



China's Naval Expansion in the Indian Ocean and India-China Rivalry

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After dramatically increasing its military expenditure over the last several years, in 2010 China has raised it by only 7.5 percent, marking the first time in nearly 21 years that the rate of increase has fallen below double digits.¹ While there are a number of factors behind this, the Chinese government has used this to announce its pacific intent, underlining that it has always tried to limit military spending and set defence spending at a reasonable level. China's foreign policy thinkers and political establishment have long sought to convince the world that Beijing's rise is meant to be a peaceful one, that China has no expansionist intentions, that it will be a different kind of great power.

Of course, the very nature of power makes this largely a charade, but more surprising is that western liberals have tended to take these assertions at face value. There is an entire industry in the West that would have us believe that China is actually a different kind of a great power and that if the west could simply give China a stake in the established order, Beijing's rise would not create any complications.

Now, one of China's most prominent policy intellectuals is advocating for the creation of overseas bases. Shen Dingli, a professor at Fudan University in Shanghai, asserts that "it is wrong for us [China] to believe that we have no right to set up bases abroad." He argues that it is not terrorism or piracy that's the real threat to China. It's the ability of other states to block China's trade routes that poses the greatest threat. To prevent this from happening, China, Shen asserts, needs not only a blue-water navy but also "overseas military bases to cut the supply costs."²

Of course, Shen also wraps this up in the widely accepted world peace diplomacy, asserting that the establishment of such military bases overseas would promote regional and global stability. It is a familiar diplomatic wrapping that other superpowers should easily recognize.

As China emerges as a major global power, it will expand its military footprint across the globe, much like that other great power, the US, whose bases surround China. The rapid expansion of China's naval capabilities and broader military profile is a classic manifestation of its great power status. China's new naval strategy of "far sea defense" is aimed at giving Beijing the ability to project its power in key oceanic areas, including and most significantly the Indian Ocean.³

China's expansionist behaviour has, in fact, long been evident. China has been acquiring naval facilities along the crucial choke-points in the Indian Ocean not only to serve its economic interests but also to enhance its strategic presence in the region. China realizes that its maritime strength will give it the strategic leverage it needs to emerge as the regional hegemon and a potential superpower. China's growing dependence on maritime space and resources is reflected in the Chinese aspiration to expand its influence and to ultimately dominate the strategic environment of the Indian Ocean region. China's growing reliance on bases across the Indian Ocean region is a response to its perceived vulnerability, given the logistical constraints that it faces due to the distance of the Indian Ocean waters from its own territory. Yet, China is consolidating power over the South China Sea and the Indian Ocean with an eye on India, something that emerges 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 Indians...We are taking armed conflicts in the region into account."⁴

China's growing naval presence in and around the Indian Ocean region, beginning in areas such as China's Hainan Island in the South China Sea, is troubling for India. China deployed its Jin class submarines in 2008 at a submarine base near Sanya in the southern tip of Hainan, raising alarm in India as the base is merely 1200 nautical miles from the Malacca Strait and is its closest access point to the Indian Ocean. The base also has an underground facility that can hide the movement of submarines, making them difficult to detect.⁵ The concentration of strategic naval forces at Sanya could propel China towards a consolidation of its control over the surrounding Indian Ocean region. The presence of access tunnels on the mouth of the deep water base is particularly troubling for India as it will have strategic implications in the Indian Ocean region, allowing China to interdict shipping at the three crucial chokepoints in the Indian Ocean – Bab el Mandeb, the Strait of Hormuz, and the Strait of Malacca. Of particular note is what has been termed China's "string of pearls" strategy that has significantly expanded China's strategic depth in India's backyard.⁶



This "string of pearls" strategy of bases and diplomatic ties includes the Gwadar port in Pakistan, naval bases in Burma, electronic intelligence gathering facilities on islands in the Bay of Bengal, funding construction of a canal across the Kra Isthmus in Thailand, a military agreement with Cambodia and building up of forces in the South China Sea.⁷ These "pearls" are to help build strategic ties with several countries along the sea lanes from the Middle East to the South China Sea in order to protect China's energy interests and security objectives. Some of the claims are exaggerated, as has been the case with the purported Chinese naval presence in Burma. The Indian government, for example, had to concede in 2005 that reports of China turning the Coco Islands in

Burma into a naval base were incorrect and that there were indeed no naval bases in Burma.

Still, the Chinese thrust into the Indian Ocean is gradually becoming more pronounced. The Chinese may not have a naval base in Burma but they are involved in upgrading of infrastructure in the Coco Islands and may be providing some limited technical assistance to Burma.

With almost 80 percent of China's oil passing through the Strait of Malacca, given its reluctance to rely on US naval power for unhindered access to energy, it has moved to build up its naval power at choke points along the sea routes from the Persian Gulf to the South China Sea.

China is courting other states in South Asia by building container ports in Bangladesh at Chittagong and in Sri Lanka at Hambantota. Consolidating its access to the Indian Ocean, China has signed an agreement with Sri Lanka to finance the development of the Hambantota Development Zone at the southern tip of Sri Lanka, which includes a container port, a bunker system and an oil refinery. China's activities at Marao in the Maldives have also generated apprehension in New Delhi.



China's involvement in the construction of the deep-sea port of Gwadar on the Southwest coast of Pakistan has attracted a lot of attention due to its strategic location, about 70 kilometres from the Iranian border and 400 kilometers east of the Strait of Hormuz, a major oil supply route. It has been suggested that it will provide China with a "listening post" from where it can "monitor US naval activity in the Persian Gulf, Indian activity in the Arabian Sea, and future US-Indian maritime cooperation in the Indian Ocean."⁸ Though Pakistan's naval capabilities alone pose no challenge to India, the combinations of Chinese and Pakistani naval forces can indeed be formidable for India to counter.



Recent suggestions emanating from Beijing that China is contemplating setting up military bases overseas to counter American influence and exert pressure on India have been interpreted in certain sections in New Delhi as a veiled reference to China's interest in securing a permanent military presence in Pakistan. Although it might not be politically feasible for the Pakistani government to openly allow China to set up a military base, New Delhi fears that Islamabad might allow Beijing use of its military facilities without any public announcement.⁹

It is possible to explain the construction of these ports and facilities by China on purely economic and commercial grounds, but regional and global powers like the US, Japan and India inevitably view the sum total of China's diplomatic and military efforts in the Indian Ocean as projecting power vis-à-vis competing rivals. Moreover, most of Chinese naval facilities in the Indian Ocean are dual use in nature and no serious strategy can discount their future military use.

Whatever China's vision, together with its expansive military budget and accelerated global search for energy and other natural resources, it has built up all aspects of its maritime economy and created one of the world's largest merchant fleets with a port, transport, and ship-building infrastructure to match.¹⁰ Certainly, the Indian Ocean could play an important role in Chinese efforts to establish a position as a leading maritime power in the region. And this

is resulting in Sino-Indian competition for influence in the Indian Ocean and beyond. Despite significant improvement in Sino-Indian ties since the late 1990s, the relationship remains competitive and China has succeeded in containing India within the confines of South Asia by building close ties with India's key neighbours, in particular with Pakistan.¹¹

The notion that China aspires to naval domination of the Indian Ocean remains a bit far-fetched. However, China certainly wishes to play a greater role in the region, to protect and advance its interests, especially Chinese commercial interests, as well as to counter India. But given the immense geographical advantages that India enjoys in the Indian Ocean, China will have great difficulty in rivalling India in the Indian Ocean. Even the task of sea lines of communication (SLOC) protection remains challenging for the PLA Navy as of now. Still, the steps that China is taking to protect and enhance its interests in the Indian Ocean region are generating apprehensions in Indian strategic circles, thereby engendering a classic security dilemma between the two Asian giants. And it is India's fears and perceptions of China's growing naval prowess in the Indian Ocean that is driving Indian naval posture. Tensions are inherent in such an evolving strategic relationship as was underlined in an incident in January 2009 when an Indian Kilo class submarine and Chinese warships, on their way to the Gulf of Aden to patrol the pirate-infested waters, reportedly engaged in rounds of manoeuvring as each tried to test for weaknesses in the others' sonar system. The Chinese media reported that its warships forced the Indian submarine to the surface, which was strongly denied by the Indian Navy.¹² Unless managed carefully, the potential for such incidents turning serious in the future remains high, especially as Sino-Indian naval competition is likely to intensify with the Indian and Chinese navies operating far from their shores.

For its part, China is merely following in the footsteps of other major global powers, which have established military bases abroad to secure their interests. There is only one kind of great power, and one kind of great power tradition. China will not be any different; power is necessarily expansionist.

The sooner the world acknowledges this, the better it will be for global stability.

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Notes

- ¹ "China plans to slow expansion of defense spending in 2010," *Washington Post*, March 5, 2010.
- ² Shen Dingli, "Don't shun the idea of setting up military bases overseas," January 28, 2010, available [here](#).
- ³ Edward Wong, "Chinese Military Seeks to Extend Its Naval Power," *New York Times*, April 23, 2010.
- ⁴ Youssef Bodansky, "The PRC Surge for the Strait of Malacca and Spratly Confronts India and the US," *Defense and Foreign Affairs Strategic Policy*, Washington, DC, September 30, 1995, pp. 6-13.
- ⁵ Manu Pubby, "China's new n-submarine base sets off alarm bells," *Indian Express*, May 3, 2008.
- ⁶ The term "string of pearls" was first used in a report titled "Energy Futures in Asia" that was commissioned by the US Department of Defense's Office of net Assessment from defense contractor, Booz-Allen-Hamilton. For details, see David Walgreen, "China in the Indian Ocean Region: Lessons in PRC Grand Strategy," *Comparative Strategy*, Vol. 25, No. 2 (January 2006). Also, see Jae-Hyung Lee, "China's Expanding Maritime Ambitions in the Western Pacific and the Indian Ocean," *Contemporary Southeast Asia*, Vol. 24, No. 3 (June 2007), pp. 553-4.
- ⁷ For a detailed explication of the security ramifications of the Chinese "string of pearls" strategy, see Gurpreet Khurana, "China's 'String of Pearls' in the Indian Ocean and Its Security Implications," *Strategic Analysis*, Vol. 32, No. 1 (January 2008), pp. 1-22.
- ⁸ Ziad Haider, "Oil Fuels Beijing's new Power Game," *Yale Global Online*, March 11, 2005, available [here](#).
- ⁹ Saibal Dasgupta, "China mulls setting up military base in Pakistan," *Times of India*, January 28, 2010.
- ¹⁰ Geoffrey Till, *Seapower: A Guide for the Twenty-First Century* (London: Frank Cass, 2004), p. 102, concludes from this that the Chinese government appears "to have a very clear vision of the future importance of the sea and a sense of the strategic leadership needed to develop maritime interest."
- ¹¹ Harsh V. Pant, "India in the Asia-Pacific: Rising Ambitions with an Eye on China," *Asia-Pacific Review*, Vol. 14 (1), May 2007, pp. 54-71.
- ¹² Manu Pubby, "Indian submarine, Chinese warship test each other in pirate waters," *Indian Express*, February 5, 2009.