

India-China Energy Trade Route Contentions: Perspectives from the Indian Ocean Region

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Abstract

The Indian Ocean Region (IOR), a key geostrategic space linking the energy-rich nations of the Middle East with economically vibrant Asia, is the site of intensifying rivalry between China and India. Energy resources transited through this trade route are vital for energy security and the key to their energy security is to secure the energy trade route through gaining total control over it. This paper aims to give an overview of Sino-Indian energy trade route contentions about Indian Ocean. For this purpose, firstly, it focuses on India-China concerns over Indian Ocean. Secondly, it examines India China ambitions as well as growing strategic interests in the Indian Ocean Region (IOR). Based on their growing interests, the article argues that although it seems to be a spatial rivalry for gaining and maintaining a total control over the same territory, it is indeed more about a positional rivalry for regional influence, while China seeks to improve its relative position in the IOR, India also tries to maintain its relatively advantageous and pre-eminent position in the region.

Keyword: Indian Ocean, Malacca Strait, Energy Trade, Hormuz, Sino-India.

Introduction

The competition for control over vital sources of energy and the supply routes used to transport energy has been a source of conflict throughout the time. Similarly, India-China conflict has arisen in Indian Ocean Region (Klare, 2014, p.1). The region with rich energy resources and intense trade volume is essential for Asia's two rising powers, which are increasingly reliant on oil transiting the region. While more than 80% of China's imported oil and natural gas is carried through the Indian Ocean and the South China Sea (Weimar, 2013, p. 9), nearly 80% of Indian crude oil requirement is imported by sea, using the international shipping lanes across the Indian Ocean (IN, 2015, p. 24).

India-China rivalry, which was earlier limited to the Himalayan region where the two nations fought a border war in 1962, is now increasingly maritime-focused. India feels encircled by China's strategic moves in the region while China feels endangered by its limited ability to secure its sea lanes. Some IOR states appear to be repellent against China's rising power by building their defense capabilities and partnerships, while others utilize more accommodative strategies with China or engaging in mix of both. Therefore, geostrategic conditions in the IOR are still developing. The current trends indicate that India and China have their own priorities with potential for conflict. This may not be conducive to the establishment of regional peace and prosperity. At present, it has become an area of growing competition between China and India. This strategic competition in IOR has contributed to regional instability, further endangering peaceful navigation and maritime security. India perceives the growing role and involvement of China in the Indian Ocean Region (IOR) as a major threat to its naval position in this region. India has steadily increased its engagement within the region for two decades but it is still striving to achieve its aspirations for further expansion of political influence and control over the region. It remains skeptical of China's growing maritime presence in the region. For example, China expanded its footprint in the IO through the development of maritime infrastructure in littoral states like Myanmar, Bangladesh, Sri Lanka, Pakistan, and East Africa to acquire opportunities for robust diplomatic and trade relations with IOR countries, India and the US have considered it as their common enemy. China's steady maneuvering in all spatial realms has compelled other regional actors in IOR and the Pacific Ocean to think about countering China. The making of Quadrilateral Security Dialogue (QSD) or Quad is believed to be derived by China's policy and posturing in the Pacific Ocean region. Competition between China and India is driven to a large extent by their economic rise and the rapid associated growth in, and dependence on, seaborne trade and imported energy, much of which transits the Indian Ocean (APRSA, 2016).

Indo-China concerns over Indian Ocean

Indian Ocean is a gateway to the arena of International trade and energy resources. Both the competing countries are well aware of the geo-strategic location of IOR and will never lose any to utilize the

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choking points that are passing through the Persian Gulf, Africa and Europe. The appetite opportunity of resources put these Asian giants into conflictual position. (Mukherjee, 2010))

India's stakes in the IOR are obvious, despite India's lack of attention to the maritime front. From a security perspective, since independence, India has not faced any significant maritime threat. Much of the Indian maritime security focus was in terms of the relatively minor naval threat from Pakistan and non-traditional threats including piracy and terrorism. While these concerns remain, they have been overtaken by worries about China as an emerging IOR power, with a growing footprint in the region (Rajagopalan, 2021).

China-India competition is expanding into the Indian Ocean region and as a result is more maritime-focused than in the past. The geographic expansion of strategic competition between China and India is increasing strategic linkages between East Asia and South Asia and the Indian Ocean, making the broader Indo-Pacific region increasingly linked. Both India and China have an expanding vision of their place in the world. The increasing competition for energy and other resources across the IOR have an impact on global markets. Increasing competition with China add impetus in India to further develop its relationship with the United States and other regional partners in the Indo-Pacific, such as Australia, Japan, and others.

China's economic and military power has been growing significantly and China's military modernization efforts have greatly augmented China's capability. China's growing naval capability, including "capabilities against submarines - its rapidly maturing capabilities in fields such as anti-ship missiles, modern surface combatants, submarines operations and longer-range deployments," has significant implications for India. To demonstrate, China has attempted to enhance its naval presence in the Indian Ocean and establish strong economic and military ties with regional countries including Bangladesh, Myanmar, Sri Lanka, and Pakistan through the building and upgrading of port facilities, rail links, pipelines and Signal Intelligence Facilities (SIGINT) etc., which would help to boost its regional influence in the Indian Ocean. China is vying for influence in the strategic Indian Ocean region with substantial investments in ports and infrastructure investments in several countries, including Pakistan and Sri Lanka. While China has established a full-fledged naval base in Djibouti, its first outside the country, Beijing has acquired the Hambantota port in Sri Lanka on a 99-year lease besides building the port at Pakistan's Gwadar in the Arabian Sea opposite India's western coast besides infrastructure investments in the Maldives (The Indian Express, Nov 27, 2022).

On the other hand, India, which has a more advantageous position (Times of India, 2020) when compared to China, aspires to maintain its pre-eminence and prevent China from challenging its predominant status in the region. India, which perceives the Chinese strategic penetration into the Indian Ocean littorals and its naval activities in the region as a profound strategic challenge to its vital political, economic and strategic interests and its predominant position in the region, has adopted a counter balancing policy with China. India launched counter initiatives including establishing, broadening and deepening its cooperation and partnership with the USA to contain the growing Chinese influence in the region (Weimar, 2013, p. 8).

The US also wants to contain the rise of China particularly with the help of India. The United States has sought to "assist the growth of Indian power. On the assumption that New Delhi and Washington share a common interest in preventing Chinese hegemony in Asia, the United States has sought to bolster India as a counter weight to China" (Tellis, 2016).

Changing Scenario

With the changing dynamics of world politics, the Indian Ocean Region (IOR) gained more 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. But now the key international powers with the help of its key regional allies, is trying to dominate the IOR. Therefore, 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 (Hassan, 2019).

Therefore, Indian Ocean is once again at the center of major geopolitical competition. China's growing footprint and influence in the Indian Ocean Region (IOR) has made the contest for power and control

in the region among China, India, US and its partners significant. The Indian Ocean Sea lines of Communication (SLOCs) are important for many Asian countries because it is both an energy and trade corridor, making these countries sensitive to any vulnerabilities. Now, undersea cables add to these vulnerabilities (Schadlow and Helwig, 2020).

India has long been suspicious of power-plays in the Indian Ocean but finds itself with few options today but to participate in securing a free and open Indo-Pacific. In the process, India has reconsider some of its old concerns about external actors in the Indian Ocean. India's perceptions of the Indian Ocean are evolving day by day. While India has been used to a Chinese military threat along the land border and has built a large ground force to deal with this threat, a maritime threat represents a new front with added complications for India. As a result, India's perception of the Indian Ocean has also changed. This is a significant departure from India's policies going back to the late 1960s, when India opposed the presence of external navies in the Indian Ocean (Mohan, 2015).

India has been deepening economic and security cooperation with other countries in the region to strengthen maritime security capacities. It has participated in multilateral forums such as the Indian Ocean Rim Association (IORA) and the Indian Ocean Naval Symposium to foster cooperation and dialogue on maritime security issues.

India has new cooperative approach to the role of external powers in securing Indian Ocean. These include the United States, Australia, Japan, France and others, and countries that have partnered with India in conducting security dialogues, military exercises and exchanges. The changed approach is possibly an Indian acknowledgement of the fact that India faces "serious capacity constraints" in managing the Indian Ocean by itself, especially considering the prospect of China becoming a major player there (Baruah, 2020).

Darshana Baruah argues that China's growing Indian Ocean presence is not just about contesting India's strategic role in the IOR, but it is part of a determined agenda to "emerge as a key player in the IOR" which feeds into "China's larger objective of becoming a global maritime power." China has growing maritime ties with countries in the IOR and increasing naval presence in the region. Chinese activities in India's Exclusive Economic Zone (EEZ) have raised concerns for India. Chinese research vessels and fishing boats had been also seen in Indian Ocean, including in the Indian EEZ. For example, the Chinese 'research' vessel Shiyan 1, was seen near the Andaman and Nicobar Islands in September 2019 (Zhen, 2019).

In August 2020, even in the middle of the ongoing conflict in eastern Ladakh on the Sino-Indian border, China sent its Yuan Wang class research vessel into the Indian Ocean (Times of India, 2020). These research vessels are used for surveying various parameters, including currents and salinity as well as mapping the ocean floor, which will assist the PLAN in undertaking submarine operations in these waters. Though relatively less serious, Chinese fishing fleets have also been operating in the IOR.

Finally, the increasing presence of the Chinese navy and regular patrols in the Indian Ocean region have become major cause of India-China rivalry. In recent years, both the People's Liberation Army Navy (PLAN) and the Indian Navy (IN) strengthen the capabilities and interests to conduct operations in the Indian Ocean and the South China Sea. Given its increasing energy dependence on sea-based imports, China's South Asia policy in the past years has transformed into a broader Indian Ocean strategy (Smith 2014, 146–155). As a consequence, China has attentively courted and established container terminals and allegedly listening posts and radar stations along the Indian Ocean littoral (Smith 2014, 151–152). Over time, these investments have proven to be economic and not military. But China's incursions into the region have aroused concerns in India that over time commercial investments could give way to negotiated access and support for the PLAN's vessels of war. Just as the PLAN now has a semi-presence in the Indian Ocean region, the IN too has sent naval vessels to participate in US-led exercises in the western Pacific (U.S. Dept. of Defense 2011). China in turn deploys naval vessels off the coast of East Africa to assist with anti-piracy operations (Erickson and Strange 2013). Chinese submarines also conduct patrols out of Hainan Island and operate west of the St. of Malacca, including that of a nuclear submarine. China is no longer willing to concede the Indian Ocean as India's sphere of

influence (Smith 2014, 154–155). China's submarine patrols, particularly the deployment of nuclear hunter-killer submarines in the Indian Ocean, are causing more tensions. Mendis said that the instead of calling it Indian Ocean, China is trying to rename it after itself (Mendis, 2023). China built many assets in the Western Indian Ocean, such as the bases in Djibouti and Gwadar, and developed extensive influence over many leaders in Africa. For India, which depends on the Indian Ocean for almost 90 per cent of its imports and exports, growing Chinese activities in the region are a considerable challenge.

Besides, India nurtured the ambition of rising as an influential blue-water power and also the voice of the Global South. Befitting its current stature as a major regional power, India through the Agalega project assured its critical role as a net peace provider in the Indian Ocean region, and willing to manage it as a “zone of peace”. Agalega port known as “necklace of diamonds” in the Indian Ocean provide strategic access to India as against the “string of pearls” ports that provide access to the Chinese. India already has a naval air station in North Andaman called INS Kohassa, and another near Port Blair called INS Utkrosh, which provide enough depth for the country's military to monitor the Eastern Indian Ocean thoroughly. India can expect to get enough cooperation from Mauritius in monitoring important ocean lines in the Western Indian Ocean too, including the crucial Mozambique Channel (The Indian Express, 2 March 2024).

The Goa Maritime Conclave (GMC) holds immense significance in the maritime security landscape of the IOR. It has served as a platform for fostering greater maritime cooperation and enhancing security, bringing together like-minded maritime nations to deliberate on issues of common interest, with a focus on ensuring the safety, security and stability of our shared maritime domain. It is a crucial forum that underscores the commitment of the Indian Navy and our partner nations to promote security, cooperation, and prosperity in the Indian Ocean Region (The Indian Express, 7 Nov 2023).

Additionally, the China-India rivalry over the Maldives also highlights the competition between them in the Indian Ocean region (IOR). Then there is China's African interest in the Indian Ocean. This also highlights its competition with India. An unprecedented mix of multiple political, security, and economic reasons will make the Indian Ocean a zone of global and regional sea power contest and economic competition in 2024. They include the Israel-Hamas war, drone and missile attacks by Yemen's Houthis on commercial ships in the Red Sea area, and the retaliatory Anglo-American strikes on Yemen. In the Red Sea conflict area itself, China's political security and economic interests are at issue. China has a military base in Djibouti, which is strategically situated by the Bab-el-Mandeb Strait. It separates the Gulf of Aden from the Red Sea and guards the approaches to the Suez Canal. The Red Sea and Suez Canal are vital international trade channels for Chinese and Indian trade with Europe, Africa, and the US. Moreover, the cost of global trade has risen sharply because of the Houthi attacks on shipping in the Red Sea area (The Financial Express, Feb 1, 2024).

Conclusion

The Indian Ocean Region is the high focus region. With China expanding its presence in the Indian Ocean, India has formulated a new maritime approach to retain its prominence in the region. About 80 per cent of the entire world's maritime oil trade flows through just three narrow passages of the Indian Ocean. The Indian Ocean is important to China as well as India because their trade and energy resources transit this route. So, it is natural that both want to protect SLOCs, but an increasing competition put them into tug of war situation. India has been increasing its naval presence by conducting joint naval exercises with other countries in the region, enhancing maritime surveillance, and strengthening strategic partnerships. Additionally, India has been engaging in diplomatic efforts to build alliance with other Indian Ocean littoral states to ensure maritime security and stability in the region. China has been expanding its presence in the Indian Ocean through various means, including the development of ports and infrastructure projects in countries like Pakistan, Sri Lanka, and the Maldives. The Chinese Navy, particularly its submarine fleet, has also been conducting more frequent patrols and exercises in the region. It investigates Indian counter initiatives for strengthening its political, economic and military ties with the USA.

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