

SIGNIFICANCE OF INDIAN OCEAN REGION FOR CHINA AND ITS REGIONAL AND GLOBAL IMPACTS

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Abstract

The Indian Ocean is the third biggest sea of the world which is encircled by five landmasses and forty nations with a multitude of social, environmental, political, and vital complexities. Last two decades has seen the Indian Ocean Region (IOR) becoming the key field in worldwide governmental issues because of its expanding significance due to the presence of huge energy resources, vital energy transit and trade routes and developing rivalry in the zone of worldwide monetary exchange and security. China's 21st Century initiative to revive the old silk route in the form of (MSR) the Maritime Silk Road is dependent on the Indian Ocean Region which plays a critical role in its future development and setting up its predominance among other countries involving major overseas investments, growing international trade, vital oil and gas supplies, and maritime security. China's changing recognition of the Indian Ocean and its expanding predominance and vital security interests in the IOR form the key elements of China's international strategy to set up local strength and regional supremacy. The intent of this paper is to highlight China's efforts to establish dominance in the IOR and briefly discuss key challenges it is facing in progressing its strategy in IOR while looking at the risks and threats which are posed to its progress by the United States as well as India in context with the regional conflicts associated with land and energy resources.

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Introduction

The Indian Ocean is a huge water body situated on 68.557 million sq. km (approx.) of area between the Asia, Africa, Australia and the Southern Ocean. The coastline is been shared by all the littoral nations stretching to 66,527 km (approx.) in total.¹ The Indian Ocean is completed by other significant oceans for the area that include the Arabian Sea, Andaman Sea and Bay of Bengal, Red Sea, Gulf of Aden, Strait of Malacca, Gulf of Oman, Persian Gulf, Great Australian Bight, Mozambique Channel, and other feeder water bodies.

The IOR is a global trade hub and bone of contention for global powers that have been in a continuous struggle against each other to control the region since last 30 years.² Almost a century ago, a US Admiral named Alfred Thayer Mahan mentioned that the Indian Ocean would have a significant place in the twenty- first century to the seven seas of the world. These waters will decide the destiny of the world as whoever achieves maritime supremacy in this region would be a prominent actor in the international arena. At that time probably little was known about the Indian Ocean, and the wealth of natural resources it holds within.

Significant trade routes of the world and the supply of oil resources from the Persian Gulf to many other destinations globally pass through the IOR. Indian Ocean Region also embraces the critical choke point of Malacca Strait through which oil and trade supplies passes to the western coast of US, Australia, China, Japan, and other South-East Asian countries. The Indian Ocean maintains significant and credible presence of oil resources. Since oil will remain one of the biggest resources of energy for the foreseeable future, the supply of gas and oil products from the Central Asian Republics and Middle

Eastern Regions will have to be transiting through these ports of Indian Ocean Region.

Furthermore, this region has been regarded as one of the most resilient and unstable by some analysts and in the next decade could witness biggest clash of precarious economic interests at one end while facing turbulent security scenarios on the other since both China and the US are in a race to dominate world trade. With a thriving economy and hopeful incredible force status, China has already started showing its intention to dictate other nations on its own terms. An example of its intent to show its power in the Indian Ocean is obvious by building islands in South China Sea and turning it into a functioning part in the area.



Source: Graphic of the Indian Ocean Region (IOR) created by CRS from various sources.

Significance of Indian Ocean region for US and China

The Indian Ocean is extending eastward from the Persian Gulf, from the East African coast to southward towards the Malay Archipelago and the seashore of Australia³ accompanied by all its water tributaries (Red Sea, Persian Gulf, strait of Hormuz, strait of Malacca, and so on), each of its island and littoral states (Djibouti, Iran, India, Pakistan, Kenya, Tanzania, South Africa, UAE, Somalia and so on) as well as the non-coastal states for which the passage to the sea mainly towards the Indian Ocean constitutes the Indian Ocean Region⁴. This region is enriched with natural resources, containing proven world's 62% of oil reserves, world's 40% of gold assets, 35% of its natural gas reserves, approx. 60% of its uranium and 80% of the diamonds⁵.

The region is significant for the flow of energy globally and therefore has a major standing when it comes to the supply side of energy⁶. Indian Ocean is also a key transit route for oil supplies from the Persia to Europe⁷ and a large portion of oil is transported to Europe and America through the Suez Canal and the Cape of Good Hope. 20% of the world's oil supply which is approximately 17 million barrels of oil a day and 93% of oil exported from the Gulf States, transported by oil tankers transits through the Strait of Hormuz and into the western reaches of the Indian Ocean⁸. Since the Gulf oil meets nearly 75% of import needs of Asia, due to the importance of this route, now it is known as the 'new silk road.'⁹

After the Second World War, US developed key strategies to dominate the world. The US plan of attesting command over the entire Eurasian locale, with Oceania and African districts going about as peripheries had two key components: the Atlantic Ocean and Europe and second equation was; the Indian Ocean and Asia. The European part of the Eurasian equation was finally solved in 1949 with the inception of NATO (North Atlantic Treaty Organization). Whereas in

1991, the Soviet empire was successfully eradicated which was the foremost obstacle for the dominance of the US¹⁰ and after the disintegration of the USSR, US/NATO got access to tremendous energy assets in Central Asia.

Throughout the Cold War era and until now the US has maintained a key position in the Middle East primarily because of its reliance on the Middle East petroleum resources. To maintain its dominance and hold on natural resources in the region, it has been involved in many wars and regional conflicts in last two decades. The conflicts consumed a great deal of valued national reserves especially at a time of financial crisis globally. "These wars have taken US to problematic and tough economic circumstances as it has had to raise its foreign debt ceiling to US\$16.2 trillion to avoid defaulting"¹¹.

Regardless of financial strains and embarrassment related to armed intervention in Iraq as well as Afghanistan, the United States has remained defiant in pursuing its key objectives, utilizing its political and discretionary mechanical assembly. "The Middle East, Central Asia, East Asia, Southeast Asia as well as the energy corridors are major areas of interest of the US"¹². As such, the US successfully established its military footprint in the strategic nerve points across Asia by using terrorism and war on terror as a justification for intervention in the IOR. The importance of Indian Ocean cannot be undermined in the entire US grand strategy of affirmation in the whole of Eurasia and the following conflicts. "It is incredibly significant to control Indian Ocean if any power round the globe wants to hold Oceanic regions and Africa under its influence "¹³.The US has maintained closed ties with the coastal nations of the Indian Ocean and its policy involves building good relations within IOR and its littoral nations as focal points.

Aside from its vital hugeness, the Indian Ocean is brimming with common assets, making it a characteristic fascination for the US as well as for the provincial players such as China. Several years ago

when US developed its regional policy, China was not considered as a major threat to regional dominance. In the last decade, the rise of China as a significant force player with large financial and military resources, has presented a genuine challenge to the US predominance in Asia. Besides China, India has come forward as an additional territorial player with worldwide desire and now is improving its capacity building abilities in the Indian Ocean. China and India are major consumers of energy and their energy needs rely upon these ocean paths. As such both India and China are in pursuit of military dominance in the region to take control of the Indian Ocean and its resources.

China has spent heavily to maximize the capacity- building of its forces. It has seriously retained the skills to improve its military tools and equipment especially to strengthen its navy. Robert D. Kaplan an American military analyst predicted that Chinese navy will operate more underwater warheads than the US navy operates today within the next fifteen years¹⁴. In addition, China is the world leading country when it comes to fighter jet projects. They are working on a broad range of fighter jet models from the basic 4th generation jet models to the very advanced stealth bomber fighters belonging to 5th generation.¹⁵ Similarly, India has fifth largest naval force of the world and within the next fifteen years, it would take third position following the United States and China.¹⁶ Nevertheless, the mounting gradient of China as a huge power player must not be misapprehended and while the US superiority and influence in the region has decreased in the last few years, it is not completely diminished and US still maintains key alliances in the IOR, in particular with the oil producing nations.

Indian Ocean Region - Important Sea Routes, Straits and Channels and Seaports

The Indian Ocean region consists of 28 countries, and covers 17.5% of global land area and spans across three continents. These states include 21 members of the Indian Ocean Rim Association (IORA),

and Vietnam, Cambodia, the Maldives, Pakistan, Myanmar, Timor-Leste. This region was considered as a home of 35.1 % (approx.) of the world's total population¹⁷.

Any closure or rift between the rising actors on the global framework could choke the most significant global energy supply lines. These important sea routes and choke points of the Indian Ocean that connects Asia, Africa and the Middle East with the rest of America and Europe are:

- i. **Suez Route** connects Red Sea with Mediterranean Sea through the Suez Channel. Bab-al-Mandeb is an important choke point that connects Arabian Sea to Red Sea.
- ii. **Cape Route** links the Atlantic Oceans with Indian Ocean and provides an alternate route for the Suez Canal Route. This route is most significantly used by the bulk carriers and heavy tankers due to depth restraints in the Suez Canal.
- iii. **Straits of Malacca** is considered the most convenient as well as the shortest link between Indian Ocean and the Pacific Ocean.

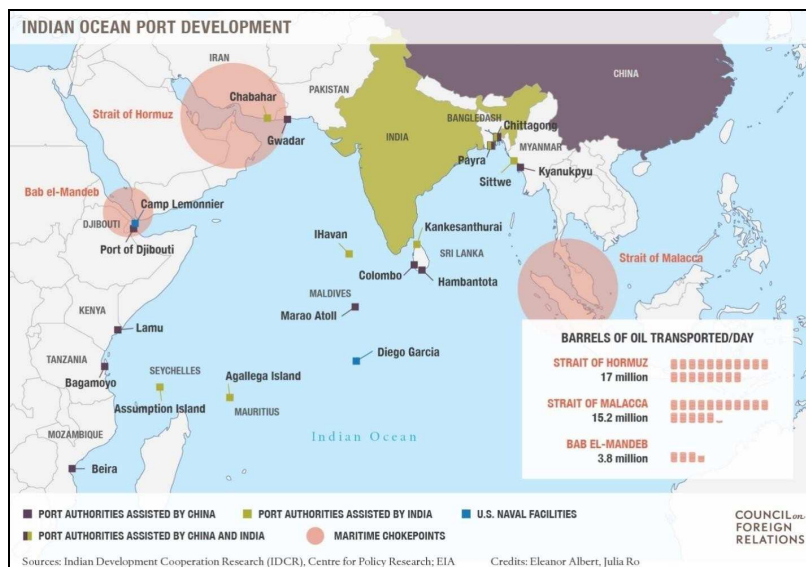
The Indian Ocean Region has thirty channels and straits in total bordering the Indian Ocean. The important ones are: Strait of Hormuz, Strait of Malacca, Bass Strait, Bab-el-Mandeb, Sunda, Lombok, and Bali Straits, Singapore Strait, and Mozambique Channel¹⁸. Whereas IOR has strategic seaports in the region dotted across Asia will play a fundamental role in future due to their multi-faceted nature. Major ports are: Qasim port Karachi, Gwadar, Chennai, Colombo, Jakarta, Chabahar, Hambantota, Kolkata, Mumbai, and Richards Bay. Most of these ports are of significant importance. Some are chief gateways to the landlocked regions while others are crucial choke points for the international sea lanes of communications.

Why is Indian Ocean Region Important?

Big reserves of hydrocarbons have been found in the seaward zones of western Australia, Iran, India and Saudi Arabia. The Arabian Peninsula and the Persian Gulf holds 45% of the world's energy assets. It is estimated that 39.98% (approx.) of the world's oil production comes from the Indian Ocean. The Indian Ocean also serves as the super expressway for exchanging petroleum products including Liquefied Natural Gas (LNG) from this region to the rest of the world.

"The Indian Ocean holds 16.8% of the world's proven oil reserves and 27.9% of proven natural gas reserves. Indian Ocean economies accounted for 17.8% of world gold production and 35.5% of global iron production in 2017"¹⁹. The plenty of natural resources has facilitated growth that is connected to maritime trade. Indian Ocean is a major transportation hub and almost half of the world's sea-borne oil transits through it. Not only that it is a transit route but it also hosts world's top twenty three container ports.

Today, nearly 820 million shipping containers are moving around the globe.²⁰ Container traffic through the region's ports has increased fourfold from 2000 to 2017 but there was a decrease in 2018 and 2019. "According to the 2017 Lloyd's list, the top Indian Ocean container ports are Singapore (34 million TEUs), Port Klang in Malaysia (13 million TEUs), and Dubai (15 million TEUs), Between 2011 and 2017; the average annual growth of container traffic through the leading regional ports of Singapore and Dubai has averaged 2.6% and 3.8%, respectively".²¹



The Strait of Malacca is the second busiest sea lane of communication round the globe and a choke point in the Indian Ocean Region, “80% of Japan’s oil supplies and 60% of China’s oil supplies are shipped through the Straits of Malacca. US\$ 70 billion worth of oil passes through the strait each year”.²² Approximately half containerized world’s traffic passes through the 10-degree channel between the Nicobar Islands and Andaman.

China volumes of good transport through the Indian Ocean locale, represents 16.1% of its all-out merchandise exchange in 2017, up from 4.8% in 2000²³ Where as it is observed that there is a slight decrease in 2019 due to COVID. In comparison, the portion of goods transported has declined by other major exporters through the Indian Ocean regions during the same time period, for example, the EU (16.8% to 12.0%), the US (13.9% to 7.9%), and Japan (14.6% to 6.5%).²⁴

China’s Growing Gas and Oil Demand and Energy Consumption

The economic growth of China has been explosive and rapid in nature and this activity is driven by the energy. In the decades ahead, it is expected that China’s energy needs will continuously be

increased. Some future forecasts predict two time increase of their energy consumption in the next three decades ahead. According to some statistics; the oil consumption of China stands at 578 million tons during 2015 with the production of 214 million tons (approx.) and its daily consumption lies 12 MMbbl per day.²⁵ Therefore, to meet its need of daily consumption, China had to import more than 70 % of oil.²⁶ The import rose 10.1% in 2018 and reached 9.25 million barrels of oil consumption per day (bpd).²⁷

China's energy import data shows that it imports Oil supplies from South America, Central America, the Middle East, Russia and West Africa. "China's reliance on oil importation continued climbing in 2018 and accounted for 69.8% of consumption according to a report released by CNPC. It is predicted that 80% of China's crude oil supply will be imported by 2030".²⁸ In 'Outlook 2014' the United States Energy Administration (USEIA) declared that the "China's liquid fuels consumption is predicted to double from its consumption of 10 MMbbl per day in 2010 to about 20 MMbbl per day in 2040"²⁹.

The consumption of gas is huge in China. 60 % of its natural gas imports came from Central Asia while the remaining was supplied from Qatar and Australia. "China's imports of natural gas soared to 125.4 billion cubic meters in 2018, which was a 31.7% year-on-year increase. This indicates that 45.3% of China's gas demand was met by imports in 2018 and it is estimated that China's reliance on imported natural gas will rise to 50% by the end of 2020"³⁰.

China's Global Aspirations, Overseas Investments and International Trade

Viewing through historical perspective, China has been a major trading nation. The ancient Silk Road was used as a key trade route for imports and exports by many traders through China. Currently, the china has been spending and investing in building ports, infrastructure and railway line projects in those countries around the globe which has strategic importance.

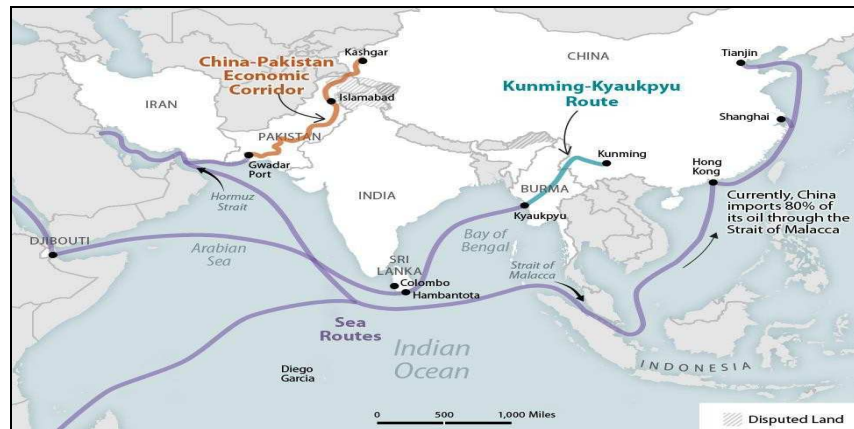
President Xi Jinping suggested two proposals in 2013, namely; the Maritime Silk Route and the Continental Silk Route, in order to fulfil the purpose of greater regional connectivity. These initiatives will expand Chinese influence into two belts; Silk Road Economic Belt and BCIM which would connect Chinese Yunnan and Kashgar province to the Bay of Bengal and the Gwadar port in Pakistan respectively.³¹

The last two decades has seen remarkable economic growth lead by tremendous demand in Chinese produced goods. In just over a period of ten years, "China's foreign trade went from \$2.560 billion in 2005 to an astounding \$4.5Trillion in 2018".³² Most of world's manufacturing hubs were transferred to China primarily because of the cheap labour and ease of materials availability.

Although China has been using the Indian Ocean dating back to the first millennium to approach various parts of Asia and Africa, the significance of these waters has only increased during the past two decades as China became the manufacturing hub for the rest of the world and sought the shortest possible routes to export its products to the global markets to ship the manufacturing good to the rest of the world. In addition, the growing energy needs of China and the presence of natural resources and energy reserves that lie in the shoreline of the ocean has also excited China's interest in the Indian ocean and explore for energy reserves in it.

In recent years, China's investment has seen a considerable jump in Thailand, Sri Lanka, Indonesia and Myanmar. These countries

are situated along the shipping routes positioned East- West and considered the main arteries in Indian Ocean for energy supplies to Chinese territory. With the investment of Chinese companies especially in mineral smelters like bauxite and nickel, cement, steel industries and automotive, the country has been strengthening economic engagement in Indonesia.³³ In Myanmar, China is investing 280 million USD for building a deep-water port in the tensed South-Western province Kyaukphyu of Rakhine State.³⁴



Source: Graphic created by CRS. Map and information generated by (name redacted) using data from the South China Morning Post (2017); the Department of State (2015); Esri (2016); and DeLorme (2016).

China has developed strategic and comprehensive economic cooperation with the African nations with key partnerships in the Africa. In East Africa, Chinese investments are principally in the foundation sectors like oil and gas, railroads, ports and such. These projects include from major infrastructure such as Ports to building linkages with business hubs requiring development of streets and railroads. One of the most recent examples of such project is the railroad line linking capital of Ethiopia- Addis Ababa and the Port of Djibouti at a cost of \$3.4 billion.³⁵ Even china funded US\$14.4 billion

for three year period (2010-2012) for 14 major infrastructure projects in Djibouti.³⁶

The economic growth and financial development of China has been energized by energy supplies and free progression of seaborne movement, majority of movement is done on the Indian Ocean transportation paths. China is constantly attempting to involve the predominant situations at various sea courses to make sure about is exchange and furthermore to guard its sea limits. For finishing its one belt one street activities China is working with various nations to manufacture distinctive ocean ports and to keep up its key positions.

As the demand of cheap goods has increased in the last two decades, so is the volume of manufactured goods that are being produced in China and shipped throughout the rest of the world. The balance of trade favours China as many countries attached with the IOR are dependent on China's cheap imports because of its leverage over other countries of globe. China has relied heavily on the sea routes for shipping its products. In 2015, the estimates of world seaborne trade volumes exceeding 10 billion tons³⁷ with an average increase at 2.7 per cent in 2018³⁸, with China contributing a major share of it. China has the world's shipping fleet and its shipping accounts almost 15% share in the world. In 2015, China's trade summed nearly US\$ 4 trillion³⁹ most of which was carried on through waters. China has strong trade ties with its regional countries about 8-9% in 2019 though it is growing at about 10.4% annually.⁴⁰

Most prominently, some of the developed countries within the region like Australia have strong trade ties with China and Australia has intended its exports for China approximately 35%. Outside the IOR, China's trading volumes with other developed countries like Canada, UK, US and other European countries is huge and balance of trade favours China because of its ability to produced cheap goods. Moreover, many developed countries and their corporate companies transferred their manufacturing operations in China where they can

make the same products at cheap labour and earn millions in profits versus producing same goods locally.

China has been renewing its relationships with the Association of South East Asian Nations (ASEAN) and establishing long term partnerships intended to boost its trade volume. Chinese investments in Africa has seen billions of dollars invested in recent years on infrastructure projects in several countries and entering into tactical and strategic partnerships with a number of countries in Africa. In recent years, Chinese Foreign Direct Investment (FDI) also increased in other countries of South East Asia like Pakistan and Sri Lanka. China has spending billions of dollars in infrastructure upgrades such as ports and roads.

China Investment in the CPEC Project and Gwadar Port Development in Pakistan

China's Belt and Road Initiative is a major development project that China has commenced to fulfil its dominance in the 21st Century and has named it as Maritime Silk Road (MSR) initiative. This major project of links several intercontinental nation through various rail and road networks as well as sea routes and expands from Central Asia to South Asia and connects to Europe. The China Pakistan Economic Corridor (CPEC) is a major component of this project which provides access to China's goods to the waters of Indian Ocean through the Port of Gwadar, in Baluchistan.

Under the CPEC project China is building a road network, upgrading Pakistan's seaport of Gwadar by upgrading and building port infrastructure and providing investment for the economic zones along the road network. This strategy is to reduce the challenges from America and India in Indian Ocean, and will secure China's economic and strategic position in Indian Ocean by helping in following manner:

- Firstly, "huge investment of US \$45.6 billion in roads, railways, pipelines, energy and infrastructure would result in immense development in Pakistan"⁴¹. Especially, the

remote areas of Baluchistan and KPK would get great value from these projects⁴².

- Secondly, the connectivity of Kashgar with Gwadar would provide a shortened trade route to Chinese imports of products and oil. China imports from Middle East around 60% of its total oil needs and 80% of the oil is traded from Strait of Malacca which is a volatile trade route. The distance via Malacca Strait is 12,000 Km with additional 3500 Km within China. The route from Gwadar to Kashgar is mere 3000 KM. In this way China would save expenses and time of around US \$2 billion and 12000 Km respectively.⁴³
- Thirdly, China would get an easy access to the Southern Asia, Europe and the Middle East. The eastern side of China is already utilized for trade. Whereas the western China would be connected through the Gwadar port. Fourthly, the strategic goals of China would be materialized and their dream to become the largest economy of the world will accomplish in this manner. China's Power Projection and Stake in Regional Maritime Security.

The growing economic standing of China at large scale globally and in Indian Ocean Region predominantly imposes power projection. China and Russia are both trying to fill the vacuum, in the wake of the perceived declining power of the United States in the future ahead. In internal speeches, President Xi revealed to the senior military officials that China has great focus on becoming a maritime power that "we must adhere to a development path of becoming a rich and powerful state by making use of the Indian Ocean".⁴⁴It is this bearing that has directed ensuing advancements of China to explore the IOR capacities. This was trailed by the thirteenth five-year plan for monetary and social improvement of China (2016–2020) which was put out in the March of 2016.

Realizing the importance of the IOR and its worth in fuelling the engine of China's economic growth, China has been gradually trying to upsurge its dominance in the region. At the occasion of Galle Dialogue in 2012 Commander of East Sea Fleet- Vice Admiral Su Zhiqian said that; "Peace and stability of the Indian Ocean relates to that of the whole world; freedom and security of navigation on the ocean is vitally important to the restoration of the world economy".⁴⁵

China is also the second biggest worldwide oil buyer. In order to support its monetary development, China's vital needs are to discover oil supplies and secure unrestricted sea passages. These growing monetary and key interests clarify the Chinese emphasis on military presence providing protection to its oil supply cargos along the sea routes from Persian Gulf to China.⁴⁶

Realizing the importance of the Indian Ocean in China's exports and the safety of its cargos, the presence of Chinese warships in the Indian Ocean region has increased in recent years. China's Navy has been countering robbery activities persistently in the Arabian Sea since December 2008. Liu Huaqing of Chinese navy envisioned that; by 2050 the Chinese Navy will become a global force⁴⁷. Another Chinese Rear Admiral Yin Zhuo quoted as saying, "Protecting the economic, political status and occupational safety of overseas is paramount to safeguarding China's domestic economic development and its reform and establishing such protection requires strong naval power like aircraft carrier battlegroups."⁴⁸

China has been immensely expanding its influence in various nations of the IOR shoreline, particularly in East Africa. Most of the governments in these nations seek China's help on a large number of projects and issues. Realizing the importance of these nations and the resources these nations have which can benefit China in the long term, China has adopted a policy of economic, financial and security cooperation. Liu Hongwu, director of the School of African Studies at Zhejiang Normal University, said that the "security cooperation will be

a key area in future cooperation between China and the African Union, since for many years African countries have asked China to take part in their security processes".⁴⁹

China is assisting the port of Djibouti in building military supporting facilities. The cooperation process will be likely prolonged and stretched to assist the regular patrolling by the Chinese Naval forces near Africa.⁵⁰ China has already taking part in the anti-piracy escort missions in the region while conducting regular joint naval exercises with its regional countries. The Chinese Navy with their co-partners has also carried out some preeminent assignments to evict the civilians from divisive and troublesome regions. Under the China-UN Peacekeeping mission; evacuation of 225 civilians besides Chinese nationals from Yemen, Libya and other African countries is the example of their High-profile assignments.⁵¹

In the wake of maintaining regional dominance in the IOR and to safeguard interests in the region, China is modernizing its armed forces and rising with a limited show of power to create a more fortunate strategic position with more focus on increase in strength of military forces and resources on a need basis. Ongoing strategic and military activities, in the midst of regularly expanding financial commitment, will stay a foundation of its international strategy as China emerges to enormous force status.

Fears of Indian and American Intervention

China sees the US 'as the key rival to its interests in the Asia-Pacific region. The US has continuously made unending moves intended to build a circle of suppression around China. The past US activities such as, the deployment of the US Nimitz Battle Group in 1996 to the Straits of Taiwan and similar practices led by the US in the Yellow Sea have been seen by China as threats to China's security and tormenting the country into concessions⁵². China has expressed concerns over US activities like the Regional Maritime Security Initiative (RMSI) which required the Association of Southeast Asian

Nations to allow US Marines to watch the waters against robbery and psychological warfare.

China is also stressed over the US Proliferation Security Initiative (PSI) that permits US work force to board unfamiliar vessel to prepare for transportation of Weapons for Mass Destruction on the high Seas.⁵³ The US maintains a strong military existence in the IOR to protect its cargos and energy supply vessels and tankers. As a result of its presence in the Indian Ocean, some Chinese tacticians are additionally stressed over a situation where in the US could forbid Chinese energy supplies mainly in the Strait of Malacca.⁵⁴

Some hardliners like PLA Retd. Colonel Liu Mingfu stated that; the naval force of US is a significant danger to China.⁵⁵ US policy has also not taken any part in mitigating the fears but on various occasions, has actually confirmed Chinese perceptions. In a convention in 2015, at the Royal Australian Navy (RAN), Admiral Scott Swift, Commander US Pacific Fleet, referred the Chinese activity in the Spratly Islands as "Today the friction points may be at sea, over the horizon, seemingly held safely at a distance from our day-to-day lives ashore".⁵⁶

China is not only hostile to US in the Indian Ocean but also sees any nation that may present a risk to the renewed interest in the IOR. As India is trying to control the Indian Ocean, it is seen by China as unwelcoming to its interests in the IOR. India's mounting naval force and recent ventures into the Asia-Pacific region, with its gradual but frequent presence in the South East Asia, has further served to elevate Chinese concerns. Some Chinese strategists like Zhang Ming believe that "The Indian Subcontinent is a kin to a massive triangle reaching into the heart of the Indian Ocean, benefiting any from there who seek to control the Indian Ocean".⁵⁷ This observation is further reinforced by the wariness that India displays in its relations with China, which itself are a result of persistent suspicion about Chinese intentions.

Conclusion

After the end of Cold war, China has emerged as the new competitor who is showing its economic and military strength, and challenging the global position of the US. Rapid growth of China in the last two decades have increased the significance of the Indian Ocean Region as this region is a major source of its energy needs as well as a consumer of its manufacturing goods. In this context, the race to establish control over IOR and its resources is a key element of China's strategy for 21st Century Maritime Silk Road (MSR) project which is also known as the 'China's Belt and Road Initiative'. China's future approach and its interest that sets the direction towards IOR assume that the Indian Ocean plays a critical function in China's future development and establishing its predominance among other countries within Asia.

The US strategy in the IOR will be to avoid armed conflict with China and use its alliances and relationships with other nations in the Middle East to keep China's progress limited as long as possible. However, the US administration has publically highlighted China's aggressive behaviour towards other nations competing in bilateral trade as well as using monopoly tactics to bargain its position because of the trade volumes whereby China would dump its domestically produced goods in huge volumes in exchange for a small amount of exported goods brought in country. US has continued to support Taiwan and raised human rights issues of China's treatment of the Uighurs, mostly Muslim, living in north-western China in the region of Xinjiang the forced suppression of the democratic movement in Hong Kong. US has also concerns of China's developing islands for military purposes in the South China Sea and doesn't recognize that territory to be a Chinese traditional land. China has disagreed with US position but remains careful to maintain its international image. US will probably maintain this pressure on China going forward while changing its strategy of regional dominance in the rapidly changing

world and the political landscape in the IOR. While a major regional conflict is not possible, the conflicts may lead to small proxies in the region lead by either US or China to support their objectives of regional dominance and show of power to the others.

China's race to dominate IOR and its resources will see growing opposition from the US, as both powers challenge each other and each would like to keep a greater portion of the pie. Looking at the progress made by China in last decade it seems that China has a better strategy in the IOR and it is leading the race with its Belt and Road initiatives which could establish its dominance over US in leading the worldwide trade and this could result in tilting balance of power towards China and a game changer in favour of China that would help pave its dominance in the region.

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