

## **Chinese Strategic Interests in the Indian Ocean: Study of Quadrilateral Relations of China-Pakistan-India-Myanmar**

*Aman Memon\**

### ***Abstract***

*The purpose of this paper is to examine China's strategic interests in the Indian Ocean with particular reference to its geo-economic and geo-strategic interests. Further more, this paper intends to analyse China-Pakistan-India-Myanmar relations in the light of growing strategic interests of China in the Indian Ocean. Since India considers the Indian Ocean region as its domain hence, it feels threatened of Chinese maritime pursuits in the Indian Ocean region. One of the objectives of this paper is to critically examine China's endeavours of expanding influence in the Indian Ocean region with particular reference to India's threat perceptions and security concerns.*

Deng Xiaoping emerged as a towering leader in the post-Mao Zedong China. His policies ushered China into a new phase of economic development and credited it as a more active and reliable partner of the world community.

Deng Xiaoping, to some extent, depoliticised and liberalised Chinese polity because in his perception, the 'excessive emphasis on politics' had damaged Chinese economy.<sup>1</sup> Consequently, he introduced a dramatic change in the economic management of the country. The authority of decision making, in the economic field, was shifted 'from party to state and from state to economic enterprises.'<sup>2</sup> In order to bolster the pace of economic development, China, under Deng Xiaoping, deviated from Mao's path of economic development and courageously broke 'taboos after taboos.'<sup>3</sup> He boldly questioned the impacts of the Cultural Revolution on the socio-economic development of China and abandoned the policies initiated under the influence of the doctrine of

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\* Dr. Aman Memon is Associate Professor in the Department of Pakistan Studies, Allama Iqbal Open University, Islamabad.

<sup>1</sup> Roger Garside, *Coming Alive: China After Mao*, McGraw Hills, 1981, p.66.

<sup>2</sup> *Ibid.*, p.208.

<sup>3</sup> *Ibid.*, p.192.

Cultural Revolution. Under the slogan of *Gaige Kaifang* (Reform and Openness), a new reforms programme of four modernizations—agriculture, industry, science and technology, and military— was introduced.

On the ideological front, Deng made passionate appeal to the Chinese people to ‘emancipate their minds’ and ‘build modern socialist’<sup>4</sup> China. In this regard, he introduced the new concept of ‘market based socialist economy’ and proclaimed that the ‘socialism and market economy are not incompatible.’ In this connection he promoted the slogans of ‘market socialism’ and ‘socialism with Chinese characteristics’ as the guiding principles of economic development.

On the foreign policy front, Deng Xiaoping declared *Panchsheel*—five principles of peaceful coexistence—as the bedrock of the Chinese foreign policy. Taking into account the changed realities of the post-Cold War era, China embarked on the dual task of ‘peaceful rise’ and to play the role of a *furzeren de daguo* (‘responsible great power’) in the world affairs.<sup>5</sup> In the light of these principles and objectives, China’s new leadership struggled for the emergence of new international order in which ‘world peace’ and ‘security’ would be guaranteed.<sup>6</sup>

To maintain ‘peace’ and security at world and regional levels, China embarked on the task of resolving its disputes with India, Russia and Central Asian states. By the same token, China also suggested Pakistan to improve its relations with India for the purpose to promote peace and stability in the region. In this regard, Chinese leadership even advised Pakistan to shelve Kashmir issue<sup>7</sup> and initiate dialogue with India for the betterment of bilateral relations. The Sino-Indian relations watchers found palpable shift in China’s Kashmir policy during the Deng Xiaoping era. There were obvious signs of China’s deviation from its previous policy—of considering Kashmir an international issue—and adopted the new stance of depicting it a bilateral problem between India

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<sup>4</sup> Khoon Choylee, *Pioneers of Modern China* (N.J: World Science Publishing Company, 2005), p.197.

<sup>5</sup> *China’s National Defense in 2000*, China’s Information Office of the State Council, Beijing, 2000, p.8.

<sup>6</sup> *Ibid.*, p.34.

<sup>7</sup> In December 1996, Chinese President, Jiang Zemin visited Pakistan. During his visit he addressed the special session of the Senate—Pakistani Parliament’s upper house. Addressing the Pakistani Senators, Chinese President advised Pakistani and Indian leaderships to shelve the Kashmir issue. See the text of Chinese President’s address to a special session of the Senate of Pakistan, appeared in *The News*, 3 December, 1996.

and Pakistan. According to Hassan Askari Rizvi, 'the first public expression of the revised Chinese approach to Kashmir problem was made by Deng Xiaoping' when he described 'Kashmir as a bilateral problem between Pakistan and India...'<sup>8</sup>

Undoubtedly, the innovative approach of 'reform and openness' helped China to achieve the desired goals of 'security' and 'socio-economic development.' Deng Xiaoping was the first Chinese leader who visited the United States of America. Under Deng's directives, China entered into a new phase of cooperation and collaboration with the Western world and Japan. China's agreements regarding the suzerainty of the Hong Kong and Macau with Britain and Portugal respectively, under the 'one country two systems' doctrine, have become the hallmark of China's recent history of foreign relations.

In consequence of Deng's domestic and external policies, China has emerged as a leading economic power of the world with the significant economic growth as close to ten percent. In order to protect its geo-economic and geo-strategic interests, China adopted a new national security policy of extending influence beyond the traditional territories, far from the Chinese shores up to 'new waters' in the Indian Ocean.<sup>9</sup> In order to achieve these objectives, China embarked upon the policy of modernising the People's Liberation Army Navy (PLA-N) which led to an unprecedented 'phenomenal growth in both numbers of ships and their technological sophistication' in the PLA-N.<sup>10</sup>

China's phenomenal economic growth has aggravated its thirst for energy, particularly petroleum and natural gas. As a result, China has emerged as the second largest oil consumer country of the world, after the United States of America.

Before 1993, China was an energy exporting country. Later on, due to robust economic growth, it emerged as the main importer of the oil and gas from the Middle East and Central Asia. In 2004, China's consumption of the petroleum products reached 6.1 million barrel per day (bpd), which further increased up to 7.1 million bpd, 8 million bpd and 11.4 million bpd in 2006, 2009 and 2010 respectively.<sup>11</sup> In the same

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<sup>8</sup> Hassan Askari Rizvi, 'China and the Kashmir Problem', *Regional Studies*, 12:3, (Summer 1994), p.97.

<sup>9</sup> You Ji, 'China's Naval Strategy and Transformation'; Lawrence W Parbhakar, Joshua H. Ho and Sam Bateman; (eds.), *The Evolving Maritime Balance of Power in the Asia Pacific: Maritime Doctrines and Nuclear weapons at sea*, World Scientific: NJ, 2006, p.80.

<sup>10</sup> *Ibid.*

<sup>11</sup> The Heat Zone, 26 June 2009, [www.theheatzone.com](http://www.theheatzone.com)

year, the share of petroleum in China's primary commercial energy consumption (PCEC) reached to 22.3 percent.<sup>12</sup> China's demand for natural gas is also surging day by day. Consequently, China has been building two re-gasification terminals for liquefied natural gas (LNG) in Guangdong Fujian provinces. 'Beyond these two, more terminals are being planned along the costal areas.'<sup>13</sup> According to the experts on energy and economic relations, Iran, Qatar and Yemen would be the potential exporters of LNG to China.<sup>14</sup>

China's soaring energy needs have compelled its leadership to look beyond the Asia-Pacific region. Consequently, China has approached Gulf oil markets for its energy needs. Now, Saudi Arabia, Iran and Oman are the leading exporters of crude oil to China. Up till 2004, China's import of crude oil, from the Gulf, reached to 45 percent. It's estimated that this share would increase up to 61 percent in 2010.<sup>15</sup> Keeping in view the growing demand for energy resources Beijing had signed \$3.2 billion natural gas deal with Iran in March 2009.<sup>16</sup>

The Indian Ocean region has become of great strategic importance for China because of its growing dependence on the Gulf oil. More than eighty percent of energy supplies reach China through the Strait of Malacca in the Indian Ocean.<sup>17</sup> In fact, Chinese had realised the strategic significance of the Indian Ocean region during the Soviet invasion of Afghanistan because they were of the view that if the Soviet Union succeed in establishing its control over the Indian Ocean routes, China would be at the mercy of the Soviets on all sides and the 'early warning system' of the former would be of no avail.

After the rise of China, strategic significance of the Indian Ocean region has increased manifold as compared to the days of Soviet invasion of Afghanistan because of the formers dependence on the supply of oil from the Middle East.

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<sup>12</sup> Kang Wu and Jit Yang Lin, 'Supplying Asia-Pacific Oil Demand: Role of the Gulf', *Gulf Oil and Gas: Ensuring Economic Security*, Emirate Centre for Strategic Studies and Research, 2007, p.274.

<sup>13</sup> *Ibid.*, p.275.

<sup>14</sup> *Ibid.*

<sup>15</sup> *Ibid.*, p.282.

<sup>16</sup> Bruce Riedel and Pavneel Singh, 'U.S.-China Relations: Seeking Strategic Conversions in Pakistan', Foreign Policy Paper Series Number 19, Brookings Institute, [http://www.brookings.edu/papers/2010/0112\\_us\\_china\\_relations\\_riedel.asp](http://www.brookings.edu/papers/2010/0112_us_china_relations_riedel.asp)

<sup>17</sup> *Ibid.*

In order to avoid any possibility of choking the Indian Ocean supply line, China has assigned an enhanced role to the PLA-N. In 1979, the PLA-N was assigned the task of extending 'its activities from coastal waters to adjacent seas.'<sup>18</sup> Subsequently, the PLA-N which was a subordinating institution to the People's Military was established as an independent institution and Admiral Liu Huaqing was appointed its Naval Chief. The Naval Chief and his commissar Li Yaowen 'co-signed a doctrine entitled *guanyu mingque haijun zhanlie de wenti* (on the question of establishing the naval strategy)' and that doctrine became 'country's first ocean-going strategy.'<sup>19</sup> According to that document, China extended its 'navy's combat mission from the costal defence to blue water power projecting with corresponding attraction in operational objectives, weapons research and development.'<sup>20</sup> In 1980, Admiral Liu introduced a 'layered' maritime defence policy and expanded PLA-N's 'defence line from *jinnan* (in-shore) to *jinhai* (off-shore).'<sup>21</sup>

In the present days, China overtly wants to exercise its maritime rights in the Indian Ocean and beyond for the two reasons. Firstly, it wants to augment its area of influence and secondly, it requires uninterrupted energy supply which is essential to maintain pace of economic development in China. To further its energy security goals, China has been looking for 'potential sites for facilities in areas its ships can not yet reach.' These potential sites would provide China the space for 'future movements and deployments.' It is generally believed that Pakistan and Burma, being the strategic partners of China, would facilitate China to achieve its strategic goals in the region.

The Indian strategic analysts and ruling elite who consider the Indian Ocean region as their own area of influence<sup>22</sup>, seem worried because of China's strategic maneuverings in the region and they depict there Chinese endeavours of aimed at 'surrounding India with a 'string of pearls' that could eventually undermine India's permanence and political rise ...'<sup>23</sup>

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<sup>18</sup> You Ji, *op. cit.*, p.72.

<sup>19</sup> *Ibid.*

<sup>20</sup> *Ibid.*

<sup>21</sup> *Ibid.*, p.73.

<sup>22</sup> Vijay Sakhuja, 'Indian Navy: Keeping Pace with Emerging Challenging', Lawrence W Parbhakar, Joshua H. Ho and Sam Bateman (Eds.), *op. cit.*, p.112.

<sup>23</sup> Vikas Bajaj, 'India Worries as China Build ports in South Asia', *The New York Times*, 16 February 2010.

Gurmeet Kanwal, a senior research fellow of the Indian Institute for Defence Studies and Analyses, has also depicted China's strategic moves in the Indian Ocean as the 'strategy of oceanic offensive'. He maintains that China's

Concept of national defence is no longer limited merely to the defence of territory but has been expanded to sea board and outer space. The erstwhile strategy of coastal defence has been converted to a strategy of 'Oceanic offensive'. The emphasis of bolstering naval and air forces stems from a desire to project power well away from China's shores.<sup>24</sup>

Kanwal Sibal, former Indian Foreign Secretary, presently serving as a member of the National Security Advisory Board, has also portrayed China's moves in the Indian Ocean region 'aimed at counterbalancing and undermining Indian's natural influence in these areas.'<sup>25</sup> However, China has very clearly said that China's moves are not aimed against any actor of the region and beyond.

Keeping in view the credentials of China-Pakistan relations, Pakistan merits to be a reliable partner of China in achieving its maritime security objectives in the region. In this connection, Pakistan has tremendous geographical importance for China because, the former can serve as a bridge between the latter and the oil producing Middle East countries. Pakistan's Gawadar deep sea port can not only provide maritime access to China in the Indian Ocean region but it also can provide land based maritime connection to China through Karakorum highway.

Like Pakistan, Myanmar has also immense geo-strategic significance for China because the former can also offer the latter access to the Indian Ocean through Irrawaddy River delta which is contiguous to China's Yunnan province. It was because of China's maritime security compulsion that China agreed to assist Myanmar to construct a Naval Base on Hyanggyi Island near Irrawaddy River. This infrastructure would facilitate China to reach the Bay of Bengal.

Some experts, particularly Indians, see China's Pakistan and Myanmar policies as an endeavour aimed at expanding Chinese influence in the Indian Ocean and encirclement of India through the client states. They interpret China's bilateral relations with Pakistan and Myanmar as the 'Sino-Pakistan-Myanmar nexus' and counter weight

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<sup>24</sup> Gurmeet Kanwal, 'China's Long March to World Power Status: Strategic Challenge for India', Columbia International Affairs Online, [www.ciaonet.org.olj/sa/sa\\_99kagO1.html](http://www.ciaonet.org.olj/sa/sa_99kagO1.html)

<sup>25</sup> Vikas Bajaj, *op. cit.*

against India.<sup>26</sup> They depict China's support for the construction of Gwadar sea port in Pakistan and Irrawaddy project in Burma as the provision of opportunity to China for 'flanking operations *vis-à-vis* India.'<sup>27</sup>

Gwadar sea port has tremendous strategic significance for China's energy security plans because the latter is situated at the mouth of the Persian Gulf, just 390 nautical miles far from the world's 'strategic choke point' called Strait of Hormuz.<sup>28</sup> Undoubtedly, the Gwadar sea port can provide China an anchoring facility to monitor its oil supplies from the Gulf. The Gwadar port also offers the land based access to China because its connectivity with China's Xinjiang province through the Karakorum and Indus highways.

In 1997, Pakistani authorities approached China for the assistance to construct the Gwadar deep-sea port. China's maritime strategic interests tempted Chinese political elite to positively respond the Pakistan's request. On 10 August 2001, China and Pakistan signed two documents regarding the construction of Gwadar sea port. The title of the document one is 'agreement on the financial arrangements for the construction of the Gwadar port project phase-I'<sup>29</sup> while, the document two is entitled 'protocol on the implementation of Gwadar port project phase-I.'<sup>30</sup> The preamble of the first document reveals that the main purpose of the agreement was to 'promote the friendly relations and economic and technical cooperation between the two countries.' According to the agreement, the Chinese government agreed not only to provides technical assistance to Pakistan but it also promised to give financial support to Pakistan for the proposed project. According to the

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<sup>26</sup> Vijay Sakhuja, 'Naval Cooperation', Swaran Singh (ed.), *China-Pakistan Strategic Cooperation: Indian Perspective*, Manohar Publishers, 2007, p.216.

<sup>27</sup> W. Lawrence S. Prabhakar, 'The Maritime Convergence', Swaran Singh, (ed.), *op. cit.*, p.243.

<sup>28</sup> Vijay Sakhuja, 'Naval Cooperation', *ibid.*, p.213.

<sup>29</sup> 'Agreement on Financing Arrangements for the Construction of the Gwadar Port Project Phase-I Between the Governments of Pakistan and the Government of the People's Republic of China, Beijing, 10 August 2001', Government of Pakistan, Policy Planning Division, Ministry of Foreign Affairs, *Foreign Affairs Pakistan*, 28/7,8, July-August 2001.

<sup>30</sup> 'Protocol on the Implementation of Gwadar Port Project Phase-I Between the Government of Pakistan and the Government of the People's Republic of China, Beijing, 10<sup>th</sup> August 2001', Government of Pakistan, Policy Planning Division, Ministry of Foreign Affairs, *Foreign Affairs Pakistan*, 28/7,8, July-August 2001.

article I of the agreement, China agreed to assist Pakistan for the construction of the first phase of the Gwadar deep-sea project. The two sides further agreed to build '3 multiple purpose berths accommodating 50,000 DWT cargo vessels. The main scope of the work includes dredging work, marine construction works, civil works, public works and supply of ports cargo handling equipment etc.'<sup>31</sup> In article IV, Chinese government agreed to provide Pakistan the 'grant assistance amounting USD 31 million'; along with the 'interest free loan amounting to USD 31 million;' and the 'confessional loan amounting USD 58 million.' The article V of the agreement says that the 'project shall be undertaken by the Chinese enterprises.' Subsequently, the Pakistan government awarded the contract of the Gwadar deep-sea project to a Chinese a firm, M/s China Harbour Engineering Corporation.<sup>32</sup>

Chinese government not only helped Pakistan to build a mega maritime project like Gwadar sea port but the latter also helped the former to enhance maritime capabilities to protect its sea boundaries. In 2005, China agreed to embark on the task of expanding Gwadar sea port at the cost of USD 70 million. Besides that China also made commitment to build F22 P frigates for the Pakistan Navy. 'These frigates will be equipped with organic helicopters, specially designed for anti submarine warfare, surface to surface-to-air missiles.'<sup>33</sup> The first F22 P frigate was handed over to Pakistan in 2009<sup>34</sup> and the second was inducted in Pakistan Navy in January 2010.<sup>35</sup>

India feels threatened of China's endeavours to expand influence and power in the Indian Ocean. The Indian Ocean has tremendous economic and strategic importance for India. The major chunk of India's trade and energy supplies passes through Indian Ocean sea lane. The Indian islands Andaman and Nicobar have tremendous strategic

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<sup>31</sup> 'Agreement on Financing for the Construction of the Gwadar Port Project Phase-I.... *op. cit.*

<sup>32</sup> According to an Indian source there were five companies in competition with the Chinese firm. They were: M/s Posford Duviver-Giffordand Partners, UK; M/s Forbes & Co, USA; M/s STFA, Turkey; and one Belgian firm. These firms were bypassed and the contract was assigned to the Chinese firm. For details see, Vijay Sakhuja, 'Naval Cooperation', Swaran Singh (ed.), *op. cit.*, p.214.

<sup>33</sup> *Dawn*, 7 April 2005.

<sup>34</sup> *Ibid.*, 13 September 2009.

<sup>35</sup> *The News*, 24 January 2010.



significance for India, are also located in the Indian Ocean region.<sup>36</sup> Indians seem unwilling to buy Chinese plea of presence in the Indian Ocean region for the reason to 'just monitoring oil supply line' from the Strait of Hormuz. Contrarily, they consider Chinese presence in the Indian Ocean as 'the nurture of long term naval presence in the Indian Ocean to counter Indian perceived domination of the Indian Ocean.'<sup>37</sup>

Keeping in view the conflicting interests of China and India in the Indian Ocean region, several Indian experts like Air Chief Marshal S. K. Kaul have overtly criticised the efforts of Sino-Indian rapprochement by saying that in long terms, China is the primary threat to Indian strategic interests.<sup>38</sup> Reemphasizing on the Indian threat perception of Chinese presence in the Indian Ocean region, several Indian strategists depict Sino-Pakistan joint venture of the Gwadar port as a threat to their security interests. An Indian retired Brigadier, expressing his concern regarding the Sino-Pakistan joint venture of the Gwadar project, has maintained that the Gwadar port would provide logistic base to Chinese navy and enable China 'to maintain (its) presence in the Indian Ocean.'<sup>39</sup> Indians overtly considers China as their competitor in the Indian Ocean hence, they regard Chinese presence in the Indian Ocean region as a 'challenge to the Indian power and prestige.' They have a considered opinion that the Sino-Pakistan maritime collaboration would enable Pakistan to serve as 'a strategic gateway for the flow of Chinese influence into the Indian Ocean, Middle East, Pakistan and Kashmir area.'<sup>40</sup> Vijay Sakhuja, thinks that Chinese presence in the Indian Ocean region could be catalyst to nuclear conflict. He argues that China's Indian Ocean region policy as a 'sea-based nuclear deterrent' and predicts that the 'nuclear-attack submarine force would be the lead elements in future', if PLA-N would fortify its position in the Indian Ocean region.<sup>41</sup> According to another Indian view, China's access to Gwadar sea port would not only

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<sup>36</sup> Harvir Sharma, 'China's Interest in the Indian Ocean Rim countries and India's Maritime Security' *India Quarterly: A Journal of International Affairs*, 57/4, October-December 2001, p.82.

<sup>37</sup> W. Lawrence S. Prabhkar, 'The Maritime Convergence', ed. Swaran Singh, *op. cit.*, p.242.

<sup>38</sup> *Times of India*, 27 November 1993.

<sup>39</sup> S.S.Chandel, 2002, 'India and China: Cutting the Gordian Knot', [www.ipcs.org/issues/articles/235](http://www.ipcs.org/issues/articles/235).

<sup>40</sup> M. L. Sondhi, and Ashok Kapur, 2001, 'Myanmar: The Core of India's 'look east' policy.' [www.rebound88.net/sp/nbg/sind-east.html](http://www.rebound88.net/sp/nbg/sind-east.html).

<sup>41</sup> W. Lawrence S. Prabhkar, 'Maritime Cooperation', ed. Swaran Singh, *op. cit.*, p.242.

facilitate China and Pakistan to monitor sea lanes from the Persian Gulf but it can also be used as the 'staging area for launching missile attack against any ship.'<sup>42</sup>

As Pakistan provides land-based maritime access to China from the far-west through Krakorum highway up to Arabian Sea, similarly Myanmar provides land based access to China from the near-west, up to the Bay of Bengal via Yunnan-Irrawaddy corridor. It's because of that analogy that Indians not only consider Sino-Myanmar strategic partnership as a security threat but they also include Pakistan in this axis of threat and take it as a Sino-Pakistan-Myanmar triangular security threat to India.<sup>43</sup>

For the Indian strategists, China-Pakistan-Myanmar triangular relations have become an alarming reality. In their perception, it's not only China that has been trying to influence Myanmar by giving financial assistance and 'cheap military sales,'<sup>44</sup> but Pakistan is also providing 'small conventional weapons and training to Myanmar forces and had joined China in concluding an intelligence sharing agreement with Myanmar regarding Indian's force deployment in north east India and the Bay of Bengal.'<sup>45</sup>

An Indian maritime security analyst, Commander Vijay Sakhujia in his article argues that China's interests in development of the Gwadar port are not only linked with the safe supply of the energy related shipments through the Persian Gulf but also to establish a base in Arabian Sea to monitor the naval activities of the U. S. A. and India in the Persian Gulf region. Equating Sino-Pakistan maritime co-operation with Sino-Myanmar strategic partnership, Sakhunja has maintained: 'Similar conditions prevail in Bay of Bengal where the Chinese have established facilities at Coca Islands in Myanmar to monitor Indian maritime activity and missile testing in Orisa.'<sup>46</sup> Another Indian scholar has also tried to see Sino-Myanmar-Pakistan triangular equation as an anti-India axis. He has stated that China has consolidated its position

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<sup>42</sup> Vijay Sakhujia, 'The Maritime Convergence', Swaran Singh (ed.), *op. cit.*, p.215.

<sup>43</sup> *Ibid.*, pp.216-17.

<sup>44</sup> GP Cap KS China, 'An Assessment of the Chinese Air Threat to India in the year 2000', a paper submitted to the faculty in fulfillment of the curriculum requirement, Air War College, Air University, Maxwell Air Force Base, Albania, April 1995.

<sup>45</sup> Aparna Kher, 'Pakistan in China's Arm Trade', Swaran Singh (ed.), *op. cit.*, p.321.

<sup>46</sup> Vijay Sakhujia, 'Sino-Pakistan Maritime Initiatives.' Institute of Peace and Conflict Studies, [www.ipcs.org/issues/700/730-cr-sakhujia.html](http://www.ipcs.org/issues/700/730-cr-sakhujia.html)

against India by 'including Pakistan against India.' He further alleges that 'some training centres have been established in Pakistan to train the Burmese troops in using Chinese weapons.'<sup>47</sup> In order to counter Chinese moves in Myanmar, Harvir Sharma has suggested the Indian strategist to aggravate the internal conflict of the Myanmar Junta and promote anti-China elements in Myanmar. In order to frustrate growing Sino-Myanmar strategic cooperation he suggests to aggravate existing rifts between the members of ruling junta and the different segments of the Burmese society. He maintains:

First, there is a rift between Army Chief Maung Aye and the head of Military Intelligence, Lieutenant General Khin Nynt. The latter is more pro-Chinese than the Army Chief. So, India can take advantage of this rift by encouraging Maung Aye to take a more independent foreign policy stance. Secondly, there is a conflict between illegal Chinese immigrants who have entered northern Myanmar and taken control of business from the indigenous population. India could use these tensions to highlight anti-Chinese feelings in the Myanmarese. Thirdly, India should promote trade, build infrastructure and develop cordial relations with Myanmar at all levels. India should balance its support for the democratic movement with the reality that a military government would rule Myanmar in the foreseeable future. They have never been inimical to India.<sup>48</sup>

Such suggestions adequately reveal the height of sensitivity of Indian think-tanks regarding the growing Sino-Myanmar strategic partnership.

Myanmar occupies a very crucial geo-strategic position between the South and Southeast Asia. Myanmar has great strategic significance for China. It has 1,930 kilometers long coastline and it can provide China an alternate approach to the Indian Ocean.<sup>49</sup> Since the 1950s, China has warm relations with Myanmar. These relations entered into cordiality when Myanmar became isolated in the aftermath of its Military regime's refusal to hand over power to Su Kyi who won 1990 elections. During those difficult hours, China supported Myanmar 'by providing them almost \$ 2 billion worth military goods and helped with road building and investment.'<sup>50</sup> Since then China has become a substantial trading partner and major arms supplier to Myanmar. According to General

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<sup>47</sup> *Ibid.*, p.74.

<sup>48</sup> *Ibid.*, pp.86-87.

<sup>49</sup> Harvir Sharma, *op. cit.*, p.74.

<sup>50</sup> M. L. Sondhi, and Ashok Kapur, *op. cit.*

Ismail Nik, China intends to procure strategic benefits from its economic and military support to Myanmar. China embarked on several joint ventures with Myanmar for the purpose of fortifying Myanmar's strategic position in the region. China-Myanmar joint venture of Irrawaddy corridor project would not only strength its security but it also provide China easy land route access to the Bay of Bengal and further enable it to transfer goods and forces to the coast of Bay of Bengal in the India Ocean. The feasibility study of the project was conducted in March 1997 and it was concluded that Irrawaddy river valley would provide China an easy and expedient access to the Bay of Bengal.

The land transport route would link Dehong Dai-Jingpo Autonomous Prefecture in Yunnan to the river ports of Bhamo and Myitkyina in northern Myanmar, from there on the Irrawaddy River all the way to Yangon (Rangoon). In the first phase, Beijing and Yangon agreed that the construction of a terminal in Yangon with nine berths for vessels of more than 10,000 tones would be completed before the end of 1997.<sup>51</sup>

Some pro-democracy elements in Burma severely criticise China's support for the dictatorial regime of Burma. They anticipate China's spreading politico-economic influence on Myanmar as a clandestine act of colonising Myanmar. According to a Burmese academician, Kanbawz, 'the presence Chinese Diaspora and access to coveted business contracts for Chinese companies are all linked to the powerful card Beijing wields—its tied aid and loans. The Burmese democrats predict that Burma will soon become the 'Autonomous Region of China' like Tibet'<sup>52</sup>

Since 1992, China-Myanmar relations watchers have been encountering flooding news regarding the growing cooperation between the two countries in the field of defence. In 1992, Indian Foreign Minister conveyed his country's concern to his Burmese counterpart regarding 'building a reconnaissance facility' on the Coco island with the Chinese assistance.<sup>53</sup> In the same year, several reports appeared from the variety of sources regarding the construction of naval bases and

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<sup>51</sup> Gen. Nik Mohamed, 'China's Strategic Interests and Policies in South Asia', *National Defence College Papers*, 3/99, New Delhi, National Defence College, n.d., p.54.

<sup>52</sup> Kanbawza Win, 'A Policy Paper from the Burmese Perspective: A Fiery Dragon Approaching to be a Cuddly Panda', *Burma Digest*. vol. vii, issue 7, [www.tayzathuria.org.uk/bd/2007/7/01/e/prof.html](http://www.tayzathuria.org.uk/bd/2007/7/01/e/prof.html)

<sup>53</sup> Andrew Selth, 'Chinese Military Bases in Burma: the Explosion of a Myth', *Regional Outlook Paper No. 10*, Griffith Asia Institute, 2007, p.4.

installation of the listening and monitoring facilities in the Burmese territorial waters. On 17 September 1992, Japanese news agency Kyodo reported about the secret defence agreement between China and Myanmar for the purpose to build a naval base on Hainggy Island. 'The report further stated that, in return for this help; Burma would 'give China precedence in its use of the base.'"<sup>54</sup>

Despite the unambiguous denial of China and Burma, reports kept coming from the different sources that China is engaged in building naval bases for Burma 'in exchange for the use of a naval installations...' Andrew Selth in his article, 'Chinese Military Bases in Burma: The Explosion of a Myth' has tried to establish that all these reports have no foundations and they are just Indian propaganda.<sup>55</sup>

Indians consider Myanmar as their area of influence and perceive Sino-Myanmar cordiality as a check on their geo-strategic and geo-economic goals in the region. The former Indian Foreign Minister, George Fernandes severely criticized Sino-Myanmar strategic partnership and condemned China for helping Myanmar to install 'surveillance and communication equipment on the Coco Islands' for the purpose of monitoring movement of Indian Navy.<sup>56</sup> Expressing his views about India's nuclear capability, he maintained that India needed nuclear deterrence against 'the Chinese threat which includes...Chinese naval cooperation with Myanmar and the ambitions of the Chinese navy to expand into the Indian Ocean.'<sup>57</sup> Harvir Sharma, focusing on the three aspects of China-Myanmar relations—geo-strategic, geo-economic and Indian threat perception—has maintained that Myanmar has great economic significance for China because it can provide China a trading outlet to the Indian Ocean for its 'landlocked inland provinces of Yunnan and Sichuan.'<sup>58</sup> Besides economic value, Myanmar has also geo-strategic importance for China because the former can link the latter with South Asia and Southeast Asia. Chinese have deep realization that this access would not only help them to harvest economic benefits but also help them to fortify their security. Reemphasizing on the Indian threat perception of Sino-Myanmar relations, he says, one of the purposes of

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<sup>54</sup> *Ibid.*, p.5.

<sup>55</sup> *Ibid.*

<sup>56</sup> Harvir Sharma, *op. cit.*, p.68.

<sup>57</sup> Philip Andrews-Speed, Xuanli Liano and Ronald Dannreuther, *Adelphi Paper 346: The Strategic Implications of China's Energy Needs*, International Institute for Strategic Studies, Taylor & Francis Inc., 2005 p.79.

<sup>58</sup> Harvir Sharma, *op. cit.*, p.73.

Sino-Myanmar cordiality is the encirclement of India because 'China wanted to check India's growing strategic influence in Myanmar; apart from establishing intelligence posts along the Bay of Bengal and Andaman Sea to monitor the movement of Indian naval forces.'<sup>59</sup>

## Conclusion

In the post-Cold War era, Chinese leadership adopted innovative internal and external strategies compatible with the changing realities of the post-Cold War world era and suitable to the national objectives of internal security and economic development. China's growing urge for the energy resources, for the purpose to maintain the pace of economic development, was the driving force behind the China's policy of expanding its strategic influence beyond the traditional territories up to the waters of Indian Ocean and beyond China's surging demand for petroleum and natural gas have led its leadership to look beyond the Asia-Pacific region and reached the Gulf oil markets. Now China imports major share of its fuel consumptions from the Saudi Arabia, Oman and Iran. China's dependence on the Gulf oil markets, for the energy needs, have made the Indian Ocean region of great strategic significance for China. China's geo-economic interests in the Gulf region have compelled its leadership to ensure Chinese presence in the Indian Ocean for the sake of monitoring the energy supply lines.

In order to achieve these objectives China has embarked on the policy of maritime convergence with Pakistan and Myanmar because these two countries can provide it land-based maritime access to the Indian Ocean. Pakistan can provide China access to the Arabian Sea through Karakorum highway. Likewise Myanmar can offer easy access to China up to the Bay of Bengal through Yunnan-Irrawaddy corridor.

China's growing maritime cooperation with Pakistan and Myanmar is the manifestation of convergence of the strategic interests in the region. China supported Pakistan for the constructing of Gwadar sea port. China had not only provided technical assistance to Pakistan for the completion of Gwadar sea project but the former also provided reasonable financial assistance to the latter. Similarly, China assisted Myanmar in building a naval base on Hynggyi Island at the mouth of Bassein River on the Indian Ocean.

India considers the Indian Ocean region as its domain hence, it perceived growing influence of China in the region as a security threat. India has overt objections on emerging maritime convergence of China, Pakistan and Myanmar. India not only considers growing influence of

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<sup>59</sup> *Ibid.*

China in the Indian Ocean region as a security threat to its geo-economic and geo-strategic interests but it also depicted China's maritime pursuits as a threat to the world peace.

Notwithstanding growing enchantment between China and India, the latter's threat perception regarding the former's maritime pursuits in the Indian Ocean has created palpable irritant between the two Asian giants. The Indian leadership also seems very critical of China's growing maritime cooperation with Pakistan and Myanmar and depicts it as the formation of anti-Indian axis in the Indian Ocean region.