent outlays which will strengthen the oil and gas conductive passage from the Middle East to main land China avoiding its security concerns at Malacca; a three-kilometre shipping chokepoint monitored by the US China has recently announced plans to construct a 810km long rail linkage between Ruili (China) and Kyaukphyu (Myanmar) via Muse, whereas Thailand is involved in building Dawei Port.<sup>15</sup> On completion, Dawei Port in Myanmar will have capacity to anchor vessels up to 300,000 tons. This continental infrastructural connectivity will link China with Indian Ocean via Vietnam. This port will surely reduce the cost and risk carrying energy supplies and other logistics to SCS through Kra Isthmus instead of Malacca Bottleneck. Moreover, Chinese are also taking part in development of Maldives and are establishing the Chinese institutions and universities. Other Island like Seychelles, where Chinese President Hu Jintao visited in 2007, much to Delhi's surprise, Beijing is now training the small island nation's defence forces and providing military hardware such as turboprop aircraft for surveillance.

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<sup>13</sup> Walter Russell Mead's blog, "China to Add Pakistan's Gwadar Port to String of Pearls," available at the blog <the-american-interest.com/wrm/2012/08/31china-to-add-pakistan-gwadar-port-to-string-of-pearls/>, (accessed December 11, 2012).

<sup>14</sup> KMG, "Kazakhstan-China oil pipeline," <www.King.kz/en/manufacturing/oil/Kazakhstan-china/>, (accessed December 11, 2012).

<sup>15</sup> World Maritimes News, "Myanmar: Dawei Port Development Program Move India," July 24, 2012, <worldmaritime.com/archives/62050> (accessed December 11, 2012).

## China's Security Policy

It refers to security of Chinese SLOCs extending from China to Sudan.<sup>16</sup> SLOCs pervading bottle necks like Bab el Mandeb, Malacca, Hormuz and Lombok Strait. 'String of Pearls' pronounces expression of Chinese growing strategic impact by means of its determination to upsurge its way in harbours and airports combined with geo-political association to endeavour for having a 'harmonious ocean'. In 1993 it became net oil importer and is responsible for 40 per cent of world oil growth and since 2003 has become second largest consumer oil, increasing oil demand of 9.96 million barrels a day.<sup>17</sup> Fifteen per cent of Chinese oil needs are met through Sudan. China has concluded various oil field development contracts with Iran. Recent Surge of piracy in the proximity of Horn of Africa and situation in Darfur has bugged the Chinese policy to handle such aggressions. 'String of pearls' provides it the much needed security. Kra Isthmus will provide a secure and an alternative route instead of longer, vulnerable and a US dominated Malacca in between Hambantota to Shanghai.<sup>18</sup>

## Indian Objectives in Oceanic Heartland against China

Where, on the one hand, era of complex interdependence has prospects for peace for states, on the other it also carries possibilities for adversity. India and China also have clashing interests in IOR. India for instance wants to extend its inspiration across ocean through clientele, capital, and geo-political partnership with the US and Central Asia & the Caucasus<sup>19</sup>. It is already enhancing associations in Africa, Arabian Peninsula and Asiatic Monsoon thus entailing more fuel guarantees for accomplishment of its aims. India urges to rise as overriding authority in next decade. It is doing its level best to restrict, restrain or at least slow down China from becoming an overarching regional naval power.<sup>20</sup> India's multinational companies in Yemen have attained licence for drillings and exploration of blocks.

<sup>16</sup> Avery Goldstein, *Rising to the Challenge, China's Grand Strategy and International Security*, (California USA: Stanford University Press, 2005), 17.

<sup>17</sup> David Blumenthal, Tju Liang Chua and Ashleigh Au, *Dong Business in China: Upstream oil & gas*, in China Report (China: Jurs Publications, 2000), V-3.1-V-3.33.

<sup>18</sup> Investments News and Commentary from Emerging Markets in Asia-China, "India and ASEAN (2009) Kara Canal/ India Ocean/South China Sea Project to be Re-Visited," available at <[www.2point6billion.com/news/2009/03/18/Kra-Canal-Indian-Ocean-1250.html](http://www.2point6billion.com/news/2009/03/18/Kra-Canal-Indian-Ocean-1250.html)>, (accessed December 11, 2012).

<sup>19</sup> Rizwan Zeb, "USA in Central Asia & the Caucasus," *Regional Studies* (Journal) Vol I, XXII, No.1, Winter 2003-04, Institute of Regional Studies, Islamabad, 48.

<sup>20</sup> Basharat Hussain, "Indo-Afghanistan Relations: Pre & Post-Taliban Developments," *Regional Studies*, Vol.XXII, No.3, 2004, 49.

## US Involvement in Indian Ocean Region (IOR)

The United States of America perceives a variety of possible threats to its security in the Indian Ocean Region, oscillating between pressures from regional power to non-state players. There are consistent safety worries, vacillating from SLOCs safety to increase in non-conventional weapons. The threat of Islamic expansion is a sore point; increasing profoundly. There is substantial US defence spending slash worth US \$1.2 trillion will consequently causes decrease in the US potentials to pledge in the Indian Ocean region.<sup>21</sup> The Asiatic 'pivot' lays more emphasis on the US defence in the IOR as well. Decrease in the dedicated US defence capitals, and lack of British and French interests may cause power vacuum in IOR.<sup>22</sup> The vacuum is likely to cause a shift in the US defence assets from the North to South Pacific by shifting 60 per cent of its naval fleet to Hawaii.<sup>23</sup> This significant power vacuum needs to be filled by the US allies like Indonesia, Australia and India, who can assume greater responsibilities for regional security in the absence of the US. The US wants to ensure security of maritime chokepoints and SLOCs.

## Round for Ascendancy in Asia Pacific Region

It includes two broad categories of states which are endeavouring for authority and enhancing the maritime interests in Indian Ocean; firstly; the chief stakeholders, such states seek dominance in entire oceanic region. Convincingly, China and the US have capability and determination to contest with the littoral states. Secondly; the regional players who seek domination primarily in relevant oceanic portion for their securities, such countries include Australia, Indonesia, Iran, Malaysia, Russia, South Africa, South Korea, UK, India and Pakistan. Such states will not be able to exert an independent pressure and will be wooed by the big players to meet their strategic objectives.

## Formulation of New Defence Strategy by the US

The US Pre-emption Policy which was adopted in September 2002 suffered and could not achieve the desired results.<sup>24</sup> The implications of

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<sup>21</sup> US News, "Debate club, Are cuts to defense Budget Necessary?", available at <[www.usnews.com/debate-club/are-cuts-to-the-defense-budget-necessary](http://www.usnews.com/debate-club/are-cuts-to-the-defense-budget-necessary)>, (accessed December 11, 2012).

<sup>22</sup> Kamal Kumar, *Indian Ocean as a zone of peace problems and prospects*, (India: APH Publishing Corporation, 2000), X.

<sup>23</sup> Gaddi Nate, "Hawaii Could Benefit from US/China Tensions," available at <[bigislandnow.com/2012/09/18/hawai-could-benefit-from-uschina-tensions/](http://bigislandnow.com/2012/09/18/hawai-could-benefit-from-uschina-tensions/)>, (accessed December 11, 2012).

<sup>24</sup> Daniel Ryan, "The Bush Doctrine of Preemption under President Obama," <[http://www.abanet.org/intlaw/students/student\\_competition.html](http://www.abanet.org/intlaw/students/student_competition.html)>, (accessed May 14, 2013).



policy botched the US to maintain its diplomatic acceptance.<sup>25</sup> While pursuing its Pre-emption Policy to enhance its global leadership role the US expended lots of resources by waging wars all across the globe, hence losing its economic and diplomatic strength.<sup>26</sup>

Considering the diplomatic, economic and military implications of Pre-emption Policy, which being not in line with Article 2 (4) and 51 of chapter VII of UN Charter failed, the US global leadership depends upon its fiscal strength which is not supported by its deficit economy so its influence in IOR against emerging Chinese influence is compromised.<sup>27</sup> The Pre-emption Policy proved the words of the former US National Security Advisor and Secretary of State Henry Kissinger where he once said that "Unfettered right of pre-emption to any state is not in any ones interest." The Obama Administration has revised the above-mentioned policy and adopted a New Defence Strategy aiming at Sustaining US global leadership by adopting following spectrum.<sup>28</sup>

### **Features of the US Defence Strategy in IOR**

America has an explicit strategy in Indian Ocean Region through which it wants to establish a flexible and enduring presence. The US is concerned about Chinese presence and influence in Indian Ocean Region. It rather perceives wide range of potential threats to its interests in the IOR, ranging from state-based threats (such as from China and Iran) to non-state actors.

The US perceives China as a significant strategic concern across the entire Indo-Pacific oceanic region. China is also seen as a long-term threat to the US interests in the Indian Ocean.<sup>29</sup> Among main strategic goals in Indian Ocean the US wants to cut down its defence budget to US \$987 billion over a decade.<sup>30</sup> It also wants to maintain its dominance in IOR against the Chinese by shifting 60% of its naval resources in APR by

<sup>25</sup> Richard L Kuglar, <[www.dtic.mil/cgi-bin/GetTRDoc?AD=ADA509588](http://www.dtic.mil/cgi-bin/GetTRDoc?AD=ADA509588)>, (accessed May 27, 2013).

<sup>26</sup> <[http://www.defense.gov/382815A5-3AE5-4B85-9F3F-A56B0113B271/FinalDownload/DownloadId-8273F03548261DA22E074212BBD08087/382815A5-3AE5-4B85-9F3F-A56B0113B271/news/Defense\\_Strategic\\_Guidance.pdf](http://www.defense.gov/382815A5-3AE5-4B85-9F3F-A56B0113B271/FinalDownload/DownloadId-8273F03548261DA22E074212BBD08087/382815A5-3AE5-4B85-9F3F-A56B0113B271/news/Defense_Strategic_Guidance.pdf)>.

<sup>27</sup> Michael, "25 Horrible Statistics About the US Economy that Barack Obama Does Not Want You to Know," <<http://endoftheamericandream.com/archives/25-horrible-statistics-about-the-u-s-economy-that-barack-obama-does-not-want-you-to-know>>, (accessed May 14, 2013).

<sup>28</sup> Julian E Barnes, "US Plans Naval Shift Toward Asia: Pacific to Host 60% of Navy by 2020, Defense Secretary Says, Rejecting View that Move is Designed to Contain China", <<http://online.wsj.com/article/SB10001424052702303552104577439943137674490.html>>, (accessed May 14, 2013).

<sup>29</sup> David Brewster, "US strategic thinking about the Indian Ocean", *Interpreter* (Online), June 26, 2013, <<http://www.lowyinterpreter.org/post/2012/06/26/US-strategic-thinking-about-the-Indian-Ocean.aspx?COLLCC=3765442410&>>.

<sup>30</sup> Ibid.

repositioning its vessels to South Pacific.<sup>31</sup> The IOR makes an interesting case study of collision and convergence of strategic interests of the US and China in the region.

## Implications of New US Defence Strategy

### The Implications for China



<<https://www.google.com/search?q=Google+maps+indian+Ocean+region&biw=1366&bih=657&tbnm>>.

The US has always tried to create supremacy in IOR by establishing the marine bases e.g. the one in Diego Garcia.

Chinese analysts have seen the US presence in Diego Garcia and IOR as part of a larger strategy to maintain the US control of East Asia at China's expense.<sup>32</sup>

Currently China has become more concerned about the US bases in Japan and Guam, which are perceived as key links for maritime power projection. In addition to this China's growing interests in maritime

<sup>31</sup> Goldstein, "Rising to the Challenge...", 17.

<sup>32</sup> Jing Hai, "The US Navy Pacific Fleet's Five Great Naval Bases and Their Relevant Statistics," *People's Navy*, March 4, 2006, 4.

resources, trade and commerce may make it develop naval development westward.

As an effort to secure its vital interests in the Indian Ocean littoral, China has established a complex “soft power” web of diplomacy, trade, humanitarian assistance, arms sales, port construction, and even strategic partnerships with countries in the region. The goal of this strategy is to maximize access to resource inputs and trade in peacetime, while raising the political costs of any severing of seaborne energy supplies in times of crisis by hostile naval powers.<sup>33</sup>

The future stability of the Indian Ocean security environment depends on the extent to which the interests of the region’s major stakeholders can coexist.

Moreover, the takeover of Gwadar Port by China as a gateway to energy rich Persian Gulf, at 34km narrow strait of Hurmoz from where 40% of world oil is transported is a point of concern for the US and India; as China now dominates the most important chokepoint in IOR<sup>34</sup>. China also plans to construct a Kra Canal across the Kra Isthmus in Thailand linking Andaman Sea with SCS which will diminish the US domination at 3km narrow Strait of Malacca; the second important chokepoint in IOR<sup>35</sup>. While being at Gwadar China can be influential at Babul Mandab which is the third important chokepoint of IOR. In addition to the above mentioned scenario the tension between Japan and China over the uninhabited Diaoyu Island was intensified on September 2, 2012. The Diaoyu Island is controversial territory as it is controlled by Japan but claimed by China and Taiwan. The Island is geographically situated on top of vast oil deposits and has a long history of straining relations between China and Japan. Therefore, the confrontations like ‘Scarborough Shoal’ a disputed reef, where Chinese and Philippine boats faced off earlier this year, are the Chinese concerns. Moreover, Japan is cooperating with the Philippines and Vietnam over the territorial disputes with China in SCS. On the other hand the US can be influential against North Korea by establishing a military base in south of South Korea on Jeju-do Island.<sup>36</sup> The US is also likely to assist littoral states of SCS to deny the Chinese claims of SCS to pressurise China even overtly. Apart from China and India, other littoral states are

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<sup>33</sup> Marc Lanteigne, “China’s Military Security and the Malacca Dilemma,” *Asian Security*, Vol. 4, No. 2 (2008), 143-161.

<sup>34</sup> Sutirtho Patranobis, “China’s control of Gwadar will deter India, says report,” *Hindustan Times*, <<http://www.hindustantimes.com/world-news/China/China-s-control-of-Gwadar-will-deter-India-says-report/Article1-1015684.aspx>>, (assessed May 28, 2013).

<sup>35</sup> Lily Kuo, “Global trade’s fastest-growing choke point is about to get more congested,” <<http://qz.com/84041/the-global-oil-trades-newest-choke-point-is-in-the-straits-of-malacca/>>, (assessed May 13, 2013).

<sup>36</sup> Jhon Letman, “Jeju Island Base Divides Korean, International Green Groups,” <<http://www.ipsnews.net/2012/08/jeju-island-base-divides-korean-international-green-groups/>>, (assessed May 28, 2012).

also improving their naval capabilities. Vietnam has purchased six Russian submarines, Indonesia has already acquired a small fleet of submarines and Singaporeans have upgraded their own existing fleet.<sup>37</sup>

### **The Implications for the US**

It is estimated that by 2020, the US will have to import 64 per cent of oil (25.8 million barrels daily) to suit its requirements. Presently, the US is importing much of its oil from Venezuela while Persian Gulf and Europe fulfils its requirements from Persian Gulf and the North Sea.<sup>38</sup> Considering the depleting status of these reserves and hydrocarbon resources of Central Asian Republics (CARs) and Caspian Region have emerged as substitute to existing resources. The energy security of the US has compelled it to join 'New Great Game', which has few implications for the US. For instance in order to reach out to the resources of CARs and Caspian Region the US needs a peaceful route and in accordance with the latest regional scenario and the situation of Afghanistan the Iranian Route in the south is not suitable to be adopted in near future.

The US perceives a comparatively varied variety of likely threats to its securities in the IOR, oscillating between pressures from regional power to non-state players. There are consistent safety worries, vacillating from SLOCs safety to increase in non-conventional weapons. The US distinguished China as a substantial geo-political rival in IOR and the consequent US defence spending slash worth US \$1.2 trillion is also causing a decrease in the US potentials to influence IOR.<sup>39</sup> A decrease in dedicated the US defence capitals and lack of British and French interests may cause power vacuum in IOR.<sup>40</sup> The vacuum is likely to shift in the US defence assets to South Pacific by shifting 60% of its naval fleet to Hawaii.<sup>41</sup> Though there are 320,000 US troops are currently deployed in the region i.e. South Korea, Philippines and Japan with a small marine force based in Australia<sup>42</sup>, the large part of power vacuum is likely to be filled by the US allies like Indonesia, Australia and India, who can assume greater responsibilities for regional security in the absence of the US, so it wants a strong Indian Navy to have an influence in the IOR.

It is to be noticed that the new bases aren't designed for a permanent American presence. In Darwin, Australia, for example, Marines train for a

<sup>37</sup> <<https://wealthcycles.com/features/global-trends-2030-predicts-power-shift-from-us-to-asia>>, (accessed April 6, 2013).

<sup>38</sup> Brown, *Bridges*.

<sup>39</sup> US News, "Debateclub. Are cuts to defense Budget Necessary?"

<sup>40</sup> Kamal Kumar, "*Indian Ocean...*".

<sup>41</sup> Gaddi, "Hawaii Could Benefit from US/China Tensions".

<sup>42</sup> Simon Copeland, "The US Naval Pivot to the Asia Pacific Region: A Strategic Red Herring?", <<http://blog.futureforeignpolicy.com/2013/01/28/the-us-naval-pivot-to-the-asia-pacific-region-a-strategic-red-herring/>>, (accessed on April 6, 2013).



opened a permanent base at Lakshadweep on the pretext of piracy incidents. Since 2004 with the help of the US, Indian Navy is trying to have more influence in the IOR but despite being the largest littoral state, Indian Navy is finding it difficult to achieve its expectations. Chinese presence at Gwadar, Hambantota and the Great Coco Island in the Bay of Bengal is further enhancing Indian security concerns. India is asserting to build a Blue Water Navy (BWN); the addition of a leased Russian build Akula-II Class submarine in combination with an old unreliable air craft carrier Gorchakov have further added to the Indian ambitions. The nuclear propelled 13,500 ton Nerpa that has been leased for US \$1 billion for 10 years is likely to be based at Vishakhapatnam.<sup>45</sup> Akula has the ability to operate with stealth and can remain undetected for weeks; even the US could not detect its presence in the Gulf of Mexico for weeks until it reached back Russia. The nuclear attack submarine (SSN) with displacement of 13,500 tons if armed with long-range cruise missile has the capability to hit a ballistic submarine up to the range of 1,860km and can fire torpedoes and lay mines. The Indian version is expected to be armed with the Club Missiles up to the range of 300km only.<sup>46</sup> It can also influence Malacca Strait while being positioned at Nicobar Islands. It cannot be used in combination with Russian build air craft carrier (Gorchakov) that has gone through major conversion of its Flattop in 2004 and its 7 out of 8 boilers are under repair since 2012 hence the SSN cannot perform its priority one task of supporting a Battle Group.<sup>47</sup> Akula-II can control the transit lanes and areas including blue, yellow and white around 7,517km long Indian Coast.<sup>48</sup> Indian Navy is presently operating 14 conventional submarines which are likely to increase to 20 with induction of six Scorpenes by the year 2018. This strength will reduce to 15 by 2020 with decommissioning of five Kilo Class boats. Therefore, despite induction of six Scorpenes, India will be short of 15 submarines against the projected strength of 30 conventional submarines by 2020. Indian Navy has the facility to carry out planned 45 days maintenance and short refit of one year at Vizag. However, even the Kilo Class submarines are being sent to Russia for long refits. Indian Navy also guards two of its offshore island chains of Andaman and the Lakshadweep Islands, which can act as an outer layered defence. The Indian navy is geared up to position vessels in SCS to safeguard its offshore oil interests at Nam Con Son basin in the

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<sup>45</sup> Russia to modernise Akula Class submarines, <<http://www.defence.pk/forums/indian-defence/241253-russia-modernise-akula-class-submarines.html#ixzz2PPu7Cyc8>>, (accessed May 17, 2013).

<sup>46</sup> <<http://www.defencereviewasia.com/articles/104/ANTI-SHIP-MISSILES>>.

<sup>47</sup> James R. Holmes, <<http://thediplomat.com/the-naval-diplomat/2012/10/08/indias-aircraft-carrier-challenge/>>, October 8, 2012>, (accessed May 17, 2013).

<sup>48</sup> <[http://www.mongabay.com/reference/new\\_profiles/182in.html](http://www.mongabay.com/reference/new_profiles/182in.html)>, (accessed May 17, 2013).

southern coast of Vietnam against the global concerns over the likely naval concerns in dubious region.<sup>49</sup>

## Implications for Pakistan; a Gateway to Caspian Region

Considering the increasing influence of Indian Navy and interests of extra regional forces in IOR, Pakistan needs to adopt an offensive naval strategy; making the Pakistan Navy capable enough to conduct self-sustained operations in IOR to support its allies. Allowing China to establish a naval base at Gwadar can ease out its Pakistani concerns regarding Indian naval advancements and the presence of 5<sup>th</sup> US Naval Fleet in Persian Gulf. It will also provide Pakistan Navy time and opportunity to improve its offensive capabilities. As the US is frustrated for a quick access to CARs through Pakistan and Afghanistan so it is the time for Pakistan to get Nuclear powered Submersive Ship with Ballistic Missile (SSBN) submarines from Russia, China or Germany. China is building a BWN to protect its interests in IOR and SCS which will have implications on Pakistan too. The Russian President Putin announced in 2012 to rebuild BWN in Pacific Ocean instead of Atlantic and North Sea. South Korea plans to build a BWN by building a Strategic Mobile Fleet at planned Jeju Island Naval Base.

## Analysis

India's sizable market, its software potential, geographical expanse including 7,517km long coast and expanding global presence have made it increasingly important country for the US. Indians are alarmed over the Chinese string of pearls strategy which will put India to a military handicap in IOR. The recent transfer and handing over of Gwadar Port to China by Pakistan and conclusion of a deal between Iran and Pakistan to complete the Iran-Pakistan Gas Pipeline against the US concerns further frustrated India.<sup>50</sup> The Chinese conflicts in SCS and East China Sea have enhanced anxieties for the US and India though they have no territorial claims over SCS, yet are viewing it as an antechamber of the Indian and Pacific Oceans.

Considering its economic problems leading to unemployment of millions of its youth in 2000 the US had budget surplus of US \$236 billion which was converted into budget deficit worth US \$565 billion in 2004<sup>51</sup>. While losing its might in Indian Ocean and the much required stability in

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<sup>49</sup> Indian Navy prepared to deploy to South China Sea, <<http://in.reuters.com/article/2012/12/03/south-china-sea-india-navy-oil-ongc-idINDEE8B209U20121203>>, (accessed May 17, 2013).

<sup>50</sup> Rajeev Sharma, "Will China's takeover of Pak's Gwadar port be a game changer?", *First Post* (India), February 4, 2013.

<sup>51</sup> George Soros, *The Bubble of American Supremacy, Correcting the Misuse of American Power*, (United States of America: Public Affairs, 2004), 88.

the region, the US must end this war on terror which it started and must arrest its supremacy in the world.<sup>52</sup> The Obama Administration has proposed US \$1.3 billion budget cut on shipbuilding, resulting in scrapping of projects to build 16 ships by 2017 which will have no phenomenal impact on its vessels strength as of today the US holds more than 300 ships.<sup>53</sup> The deployment of Defence Shield Project in Eastern Europe and Turkey by the US has raised concerns for Russia that will try to influence the US domination in IOR by concentrating its naval vessels in Pacific. This will compel Russia to have an access to warm water of Indian Ocean through SCS. By enhancing the US influence on Australian Port of Darwin it is trying to dominate the Sunda and Lombok Straits, hence influencing another approach to Pacific Ocean in east of Australia. By engaging global international partners like NATO in various operations the US is not only influencing the global environment but also saving on money and repute to meet great challenges.

China being at Gwadar, the most strategic place among the strings at the gateway of Hurmoz, can pressurise the US as China will influence the most vital chokepoint in IOR. The South Asian ports combined with the conduits feeding China will allow its vessels to unload oil avoiding bottle neck at Malacca which will diminish Chinese dependence over vulnerable SLOCs. Myanmar's Sittwe Port and Coco Island are key localities linked to China's concerns in Myanmar with whom India shares 1,600km of boundaries. Myanmar also functions as an entry to South East Asia while being on the eastern flank to Bay of Bengal. Chinese are constructing a signal intelligence setup on Great Coco's Islands only 241km away from Andaman Islands allowing China to screen Indian communications and missile bases at Orissa and to counter the Indian presence at Andaman Islands. China and Thailand have already planned to dig canal across the Kra Isthmus which will link SCS with Bay of Bengal, thus securing it SLOCs against the US 7<sup>th</sup> Fleet in Malacca Strait and Pacific Ocean. The US intends to position four Littoral Combat Ships (LCSs) at Singapore by 2017 (first one was sailed in March 2013 for 10 months deployment) to monitor China in SCS.<sup>54</sup> The US plans to rotate its marines for six month training deployment from Darwin and Philippines, hence will have a naval presence in proximity of SCS. ASBMs, attack submarines, and supporting C4ISR systems are viewed as key elements of China's emerging anti-access force. Other force components like ASCMs, LACMs and mines are important too. The previous Bangladesh government had offered China to take full advantage of regional scenario as Bangladesh and India are involved in a dispute over the South Talpati Island since 1971. It is fact

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<sup>52</sup> Ibid, 22.

<sup>53</sup> <<http://www.gpo.gov/fdsys/pkg/CREC-2011-11-04/pdf/CREC-2011-11-04.pdf>>

<sup>54</sup> <<http://www.maritimeindia.org/382815A5-3AE5-4B85-9F3F-A56B0113B271/FinalDownload/DownloadId-EFBE79E1E792617C5291F139C17E7CA2/382815A5-3AE5-4B85-9F3F-A56B0113B271/pdf/Maritime%20Perspectives.pdf>>.



that Pakistan provides the shortest, established and a secure route to Europeans, East Asian and Pacific Nations to Caspian Region via Gwadar Port and Pakistan has the capability to safeguard its marine interests including EEZ and SLOCs so it must make a timely and a pragmatic policy to suit its interests. The security of waters between Hurmoz Strait and Lakshadweep Sea hinges between India and Pakistan over Kashmir Issue. It is the time that UN and the regional powers must help resolve Kashmir and all the disputes in the strategic Rim land so as to have safe, developing and secure SLOCs. India is strategically sandwiched between Hurmoz and Malacca. Whoever controls Hurmoz and Malacca has India on its mercy so Chinese presence at Gwadar has disturbed India. While following the US suit to counter terrorism; it has always left no stone unturned to malign Pakistan. By doing this India has tried to divert the global and international attention over Kashmir Issue which can be a nuclear flashpoint between the two nations<sup>55</sup>. By losing Kashmir amounting to the loss of a geo-politically important piece of land, it will have to give freedom to the Maoists and Nagas in its north and east. While blaming Pakistan of terrorism it is forgetting its own state patronised terrorist activities against its minorities despite propagating itself a secular state. Recent acceptance of the Hindu Terrorism by no less than its own interior minister Mr. Shinde insisted that 'India should be declared as a terrorist state for promoting terrorism on its land' in February 2013 is an eye opener for the international community<sup>56</sup>.

India is involved in creating disturbance in Balochistan. Christine Fair, a leading American expert on South Asia said, "Having visited the Indian mission in Zahedan, Iran, I can assure you they are not issuing visas as the main activity. Moreover, India has run operations from its mission in Mazar and is likely doing so from the other consulates it has reopened in Jalalabad and Qandahar along the border."<sup>57</sup> Seemingly the frustrated US is trying to pressurise Pakistan through Kingdom of Saudi Arabia (KSA) over its concerns regarding Iran Pakistan Gas Pipeline and the handing over operation of Gwadar Sea Port to China. Leaving aside India there would be more submarines in the IOR, providing a little leverage to Indian Navy to make best use of a SSN which has been taken over on lease only for 10 years under strict conditions. India needs to have a SSBN to influence the Strait of Hurmoz while remaining in Indian territorial waters because of its range and proximity. Indian Navy will try to be more assertive over its claim on Talpati Island in Bay of Bengal to enhance its domination and to secure the oil reserves. Chinese presence at Gwadar and its increasing economic influence in Afghanistan is likely to compel India to resolve Sir

<sup>55</sup> Kamal Matinuddin, "India- Pakistan Standoff," *Regional Studies*, Vol. XXI, No.3: 27-28.

<sup>56</sup> Pramod Kumar, "India keen to develop Iran's Chahbahar Port," <[www.dredgingtoday.com](http://www.dredgingtoday.com)>, (accessed May 2013).

<sup>57</sup> Christine Fair, "Analysts say India Fanning unrest in Balochistan", *Daily Times*, Islamabad, August 18, 2011.

Creek issue with Pakistan. Although Indian Navy is prepared to send its ships in SCS, yet it will not venture to involve in any tussle with China. Indian Navy will enhance its cooperation with Singapore, Vietnam, Philippines and Australian Navy vnder the US ambit. In order to enhance its influence at the chokepoint of Babul-Mandab and to improve naval coordination with the US in Persian Gulf Indian Navy will increase its anti-piracy role.

## Recommendations

Considering its geo-political importance and regional dimensions Pakistan should not only look up to the regional power but should also try to have good relations with Germany, Turkey and Russia. Considering its limitation of having a limited strategic depth it should try to get a SSBN for a triad second strike capability from Germany, China or Russia by 2020. As per the regional situation Pakistan should support China but should also make some gains by getting good quality of navel surveillance system and vessels. It must improve its relations with Muslim neighbour Iran and should see Chahbahar Port with a competitive spirit. More efforts should be made to obtain information regarding Indian Navy submarines tactics and operational doctrine for exploitation. Mr. Panetta said about their relationship with China, "We both understand the conflicts we have, but we also both understand there is no alternative but to engage."<sup>58</sup>

## Conclusion

An insight about strategic value of IOR has been highlighted in the paper by emphasising on implications and analysis for the regional and extra regional forces. The geo-strategic value indicates that every country including the US wants to share maximum opportunities while making use of these SLOCs. However, the US and India have a few concerns over the domination of the IOR by the China. India being the only country that has concerns over it may not like it but in future it will try to share the opportunities of IOR. Being the Muslim neighbour and located on the cross roads between energy rich Central Asian States, and Caspian Region and oil rich Strait of Hurmoz; Pakistan has a few implications over it which it needs to handle very pragmatically in line with the interest of the regional powers. The paper suggests instead of pursuing the policies to dominate the IOR the US should play its potent role for regional peace and stability as it remains a corner stone for the economic and diplomatic expansion in the IOR.

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<sup>58</sup> Barnes, "US Plans Naval Shift...",