Growing China-India Competition in the Indian Ocean: Implications for Pakistan

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Abstract

The Indian Ocean is the world’s third-largest body of water and has become an area of growing competition between China and India. As the economy, power and interests of both the countries increase, this competition endanger the stability of the region, which is significant for global maritime trade flows. This paper aims to give an overview of India’s ambitions as well as China’s growing strategic interests in the Indian Ocean Region (IOR). Based on their growing interests, the study will highlight the implications of this competition for Pakistan. It will also try to present a way forward, which Pakistan must adopt to avoid its interests being compromised.

Keywords: Indian Ocean, Malacca Strait, Littoral States, Hormuz, African Rim.

Introduction

With 34 littoral states, the Indian Ocean is the third largest body of water on earth. Similarly, the world oil that passes through the Indian Oceans through the key Sea Lanes of Communication (SLOCs) makes it of supreme importance to the international community and the littoral states. Despite its significance, in past, it has received comparatively little attention by the ‘Great Powers;’ this was especially evident during the Cold War era where manoeuvres, confrontation and trade took place in the Pacific and Atlantic oceans. However, as the dynamics of world politics started to change, the Indian Ocean Region (IOR) gained significance. Now, it has become an integral part of international power dynamics.

Initially, the IOR was famous for its oil trade routes and choke points like the straits of Hormuz and Malacca. Although the oil trade routes still hold relevance but the key international powers like the US, with the help of

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its key regional allies, is trying to dominate the IOR. The US also wants to contain the rise of China particularly with the help of India. Whereas the Indian strategy is to dominate the IOR and not to allow any other regional state to gain grounds in one of the largest waters of the world. It is pertinent to mention here that both China and India are competing in the IOR to not only maintain a stronghold but also to register their regional hegemony. While chasing this desire, they are making allies in the region that can provide necessary support. To analyse this growing China-India competition is the rationale behind this study. Implications for Pakistan, being an important littoral state will also be studied in this paper. One such example is that despite being a nuclear power, Pakistan is not a part of the Indian Ocean Rim Association (IORA), which is spearheaded by India. This draws attention towards Pakistan as it is directly affected by the actions of both the states as one is a friend and the other is a foe. The paper would also give some recommendations that are useful in providing a guideline for a future course of action for Pakistan.

**Significance of the Indian Ocean**

The size and geographical location of the IOR make its importance in the global political arena. Extending from the eastern rim of Africa to the western shores of Australia, the IOR not only connects 34 important littoral states but is also the home to some of the important naval choke points.\(^1\) Apart from its location, the IOR is the epicentre of the world’s oil trade. The energy trade routes, which connect the eastern rim of China through the Strait of Malacca, showcase the amount of oil which is shipped daily in the waters of the IOR and feed the energy needs of the world’s second-largest economy.\(^2\) It borders countries like Pakistan, India, Iran, Saudi Arabia and five of the states of the Association of South East Asian Nations (ASEAN).\(^3\) This highlights its geo-strategic significance. Also, the littorals are heavily

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\(^3\) “About ASEAN,” Association of South East Asian Nations (ASEAN), http://asean.org/asean/about-asean/
dependent on the ocean to reach the international markets for trade purposes.

The IOR is the future of world politics. With India becoming the sixth largest economy of the world by bypassing France, it naturally has started to assert itself in the region.\(^4\) The Indian hegemonic ambition in the IOR raises concerns for China as it is heavily dependent on the ocean for its trade activities. Moreover, Pakistan would also not support a strong Indian presence in the ocean as it would undermine its interests as well. On the other side, during the briefing on the Indo-Pacific Strategy, Alex N Wong, US Deputy Assistant Secretary, Bureau of East Asian and Pacific Affairs, stated that “It is in our interest, the US interest, as well as the interests of the region, that India plays an increasingly weighty role in the region. India is a nation that is invested in a free and open order.”\(^5\) This is a clear indication by the US that it wants India to play an important role in the IOR.

This reflects that the centrepiece of the future global politics is the IOR and it is of critical importance for the big powers and other littorals. In addition to this “the Quad,” consisting of Australia, India, Japan and the US, is not in the favour of allowing China to make inroads into the IOR.\(^6\) This has created tension in the region and the two sides continue to pump more and more resources into the IOR. As a result, one can clearly see that the competition is growing and, if not handled properly, the possibility of a much larger conflict cannot be ruled out.

**India’s Role in the Indian Ocean**

India is the largest littoral state of the IOR with a coastline of approximately 7500 km.\(^7\) Like Pakistan, it also enjoys a geo-strategic position as it has a

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rim on both the eastern and western sides of the country. India has
established 12 major ports and 200 minor ports. To maximise its maritime
capability, India has also initiated a plan called *Sagarmala* that aims to
double the existing number of major ports in the country. Apart from these
domestic steps, India is also taking a number of actions beyond its borders
to impose its position in the IOR.

*Indo-Iran Nexus*

One such act is the India-Iran strategic partnership. The geo-strategic
location of Iran and its close proximity to the Strait of Hormuz makes it one
of the most important countries in the world. Almost 30 per cent of the
world oil passes through the strait on a daily basis. Iran, for years, has failed
to capitalise on this natural blessing due to a number of factors that range
from lack of facilities to the sanctions imposed on it by the West. India,
which is also one of the top buyers of the Iranian oil, has entered into a
strategic alliance with Iran and has developed the first phase of the Iranian
Chabahar port. The port is close to Farzad oil fields and this is an additional
plus point for India. Through the Chabahar port, India can also gain access
into the Central Asia but that is largely dependent on a stable Afghanistan.
It is pertinent to note here that India is one of the eight countries that have
received a waiver in the US sanctions against Iran. This highlights the close
linkages of the two countries and how the Indian investment is protected in
the region.

However, apart from the oil trade that passes through the Strait of
Hormuz, India, through its presence in Iran, can easily monitor the
movement of the Chinese vessels and can also cause unnecessary delays to
the shipments. This can only be done if India positions its naval force in the
region. To ensure that and without alarming other international actors, India
has taken over the Duqm port in Oman for providing logistic and repair
support to its military ships, present in the area. The port in Duqm also
provides easy access to India to reach the Gulf of Aden and the Red Sea.

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8 “Sagarmala: Concept and Objectives,” Ministry of Shipping, Government of India,
http://sagarmala.gov.in/about-sagarmala/vision-objectives
9 M A Hassan “Modi’s Maritime Ambitions – Implications for Pakistan,” Institute
of Strategic Studies Islamabad, Issue Brief, June 14, 2018, http://issi.org.pk/wp-

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Furthermore, these ports also shorten the distance for the Indian vessels as India can now easily develop new lanes of communication.\(^\text{10}\)

**India and East Asia**

Strengthening the front in West Asia, India has also established its inlets in East Asia through its strategic alliance with Indonesia. Like Iran, Indonesia is also overlooking an important naval choke point i.e. Malacca Straits. India has signed an agreement with Indonesia to acquire a strategic port called the Sabang port. Both India and Indonesia have explicitly stated that they would not like to be controlled by the Chinese Belt and Road Initiative (BRI). Indonesia is willing to use its location as a maritime fulcrum in the region and, with the help of India, it can easily balance out the Chinese advancements. These two actions of India will enable it to keep a strong check on China because not only it can delay the movement of vessels at the start of the journey but also at the end.\(^\text{11}\)

**Indian Collaboration with Africa**

While pursuing its desires to secure the entry and exit points, India has also started working on the African rim of the IOR. Teaming up with Japan, India announced a plan in 2017, known as the Asia-Africa Growth Corridor (AAGC). The Indian and Japanese media has already started to refer to it as an alternative to the BRI. The plan is a result of joint work of three different think tanks i.e., the Economic Research Institute for ASEAN and East Asia (ERIA) in Jakarta, Research and Information System for Developing Countries (RIS) in India and the Institute of Developing Economies-Japan External Trade Organisation (IDE-JETRO).\(^\text{12}\)

According to reports, the AAGC will be developed at a cost of almost US$40 billion and will enable the African countries to develop


infrastructure and human resource. This project is a deliberate and direct attempt to undermine the Chinese investments in the region. Africa is a large market that still remains untapped by international players and the AAGC aims to be among the first to link Africa with India and Japan through new routes and advanced infrastructure. Moreover, the mineral reserves like uranium, which are in abundance in Africa could be used to fuel the nuclear needs of both India and Japan. Another aspect of investing in Africa is that it holds a lot of weight in the United Nations General Assembly (UNGA). On the whole, Africa represents 54 votes and if India manages to charm the Africans, it can emerge as a strong player in the UNGA. The AAGC would also give India an excuse to build up a military presence in Africa to secure its investment and keeping a check on piracy near Bab el Mandeb.

In talks with Seychelles, India also attempted to take over two of its islands under the flag of one of its policies called Security and Growth for All in the Region (SAGAR). Only recently, the deal fell apart after shocking details about the agreement were leaked over the internet. However, in close vicinity, India already has a listening post in Madagascar. The first of its kind for India, the radars deployed in Madagascar are serving as an early reconnaissance system and keep the Indians updated about marine traffic off the coast of Africa. It is also reported, on a few outlets, that India maintains a listening post in Oman as well. Even though no

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concrete evidence is available from the open source, the possibility of one such post cannot be ruled out. If true, India can easily monitor the movement and communication of the Pakistan Navy. Overall, it appears that India is not only flexing its muscles in the Indian Ocean but it is also seeking to gain control of the IOR. The Indian dream of acquiring the status of the blue water navy is also part of its strategy to become a regional power.

**China’s Interest in the Indian Ocean**

Like India, China has also been busy making inroads in the IOR. For China, the ocean is of extreme importance because virtually all of its trade passes through it. So a strong control or check on its mass shipments is not only a necessity but also a priority. Moreover, since China has the resources, it also aims to maintain its presence outside the region to ascertain its power.

One such move is the opening of its first military base in Djibouti, East Africa. Djibouti is a small country located in the Horn of Africa which itself is on top of a very strategic route that connects Europe with the rest of the world. Interestingly, Djibouti also houses the only base operated by the US in Africa. This highlights the importance of Djibouti and provides an insight into why China opted for this place as its first overseas military venture.

The Chinese military establishment caused a stir internationally and a number of people suggested that it was a deliberate attempt by China to provoke the US. The former US Secretary of State, Rex Tillerson’s last job before being removed from the office was to take assurance from Djibouti about their commitment to the US cause. The Chinese placement not only irks the US interests but it is also a direct challenge to the Indian ambitions in Africa.

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17 “Indian Listening Station in Oman Monitoring Pakistan’s Naval Communications,” AA Me, IN (Online blog), February 27, 2013, http://www.aame.in/2013/02/indian-listening-station-in-oman.html
Apart from building a naval base, China has invested heavily across Africa both on the eastern rim and in the mainland as well. The prime reason for this is to explore new markets, capitalise on the human resources and maintain a presence in the region. According to some estimates, China invested about US$60 billion in Africa. This huge investment would not only benefit the region but also plays a vital role in global prosperity. In a way, Africa is on the winning side in the rivalry of China and India since it would see an inflow of almost US$100 billion in future. This will not only help the African economy grow but will also help the various countries in which China and India have invested to channelise their energies in the right direction. According to the Brookings Institute, the Chinese have invested mainly in Nigeria, Angola, Ethiopia, Kenya, Zambia, South Africa, the Democratic Republic of the Congo, Congo, Cameroon and Mozambique.

China has also acquired Hambantota, a strategic port on the western coast of Sri Lanka. The takeover is subject to a lot of controversies as the port was initially built with the help of China and promised to deliver a lot of returns to the tiny island nation. However, the port revenue never took off and Sri Lanka defaulted on the payments. As a result, China obtained a 99 year-lease on the port. A port right below India allows China not only to monitor all the movements of India but also allows China to keep a strong check on its cargo en route to China. China can also hold a reserve force in Sri Lanka to facilitate its cargo in case of any conflict.

There has been considerable commentary about China’s ambitious BRI of which the China Pakistan Economic Corridor (CPEC) is one component.\(^{25}\) The lynchpin to the success of the CPEC is the Gwadar port, which the Chinese have developed in Balochistan, Pakistan. When fully operational the deep-sea port will be the largest in the world and will directly connect China to the IOR by road and rail. This will not only significantly cut down the travel time but also provide access to the significant geo-strategic locations. Gwadar is in close proximity to Chabahar port and the ports of the United Arab Emirates (UAE). Gwadar will also be linked to China’s Maritime Silk Road and, so, the possibility of a naval build-up cannot be ruled out.\(^{26}\)

Apart from Pakistan, China also has naval linkages with Bangladesh, Myanmar and the Maldives. All three are key littorals of the IOR mainly due to their location. China and Bangladesh have warm military relations and this is a concern for India. However, in 2014, Bangladesh rejected the Chinese terms for the construction of a deep-sea port in Sonadia.\(^{27}\) Despite this, Bangladesh has agreed to join the BRI and the construction of the Karnaphuli Multi-Channel Tunnel Project has once again brought the two countries closer to each other.\(^{28}\) The project is to be completed by 2020 and would improve the connectivity between the Korean Export Processing Zone, Chittagong and Cox Bazar.\(^{29}\)

China has also set its eyes on Kyaukpyu, a coastal town along the Bay of Bengal in Myanmar’s western-most state of Rakhine. Here, the Chinese are busy developing a Special Economic Zone (SEZ) and a deep-sea port. The port will allow the Chinese to regain some control of the Malacca

\(^{25}\) “Introduction,” China-Pakistan Economic Corridor (CPEC), http://cpec.gov.pk/introduction/1


\(^{29}\) Ibid.
straits. The Chinese have also helped the host country financially for additional leverage as there are chances that the port will be used for military purposes as well.\(^{30}\) India has launched propaganda that this move by China is a debt trap for Myanmar and ultimately it will have to surrender the rights like Sri Lanka. Currently, they are very successful in propagating this notion as all the popular literature is following India’s lead. This also illustrates that the battle for control of the IOR has multiple dimensions, of which information warfare is but one part.

China also supported the Maldives in February 2018, when a small constitutional crisis emerged and China responded to its call for help by sending 11 warships to the East Indian Ocean. China considers the Maldives as an important partner of the BRI and was there to help in the time of need.\(^{31}\) Traditionally, India has also maintained strong ties with the Maldives but the recent Chinese actions are an indication that allegiances are shifting.

**Naval Comparison of China and India**

Based on the above research finding, it is important to have a look at the naval capability of the two nations. A recent study carried out by the London-based International Institute for Strategic Studies (IISS)\(^ {32}\) clearly shows that the Chinese military might is much more than that of India’s. This is probably the reason why India has chosen to make small stations across the IOR, whereas, China has only acquired the key points. The Chinese total naval vessels stand at 141 whereas India possesses only 43. This is just 30 per cent of what China holds in its arsenal.\(^ {33}\)

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\(^{33}\) Ibid.
India would not like to engage with China militarily but, at the same time, it is heavily backed by the US. However, even the US would discourage a direct clash between the two countries. Instead, the US hopes to empower India through a series of alliances. The announcement of the US to give a pivotal role to India in the Indo-Pacific strategy is a reflection of this policy. The new Indo-Pacific strategy that is based on free and open rationale does not highlight how the concerned parties want to keep it free and open. Also, the strategy extends at length to bring India into the security canvas of Indo-Pacific. This is a clear indication that India is well placed in the American strategy on Indo-Pacific and this also points out to the revival of the QUAD that comprises of the American partners.

**Implications for Pakistan**

Pakistan has always thrived to promote peace in the region. Even though Pakistan was not made part of the IORA, it has maintained its friendly relations. Being a key littoral state of the IOR, it is the responsibility of Pakistan to not only safeguard its interest but also remain out of any potential conflicts. This is not easy due to the political power play in the Indian Ocean.

The rivalry of China and India in which the latter is being supported by the US has made Pakistan a party to the conflict. China and Pakistan have developed a mature relationship where the two countries are working hand in hand for regional connectivity. An example of this cooperation is the placement of Pakistan in the BRI. Moreover, the two countries have also come to the support of each other at numerous international forums.

India and Pakistan have a history of bitter relations. Since 1947, Pakistan and India have never managed to stabilise their relationship, primarily because of their longstanding dispute over the status of the former princely state of Jammu and Kashmir. The arrest of the Indian spy, Kulbhushan Jhadav, in 2017, led to a further deterioration of relations between the two countries. Moreover, the alleged Indian violations of the 1960 Indus Water Treaty and the infiltration of its agents into Pakistan from the Afghan border has also made the situation worse.

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Another implication is the Indian efforts to isolate Pakistan on the global front. The Indian government has made strong ties with the Gulf countries like the UAE and Saudi Arabia that have traditionally supported Pakistan in the international forums. However, recently, Pakistan has launched serious diplomatic efforts and one of the immediate effect is seen by the announcement of over US$20 billion projects in Pakistan. India has also gained an early mover advantage in Africa and Pakistan should also channelise its potentials to tap into Africa. This could be fruitful and beneficial for Pakistan.

Recommendations

It is clear that Pakistan is a part of the Chinese camp and has always benefited from it on the economic front. Pakistan should expand its options and explore new markets. As stated, Africa has attracted considerable investment by both China and India. The continent is a neutral place and holds a lot of trade potential for Pakistan. It should be noted here that despite their strategic differences, the volume of India and China bilateral trade is the over US$100 billion. This should be taken as an example and Pakistan must capitalise from the AAGC. Through this, Pakistan would not only explore new markets but would also gain from both the BRI and AAGC.

Apart from improving trade ties, Pakistan would have to increase its security by upgrading its naval capabilities and land forces. The Pakistani economy has seen a tough decade where the exports saw a decline and increase in foreign debt. Only recently, it has received a fresh injection of capital through friendly partners. However, it is not enough to expand on naval capability. This is only possible if Pakistan makes new export partners in untapped markets. To do that, Pakistan needs to explore a new market.

Another recommendation for Pakistan is that it needs to improve its image across the Persian Gulf and Gulf Cooperation Council (GCC) countries. Traditionally, Pakistan was taken as an important partner of the Gulf and also spearheaded the Organisation of Islamic Countries (OIC) at the time of its inception and in later years. This changed as Pakistan entangled itself in a web of domestic problems due to its involvement in Afghan Jihad and the subsequent wave of terrorism after 9/11. The hiatus was capitalised on by India which has now managed to make inroads in the
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oil-rich area. Although the new government has taken a few steps to attract Foreign Direct Investment (FDI) in the country, Pakistan needs to focus on increasing its exports to these countries.

Both the Chinese and Indians are investing heavily across the IOR. It is, therefore, high time for Pakistan to realise that it should also expand its options and explore new avenues of cooperation in the IOR.

Conclusion

The Indian Ocean may be calm on the surface but, on the strategic front, it is a hotbed and possibly the home to multiple conflicts. With the US questing for future control with its new Indo-Pacific strategy, China and India are not lagging behind. India has clearly displayed its regional hegemonic ambitions, whereas, China, on the other hand, aspires to become a great power with economic and military supremacy. Both China and India have acquired strategic assets across the ocean and hope to monitor and control movements in future. The Indian Ocean is very important due to the thousands of barrels of oil that pass through it on a daily basis and fires the world’s industries. Since Pakistan is a neighbour of both China and India and is also an important littoral state of the Indian Ocean, it is directly impacted by the rivalry. Pakistan needs to act quickly to capitalise on the current and future potential of this ocean. Pakistan should maintain a balance to reap benefits from both sides in the international arena. If this is not done, Pakistan will end up as an aligned state of one of the countries and the previous experiences of alignment might come back and haunt Pakistan for a long time.