



Maritime Component of China–Pakistan Economic Corridor (CPEC): India–China Competition in the Arabian Sea

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ABSTRACT

The China–Pakistan Economic Corridor (CPEC) provides a great platform for China and Pakistan to promote regional trade activity. The massive infrastructure project to improve maritime and road connectivity is viewed as being a “game-changer” for Pakistan’s economy. However, the CPEC project at its core is envisaged as the link between China’s ambitious “One Belt and One Road” project and the “Maritime Silk Route” project. There is plausibility in the argument that connectivity projects, naval cooperation and the deepening bilateral relationship with the littorals of the Indian Ocean, particularly Pakistan, would certainly increase China’s maritime influence in the region. In view of the above, the paper will analyse how the China–Pakistan naval cooperation will upset the regional balance and intensify the naval competition between India and China in the Arabian Sea.

KEYWORDS

CPEC project; Gwadar Port; Arabian Sea; Sino–Pakistan naval cooperation

Introduction

The China–Pakistan Economic Corridor (henceforth CPEC) provides a great platform for both China and Pakistan to promote regional trade activity. The project connecting Gwadar Port with Xinjiang Province in Western China, which is dubbed the “corridor of opportunity” in Pakistan, will give China open access to South Asia and the Indian Ocean.¹ Gwadar Port, developed as part of the CPEC project, will act as a catalyst for bridging gaps in the Chinese energy supply and improve its trade connectivity with the region. At the same time the project, costing several billion dollars, has raised suspicions regarding China’s interest in the Makran coast, which is located close to the Persian Gulf. Many scholars in India believe that the motivation behind the CPEC project is also to evolve Sino–Pakistan strategic cooperation into a dynamic bilateral military alliance against India.² Visits by Chinese naval ships and submarines to Pakistan ports testify to the growing China–Pakistan naval cooperation. India has apprehensions that increasing Chinese maritime activities in the region would heighten security tensions in the Arabian Sea. The Indian establishment is particularly worried that the CPEC project will directly pose a challenge to India’s growing interests in the Persian Gulf, and undermine India’s role as a regional maritime power.

The OBOR Strategy: Focus on the Indian Ocean Port and Infrastructure

China’s foreign and domestic policy under President and Chinese Communist Party General Secretary Xi Jinping has greatly evolved over the last four years. In particular,

the building of the “Silk Road Economic Belt and 21st Century Maritime Silk Road” popularly known as the One Belt, One Road (OBOR) initiative, will have a far-reaching impact on global and regional politics. The first OBOR Forum on International Cooperation, held at Beijing in China on May 14, 2017, witnessed a massive turnout of heads of state from 26 countries, making it a truly global initiative.³ The OBOR Forum for International Cooperation is indicative of the fact that China is moving offshore and consolidating its industrial production into geographical clusters. The OBOR, when completed, will encompass 60 countries with two thirds of the world’s population, 55% of the global gross domestic product (GDP) and 75% of the global energy reserves.⁴ It is expected that the China’s annual trade with countries along the proposed route could reach US\$2.5 trillion in 10 years.⁵ Chinese scholar Junxian Gan, while defining the strategic objectives of the Silk Road, states that it also involves non-economic aspects that include: increased security for China’s energy imports via sea and land routes; greater regional economic integration; and greater regional security for China.⁶ The major focus of the Chinese maritime silk route, which is to improve port infrastructure in the Indian Ocean littorals, has raised significant concerns with regard to China’s growing maritime influence in the region.

The proposed economic corridor is a route for connecting the “vibrant East Asia economics with developed European economics”. The China Development Bank has estimated that almost 900 projects worth nearly US\$890 billion, are currently underway or being planned.⁷ The major share of the funding is likely to come from the Asian Infrastructure Investment Bank (AIIB), the Silk Road Fund, China’s Export–Import Bank, and the China Development Bank as well as from other Chinese banks. Against this backdrop one cannot overlook the geostrategic imperative of the OBOR strategy, which envisages a strong economic and political role for China, in the Asia-Pacific region.

To further the OBOR project, Chinese companies are being heavily incentivised by the government to participate in the construction of port and other infrastructure in the Indian Ocean Region (IOR). Hong Yu states that such outward investment in infrastructure will boost China’s manufacturing sector and spur domestic economic growth.⁸ According to a *Financial Times* report, in 2015 five major Chinese carriers controlled 18% of all the container shipping handled by the world’s top 20 companies.⁹ The report also states that China had some kind of investment in the top 50 ports in 2015. The study, led by Sam Beatson and Jim Coke, reveals that “since 2010 Chinese and Hong Kong companies have completed or announced deals involving at least 40 port projects worth a total of about US\$45.6 billion”.¹⁰ As a result, the IOR has acquired greater prominence in the OBOR strategy. In particular, Chinese companies have taken a lead in developing port and other infrastructure in the IOR. [Table 1](#) shows Chinese companies’ investments in the various important ports in the IOR.

The construction of ports and infrastructure development along the Indian Ocean littorals proves that not all projects are driven by commercial logic. There is plausibility in the argument that these projects have a parallel objective: to augment Chinese naval presence in the region. According to Abhijit Singh, a Senior Fellow at the Observer Research Foundation (ORF) in New Delhi, “there is an inherent duality in the facilities that China is establishing in foreign ports, which are ostensibly commercial but quickly upgradeable to carry out essential military missions”.¹¹ The Chinese have made huge investments in Africa, West Asia and South Asia to justify the upgrading of the ports in the IOR as

Table 1. Chinese Companies' Investments in Ports in the Indian Ocean Region.¹²

Country	Container port	Chinese company	Shareholding of Chinese company
Malaysia	Kuantan Port	Guangxi Gulf Port Group	40%
Singapore	Singapore Container Port	COSCO Pacific	49%
Myanmar	Kyaukphyu Port	China National Petroleum Corporation (CNPC)	50.9%
Sri Lanka	Colombo International Container Terminal	China Merchants Holdings (International)	65%
	Hambantota Container Port	China Harbor Engineering Corporation	
Pakistan	Gwadar Port	China Overseas Port Holding Company	40-year lease agreement for operating and managing port
Egypt	Safaga Port	COSCO Pacific	20%
Djibouti	Djibouti Container Port	China Merchants Holdings (International)	23.5%

part of their larger policy to improve energy, trade and economic cooperation with the region.¹³

Maritime Security: China's Economic and Energy Dependence

In the post-1990 era, China's economic growth has reinforced the importance of the oceans in its national policy. In 2016 China's economy grew 6.7%, making it the weakest full-year growth since the 1990s.¹⁴ The Organisation for Economic Co-operation and Development (OECD) made economic forecasts to suggest that growth will edge down further to 6.1% by 2018.¹⁵ Nevertheless, China remains the world's second largest economy and is expected to surpass the US economy by 2026. To place its economy on a sound footing, China has initiated various reforms to sustain the economic development of the past three decades. As the Chinese economy promises to grow in future, energy security becomes a major focus for the Chinese leadership.

Since 1993, China has grown to become the world's largest importer of oil.¹⁶ Chinese dependency on foreign oil increased to 64.4% in 2016, which was 3.8% higher than the previous year.¹⁷ In 2016, China's oil consumption was 10.7 million barrels per day (mbd), as compared to the domestic production of 4.2 mbd.¹⁸ In order to make up the deficit, China will continue to import oil from abroad, says Li Li, an energy research director at China Energy Market Intelligence Solution (ICIS) China. According to Li, China's foreign oil dependency might increase to 70% by 2020.¹⁹ Table 2 clearly indicates a rise in China's dependency on foreign oil and liquid natural gas (LNG). The British Petroleum (BP) Energy Outlook – 2016 projected that China's energy usage is expected to account for 25% of total global energy consumption in 2035. China has diversified its energy sources to avoid any disruption or fluctuations affecting its economy.²⁰ It has built an oil pipeline from Kazakhstan and a gas pipeline from Turkmenistan.²¹ The Sino-

Table 2. China's Energy Import (Value: Oil = Million Tonnes, Natural Gas = Billion Cubic Metres).²²

Product	2014		2015	
Oil	309.2		335.8	
Natural gas	Pipeline	Vessels	Pipeline	Vessels
	31.3	26.5	33.6	26.2

Russian energy deal will provide China access to Russian gas for the next 30 years, even as the oil coming from West Asia and Africa remains the primary source for China.²³

Apart from oil and LNG, major dry bulk commodities such as iron ore, coal, bauxite, alumina and phosphate rock are important commodities that China imports via sea routes. The United Nations Conference on Trade and Development (UNCTAD) Review of Maritime Transport 2016 claims that China's import volumes increased from 319 million tons in 2000 to 2.1 billion tons in 2015. This shows that China's dry bulk commodity imports have increased sevenfold, with its dependency on import of iron ore and coal emphasising the importance of shipping and seaborne trade. This provides Beijing enough incentive to continue to advance projects such as the OBOR and Maritime Silk Road to safeguard its energy and resource interests.

The Chinese Defence White Paper 2015 stresses the importance of “managing seas and oceans and protecting maritime rights and interests”. The White Paper also highlights the importance of the “strategic Sea-Line of Communication (SLOC)” and “overseas interests” for ensuring enduring peace and stability and the sustainable development of China. Chinese anti-piracy operation in the Gulf of Aden (GOA) was the first major overseas deployment of the People's Liberation Army–Navy (PLAN). The anti-piracy activity at GOA has broadened the PLAN's objectives and sharpened its focus on “out-of-area operations”. The 2016 Annual Report to Congress on China concluded that China would focus on the Indian Ocean to support its evolving naval requirements. Unlike the US, China does not have naval bases to support its overseas operations. Therefore, China has developed the strategy of investing heavily in commercial port infrastructure in the region. This would provide preferred access for the PLAN to commercial ports for replenishment and maintenance purposes. At the same time, the US State Department believes that the current Chinese naval logistic footprint in the Indian Ocean will not be able to support a major combat operation in South Asia.²⁴ The PLAN's goal in the coming years is to become a strong regional force and strengthen its logistic and intelligence support across the Asia-Pacific region, particularly in the Indian Ocean.

China's bases and its increasing maritime intervention are likely to add to geostrategic pressures in the IOR. Experts believe by 2020 China will have its own carrier battle group deployed in the Indian Ocean.²⁵ Indian naval experts warn that the PLAN's continuing presence in the region negates the regional security advantage that is currently with India. The CPEC is another Chinese strategy to strengthen its presence in the Arabian Sea, which is also crucial for seaborne oil transit from the Persian Gulf. The presence of Chinese naval ships and submarines in the region, along with the Pakistan naval forces, gives rise to serious apprehensions about the maritime impact of the CPEC, which could alter regional power dynamics.

The Maritime Impact of CPEC

The idea for CPEC was first conceived in 1993 when Vice-Premier Zhu Rongji requested Shahid Javed Burki, the Director of the World's Bank China operation, who later became the finance minister of Pakistan (1996–1997), to help China develop a corridor for trade and tourism.²⁶ China had already built the Karakoram Highway (KKH) to open up the Xinjiang province to its western neighbours for trade and energy. Later, Pakistan and China began to explore the possibility of turning the KKH into a major economic and

energy corridor.²⁷ But due to political unrest in Pakistan the discussion on the corridor took a backseat in the China–Pakistan bilateral relations. In 2013, the new political dispensation in Pakistan once again kickstarted talks on the corridor. Prime Minister Nawaz Sharif's visit to Beijing to meet Chinese President Li Keqiang finally led to the signing of a memorandum of understanding (MoU) between the two countries for developing a 2000-km energy and economic corridor.²⁸ The Chinese government also announced a US\$45.6 billion investment, in energy and infrastructure projects in Pakistan, as part of the CPEC project.²⁹ According to the latest news reports, the project cost in 2017 had already reached the US\$62 billion mark.³⁰ Currently, projects worth US\$18 billion are in the implementation phase, while projects valued at another US\$17 billion are in the pipeline.³¹ This means that China has already spent US\$35 billion in Pakistan during the last 2 years. The Gwadar port, which is the centrepiece of the CPEC project, has been operationalised, as the first shipments from China started arriving in November 2016.³²

Another important part of the CPEC project is the building of an oil pipeline from Gwadar Port to Xingjian province in China. According to the Pakistani newspaper *The Nation*, the project will commence in 2017 and be completed in 2021.³³ The Frontier Works Organisation (FWO) will execute the project funded by China. Currently, China imports six million barrels of oil per day from different sources, but the energy pipeline from Gwadar port to Kashgar in China, when operational, will carry about 17% of total Chinese oil imports.³⁴ This will translate into savings of millions of dollars spent in transporting oil from West Asia to Chinese ports in the South China Sea. The pre-feasibility studies conducted by both Chinese and Pakistan scholars show that the CPEC will lead to cheaper transportation of oil from West Asia to China. In the context of China's oil security, the proposed CPEC route will not only save time, but will also be economically beneficial, as compared to shipping the oil through the Straits of Malacca.³⁵ Studies estimate that the overall cost of transporting oil through the Gwadar–Kashgar pipeline would be around US\$1.28 per barrel, which includes transit charges (US\$0.7 per barrel), levelised cost (US\$0.35 per barrel) and marine cost (US\$0.23 per barrel).³⁶ The Karachi Chamber of Commerce and Industry (KCCI) claims that the project would enable China to save nearly two billion dollars annually, as 60 to 80% of its oil comes from Gulf countries.³⁷ The economic and energy corridor is key to the development of the Western Province of China, particularly as it provides Kashgar with the greatest economic opportunity to access regional markets of Central and South Asia.

On the other hand, there is also some speculation regarding the economic viability and feasibility of the energy pipeline from Gwadar Port to Kashgar region, because the pipeline has to run through very inhospitable terrain.³⁸ High mountains and sub-zero temperatures along the pipeline project would require additional infrastructure to support the oil flow to China. Since the CPEC energy route passes through Pakistan Occupied Kashmir (POK), the issue also has serious geopolitical ramifications. A study conducted by Andrew S. Erickson and Gabriel B. Collins of the US Naval War College argues that the CPEC would not enhance China's oil security because this energy corridor does not offer the same supply security advantages that a pipeline from Kazakhstan or Russia could deliver.³⁹ The pipeline might provide an alternative energy route and minimise the disruption of energy supplies to China, but it will not completely eliminate the threat. The Islamic Jihadist groups and separatists in Baluchistan have strongly opposed

China's presence in the region and have mounted several attacks on Chinese workers in Pakistan. Although the Pakistan army has raised a separate battalion to protect the CPEC route and provide security to Chinese workers, the situation in the region remains grim. This underlines the fact that the security of Gwadar Port and the economic corridor is imperative for the success of CPEC project. However, this project has the potential to grow beyond being just an economic and energy corridor, into an important partnership in the maritime domain.

Gwadar Port: Gateway to the Indian Ocean

Gwadar Port is located in Baluchistan province and is proximate to an important sea-borne oil trade route. Significantly, the port is located close to the Persian Gulf and international maritime routes. The attack on the Karachi Port by the Indian Navy during the 1971 war exposed its vulnerability, and led China and Pakistan to develop the Gwadar Port as the main focal point of the CPEC project. At present, the port handles just a fraction of Pakistan's trade as compared to Karachi and Port Qasim.⁴⁰ Gwadar is envisaged, in the CPEC project, as a major transit route for Chinese trade and energy. According to the Gwadar Port Master Plan (GPMP) the short-term (2005–2020) forecast shows the port throughput to be 42–65 million tons, while the long term (2021–2055) forecast is around 321–345 millions with oil, gas and container as the main contributors.⁴¹ Generally, larger ports handle more than 600 million tons of cargo per year – therefore, Gwadar can be described as a medium-sized port.⁴² However, from a strategic point of view, the port has also sharpened the focus on Pakistan's maritime interests and its naval capability.

As Gwadar emerges as a major commercial hub in the region, the Pakistan Navy (PN) is also tasked with security of this facility. The PN has established "Task Force-88" (TF-88), responsible for the security of Gwadar Port and the adjunct sea-lane leading to the port. A small naval and military unit is deployed in the port for seaward security.⁴³ However, the second layer of security at sea is the responsibility of the naval force located at the Jinnah Naval Base at Ormara, in Baluchistan province. The Jinnah Naval Base, which is located 285 km east of Gwadar, will reduce the reaction time of the PN by 6 to 8 hours in the case of any emergency.⁴⁴ According to *Pakistan Today*, the Jinnah Naval Base has been upgraded to berth naval ships of different sizes, as well as submarines. It also has a workshop equipped to undertake the overhauling of naval ships and submarines. Along with Ormara, other ports in the region such as Pasni and Jewani have also been expanded as part of the CPEC's strategic outreach.⁴⁵

The naval bases along the coast can provide security to the international shipping lane (ISL) from the Persian Gulf to Gwadar Port. Naval infrastructure, such as listening posts and maritime surveillance capability, allows Pakistan to track any movement at the mouth of the Persian Gulf. The dispersal of Pakistan's naval assets is also indicative of a shift from a sea-denial strategy to a more proactive strategy to counter Indian naval dominance in the Arabian Sea.^{46 47} Speaking at a gathering at the Jinnah Naval Base, Pakistan's Defence Minister Khawaja Muhammad Asif said that "the success of the CPEC and Gwadar Port project depend upon secure maritime environment in the Indian Ocean Region and in particular Arabian Sea for which Pakistan navy was fully prepared".⁴⁸

China–Pakistan Naval Cooperation: New Alliance in the Arabian Sea

The role of the PN has expanded ever since the Gwadar Port became an important pillar of the CPEC project. In order to protect the energy and economic corridor from any threats, China and Pakistan have stepped up their military-to-military interaction. In 2015, the two countries signed a number of agreements and MoUs relating to the CPEC project, and also decided to elevate their relationship to an “All-Weather Strategic Cooperative Partnership”.⁴⁹ The joint statement, titled “Establishing All-weather Strategic Co-operative Partnership” between China and Pakistan created in Islamabad on April 20, 2015, also reflects their concerns on the safety and security of the energy and economic corridor. The mechanism to enhance maritime cooperation between China and Pakistan through regular dialogues, and the initiatives to establish strategic communication on maritime issues, are some of the key highlights of the statement. Moreover, the statement also seeks close cooperation on navigation security, the marine economy (i.e. for the exploration and utilisation marine resources), and environmental protection, etc. In the latest maritime dialogue, which was held in February 2016, the two nations discussed measures to deepen the cooperation between their navies and the coast guard.⁵⁰

The Chinese and Pakistani navies have been regularly undertaking joint naval exercises since 2003. The navy-to-navy interaction began to grow when Pakistan decided to buy Chinese equipment to update its aging naval force. In 2005, the Pakistan navy placed an order worth US\$750 million to purchase four F-22P frigates and six Z-9c helicopters from China.⁵¹ The agreement also facilitated the transfer of technology and also for providing technical assistance to the Karachi Shipyard and Engineering Works (KSEW) for building one frigate in Pakistan.⁵² Pakistan’s invitation to China to participate in Exercise Aman in 2007 further placed their bilateral maritime cooperation on a strong footing.⁵³ Since then, China has been a regular participant in the exercise.⁵⁴ PN ships also regularly visit Chinese ports and participate in bilateral maritime exercises.⁵⁵ Exercise Aman – 2017 was the biggest maritime exercise ever conducted by Pakistan, with the participation of over 35 countries, which demonstrated Pakistan’s maritime ambitions.⁵⁶ The exercise, which started in 2003 as a search-and-rescue drill, has now expanded to cover a wide spectrum of maritime and naval operations involving ships, helicopters, maritime patrol aircraft, joint boarding operations by Special Forces, air defence exercises and communication drills, etc.⁵⁷ At the same time, both countries maintain that the exercises are aimed at “exchanging and making use of combined maritime operations to ensure a stable maritime environment which was vital for the economic stability, growth, peace and security of the region”.⁵⁸

According to the *SIPRI – 2016 Year Book*, Pakistan remains a major importer of Chinese weapon systems. The 2016 China and Pakistan submarine deal is one of the largest deals in the bilateral relationship and will enhance Pakistan underwater capability in the Indian Ocean. The deal, worth US\$6 billion, will also enable the Pakistan navy to access the Chinese Beidou-II (BDS) Satellite navigation system.⁵⁹ Moreover, Pakistan is also increasingly focusing on indigenous naval capability with Chinese assistance.⁶⁰ According to Pakistan scholars Massarrat Abid and Ayesha Ashfaq, the CPEC will boost Pakistan’s US\$274-billion GDP by over 15%. It is believed that the economic factor coupled with energy development will provide for stable and sustainable development in Pakistan. The emerging Sino–Pakistan nexus narrows the ever-widening gap in

the economic–military–nuclear fields with India.⁶¹ This clearly indicates that the emerging China–Pakistan naval nexus may deny the Indian Navy manoeuvring space in the Indian Ocean.

India's Maritime Security Concern and the Arabian Sea

Against the backdrop of these developments in the Arabian Sea, India fears that the China–Pakistan nexus will jeopardise the peace and stability of the Indian Ocean. India has questioned China's intentions in promoting massive infrastructure and connectivity initiatives such as the OBOR and CPEC, and the lack of transparency therein. India boycotted the OBOR Forum of International Cooperation that took place in Beijing on May 14, 2017, and maintains that the Chinese project ignores India's core concerns on sovereignty and territorial integrity.⁶²

The issue of the connectivity project in Asia was discussed during the Raisina Dialogue – 2016, hosted jointly by India's Ministry of External Affairs and the ORF. Speakers at the Dialogue included the External Affairs Minister Ms Sushma Swaraj, Minister of State V. K. Singh and Foreign Secretary S. Jaishankar, all of whom provided perspectives on Chinese connectivity projects such as the OBOR and CPEC. All three speakers, who refrained from mentioning China explicitly in their speeches, said that a unilateral approach towards connectivity projects in Asia would deepen the divide between nations. Ms Swaraj said that India wanted to bring to bear a “cooperative rather than unilateral approach and believes that creating an environment of trust and confidence is the pre-requisite for a more inter-connected world”.⁶³ Singh suggested that “a shared and integrated vision of connectivity ... from the conception stage itself, can ensure that instead of getting dragged into competitive postures we can work together for common and mutual benefit”.⁶⁴ Foreign Secretary Jaishankar also echoed these sentiments and cautioned China by saying that “in the absence of agreed security architecture in Asia, it [OBOR] could give rise to unnecessary competitiveness”.⁶⁵ He added that the “connectivity should diffuse national rivalries, not add to regional tension”. Though China invited India to be part of the CPEC project, Indian policymakers believe the current mistrust between India and China will make it difficult for India to accept the offer. Overall, New Delhi is worried that the unilateral Chinese approach to connectivity projects will have cascading effects on Asia.

On the other hand, India is also strengthening its maritime engagement with other Indian Ocean littoral states. This is important for India because the Indian Ocean is the main artery for its maritime commerce and energy imports – as nearly 90% of Indian trade and energy by volume is sea-bound.⁶⁶ The security and stability of the region plays an important role in the development of India. Therefore, the government has prioritised cooperation with littorals of the Indian Ocean to deepen India's role in the region. As part of the Indian Ocean strategy, the Prime Minister's SAGAR (Security and Growth for All in the Region) initiative is indicative of the government's commitment to safe, secure and stable maritime space.⁶⁷ Project Mausam has also been launched with the similar aim of re-establishing cultural and historical ties with the littorals of the Indian Ocean. So far the government has identified 39 countries in the region with whom to develop a broader understanding on the basis of a common heritage and multiple identities.⁶⁸ As part of Project Mausam the Indian Navy is also reaching out to friendly maritime

nations in the region to expand bilateral maritime cooperation. The funds allocated in the Union budget for 2017–2018 relating to the Maldives, Mauritius and the Seychelles underscore India's focus on the region.⁶⁹ India has also stepped up its defence cooperation with littoral states as part of its capacity-building. The connectivity project with Central Asian countries and Afghanistan via the Chabahar Port is one of the projects aimed at increasing connectivity with the region.⁷⁰ These efforts are aimed towards strengthening India's diplomatic and economic linkages with the countries in the region.

The Indian navy is carefully monitoring Chinese investment in maritime infrastructure and its naval deployment in the region. Indian naval capability is being steadily strengthened to balance Chinese naval force in the region. The induction of a new nuclear submarine, and of the aircraft carrier INS *Vikramaditya* with Mig-29 K fighters and Kamov helicopters has boosted India's naval capability in the region.⁷¹ In order to increase surveillance in the IOR, the navy has started deploying Boeing P-8I maritime patrol aircraft from bases in the Andaman and Nicobar Islands.⁷² The P-8I maritime patrol, with Harpoon Block II missiles, MK-54 lightweight torpedoes, rockets and depth charges, can neutralise an enemy's submarines and surface fleet if required.⁷³ The additional capability will serve to tighten its vigilance at strategic entry points into the Indian Ocean. Moreover, India is planning to strengthen its military presence in the Andaman and Nicobar Tri-Command (ANC) to monitor PLAN movement in the region.⁷⁴

The Indian navy is constantly reviewing its "combat readiness and operation preparedness" to meet any eventuality at sea. The 2017 Indian navy Theatre Readiness Operation Exercise (TROPEX-17) on the western seaboard clearly showcased India's naval capability.⁷⁵ The month-long naval drill demonstrated the combat readiness of the combined fleet of the Indian Navy, and the assets of Indian Air Force, the Indian Army and the Indian Coast Guard. The exercise involved over 45 ships, five submarines and 70 aircraft, which test-fired armaments of various types in the Arabian Sea, to prove combat readiness.⁷⁶ The exercise was largely designed to strengthen interoperability and joint operations. TROPEX-2017 assumes special significance against the backdrop of the currently emerging scenario in the IOR where the PLAN has increased its activity.⁷⁷ In addition, the Indian Navy has also expanded its presence in the Indian Ocean by actively engaging with littorals on maritime security issues. India has established a listening station at the northeasternmost tip of Oman to keep track of Chinese and Pakistan naval activity in the Persian Gulf.⁷⁸ This enables India to monitor any upsurge of communications emanating from the Gwadar Port. Along with this, India is also planning to establish coastal surveillance radar stations (CSRSs) in the Maldives, Seychelles and Mauritius.⁷⁹ The linking of Indian CSRS stations with other stations in the region enables the navy to keep track of Chinese naval movement in the region.⁸⁰ At the same time, India is also expanding the maritime cooperation with the US, Japan, Australia and Association of Southeast Asian Nations (ASEAN) countries to establish and preserve a rule-based order in the region.

Conclusion

China's domestic and foreign policy outlook has changed significantly in the last few years. The OBOR strategy is indicative of China's great power ambitions, as well as its desire to manage current domestic woes and foreign policy challenges. For decades, Chinese

scholars advised Beijing to lie low in international politics.⁸¹ They also cautioned Beijing not to entangle itself in great a power competition, for the sake of its own interests and survival. However, the current Chinese President and Communist Party Leader Xi Jinping has decisively put China on the road to becoming a dominant player in international politics. The CPEC project is among the many projects Beijing has planned, to improve connectivity with landlocked regions of China. The project, which runs through disputed territories, has infringed upon India's sovereignty concerns. The port at Gwadar is a major asset to counter India's maritime influence in the region. The militarisation of the Makran coast is also a worrying factor for India as Pakistan is building a string of naval bases in the region, as part of CPEC, to protect its bases and assets from external security threats. Growing Chinese investment in port and infrastructure development in Pakistan and the provision of access for Chinese naval vessels into Pakistan ports will invariably affect the power dynamic in the region, drawing both India and China into a competition for control over the Arabian Sea.

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