



THE STRING OF PEARLS: CHINESE QUEST FOR INDIAN OCEAN REGION AND INDIA'S RESPONSE

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INTRODUCTION

1. The String of Pearls strategy, despite common perception, is not just about India and IOR (Indian Ocean Region). It was originally coined by US scholars, to account for China's perceived 'strategy' to develop blue water capabilities like a super power. For one, China like India, is heavily dependent on sea routes to import the lion's share of its oil needs. Now the major part of this comes through the Strait of Malacca, where 40 percent of the world's trade and more than 80 percent of China's oil imports pass through. And China is keen to explore more options to alternate trade ways. The Chinese plan to use Pakistans Gwadar as the transit hub for its energy and other imported resources, especially from Africa.
2. The **String of pearls** is a geopolitical **theory** on potential Chinese intentions in the Indian Ocean region. It refers to the network of Chinese military and commercial facilities and relationships along its sea lines of communication, which extend from the Chinese mainland to Port Sudan. The sea lines run through several major maritime choke points such as the Strait of Mandeb, the Strait of Malacca, the Strait of Hormuz, and the Lombok Strait as well as other strategic maritime centers in Pakistan, Sri Lanka, Bangladesh, the Maldives, and Somalia. The term as a geopolitical concept was first used in an internal US Department of Defense report, "Energy Futures in Asia." The term has never been used by official Chinese government sources, but it is often used in Indian media.
3. The emergence of the String of Pearls is indicative of China's growing geopolitical influence through concerted efforts to increase access to ports and airfields, expand and modernize military forces, and foster stronger diplomatic relationships with trading partners. The Chinese government insists that China's burgeoning naval strategy is entirely peaceful in nature and is only for the protection of regional trade interests. An analysis by The Economist also found the Chinese moves to be commercial in nature. Although it has been claimed that China's actions are creating a security dilemma between China and India in the Indian Ocean, that has been questioned by some analysts, who point to China's fundamental strategic vulnerabilities.

THE PEARLS IN THE STRING

4. India has friendly relations with SE Asian countries and even threatened to block the Strait of Malacca when China was trying to intervene during the 1971 Indi-Pak war. So now China is desperately trying to look for new trade routes which are free from Indian Dominance. They have made pacts with the following countries:-

(a) **Myanmar** China has the presence in Myanmar's Kyaukpyu port. The port situated in the Bay of Bengal has given China access to have a commercial Maritime facility which can be used as a military facility at the time of conflict.

(b) **Bangladesh** China, currently has developed the Port of Chittagong which gives it a free access to the Bay of Bengal, which is strategically very important.

(c) **Sri Lanka** Sri Lanka had friendly relations with India, but in the past few years it seems to be bending towards China. Sri Lanka has allowed a Chinese company to develop the Port of Hambantota for Chinese use.

(d) **Maldives** The Maldives has leased an island close to the Male airport (Feydhoo Finolhu) to a Chinese company for 50 years at the cost of 4 million dollars.

(e) **Pakistan** Pakistan-China relations need no introduction. Pakistan and China have built the Port of Gwadar for Chinese use, effectively encircling India. India, however has been able to counter this by building a bigger and better Port of Chhabar in Iran.

5. Thus, we see that it China has effectively surrounded India both commercially and strategically. India needs to exercise great diplomacy to counter the Chinese influence in the Indian Ocean.

INDIA CRAFTS IT'S OWN 'STRING OF PEARLS'

6. When it comes to the Indian Ocean, New Delhi is hedging its bets against an assertive China. India and France recently signed a strategic pact opening up their naval bases to each other's warships across the Indian Ocean. This comes two years after a similar deal with the United States and signifies a web of strategic trust to thwart Beijing's expansion into India's traditional area of influence. In recent years, Beijing's push to contain India has become more frenetic, including signing agreements with Myanmar, Sri Lanka, the Maldives and Pakistan. India's deal with France is therefore an escalation of New Delhi's capacity to project power. It grants the Indian navy access to strategically important French ports – including one in Djibouti, home to China's single overseas military base and a focal point of strategic competition for the Indian Ocean. The installation can host over 10,000 troops and serves as a springboard for Chinese navy operations across the Indian Ocean.

7. New Delhi has long feared being encircled in what is called China's "string of pearls", a network of installations in the Indian Ocean. The vision that global influence hinges on naval supremacy was most clearly articulated in China's 2015 defence white paper, which demanded that the navy move from "offshore waters defence" to "open seas protection". India is trying to get a foothold in Djibouti as well. Offering easy access to the Gulf of Aden and to key oil supply and trade routes, the port nation is strategically valuable. China's relationship with the country's president Ismail Omar Guelleh has led some to believe that Beijing is looking to kick out France, Japan, Italy and the US, who pay top dollar for access to the port. Showered with preferential loans and visiting Beijing regularly, Guelleh dismissed US concerns over allowing the Chinese to set up shop. He also seized privately operated port facilities, raising fears among other allies that they are about to be gifted to Beijing. The Chinese navy's system of alliances are a tactical nightmare for India since they limit its navy's ability to counteract China's moves across the Indian Ocean. With Pakistan's Gwadar port, Beijing has struck a particularly sensitive nerve: a combined Pakistan-China maritime border fuses two of India's most pressing strategic challenges into one. There are also reports of a Chinese military base planned in nearby Jiwani, and another in Bangladesh. These projects will embed China's military in India's backyard, with strategic access to the Bay of Bengal.

8. But India is not sitting idly by while China tries to make the Indian Ocean its own. Prime Minister Narendra Modi finalised an agreement for a new base in the Seychelles and negotiated military access to naval facilities at Oman's port and airfields this year. A pact allowing deployments from each other's naval facilities was signed with Singapore in 2017. With expanded bases on the Andaman and Nicobar Islands at the end of the Malacca Strait, India is raising the stakes in the fight over the waters of Southeast Asia. Albeit belatedly, India has realised that it needs to match China's assertiveness. India's "Act East" policy and Washington's "Free and Open Indo-Pacific" concept are starting points for pushing into China's traditional waters in return. India might just be able to one-up Beijing and expand its reach into the Pacific. After all, the result of these joint military agreements is that Indian warships now have access to their own "string of pearls", from Madagascar, via Djibouti, Oman and Seychelles, all the way to Singapore.

9. The Necklace of Diamond strategy of India is more of business cooperation with other friendly countries. India developed business relationship with all the countries along the coastal region of Indian ocean. The countries like Bangladesh, Myanmar, Thailand, Malaysia, Singapore, Thailand, Cambodia, Vietnam, Sri Lanka, Iran, UAE, Qatar, Sudan, Kenya, Tanzania, Madagascar, Mozambique, South Africa, Mauritius, and Australia. have very good business relation with India. Even Japan, South Korea, Taiwan, and Mongolia also have very good relation with India. The central Asian countries also have very good relation with India. The entire region of Asia Pacific and Indian Ocean

region is closer to India in trade and business relation. Some countries have strategic relation with India. The policy is not make any group against China or Pakistan. so the Necklace of Diamond strategy is more or less a business relation of India with Asian and African countries.

A TALE OF TWO PORTS ; GWADAR VERSUS CHAHABAR

10. Two important declarations in the past few days have brought into focus the importance of the Makaran Coast to Middle East as well as the Central Asian Region. Firstly, the Chinese president Xi Jinping launched \$46bn worth of infrastructure and energy projects in Pakistan during his recent visit. The emphasis was to strengthen the China-Pakistan Economic Corridor CPEC between the Pakistani port of Gwadar and the Chinese Xinjiang region which forms part of the Chinese one belt one road and maritime silk route programmes. The Chinese government and banks like Industrial and Commercial Bank of China Ltd and China Development Bank will provide funds to Chinese companies investing in the projects. The likely Chinese companies are China Power International Development Ltd, Three Gorges Corp, ICBC Corporation, Zonergy Corporation, and Huaneng Group. The Chinese president has linked the investments to the safety and security of Chinese assets and workers since the projects involving railways, pipelines, and roads will cross through the insurgency infested areas of Balochistan. Another significant event was the signing of MOU between the Governments of Iran and India to develop the port of Chabahar. The project will increase trade links between both countries. The Indian side has pledged to commit about \$85 million to construct container and multi-purpose terminals.

11. By virtue of their geographical locations — Pakistan and Iran in the Caspian region provide the shortest routes to Arabian Sea ports. It is enough reason for both the countries to develop ports and infrastructure connecting them to the Central Asian Region (CAR). Apart from oil and gas, the ports harvest trade in commodities like cotton, routed through Russia, Middle East, East Asia and South Asia. Just over 100 km apart, Gwadar the Pakistani port and Chabahar the Iranian port are competitors for accessing the CAR markets. Both Iran and Pakistan are wooing Afghanistan to give trade and fees incentives to favour their respective port. Pakistan, however, fears “Chabahar port would inflict an enormous financial setback for Pakistan”. As far as Afghanistan is concerned, its natural resources include, 2.2 billion tons of iron ore, 60 million tons of copper, and 1.4 million tons of rare earth elements such as cerium, neodymium, and lanthanum. It also has lodes of gold, silver, aluminium, zinc, lithium and mercury. The carbonite deposits in Helmand province itself are valued at \$89 billion. The US, Russia, China, India, Pakistan and Central Asian Republics have shown interest in these deposits. Afghanistan being a land locked country is currently dependent upon Pakistani ports for its international trade. The Chabahar port would provide it an alternate port without the encumbrance of the insurgency.

12. Gwadar is in the Baluchistan province of Pakistan rich in natural resources like oil and gas. Out of Pakistan's ~28tcf gas reserves, ~19tcf are in Baluchistan. The Baloch claim that, despite being the largest gas producer in Pakistan, they get only 20% royalty payments unlike the other two gas producing provinces. They subsidise the rich areas, even though they are the poorest region in the country. Nothing much has been done by the Pakistan government for their development despite the vast revenue generated from Baluchistan. The Sui gas fields in Bugti tribe controlled region are the most affected by militancy. The Sui Southern Gas Company has a network of over 27,500 km covering Baluchistan and Sindh. It is not possible to police or monitor such a vast area. Baloch militants pose a threat to the vast span of gas pipelines. The Gwadar port development project commenced in 2002. Millions of dollars from Chinese and Pakistani investors (~\$200mn was the Chinese investment for the first phase of the project completed in 2005) poured into the quiet Gwadar village. The presumption was that Gwadar would transform into a dominant port on the lines of Dubai, benefitting the locals. But the Baloch soon realised that this was not to be, and their natural resources were being siphoned out by the Pakistan federal government.

13. China's interests at Gwadar are very clear; China is looking for monitoring of its Gulf oil supply route as well as an opening for import/ export trade from its Muslim-majority Xinjiang Autonomous Region. The Chinese completed the first phase of the Gwadar port on schedule in 2005. The Pakistani government leased the port operations to PSA International of Singapore for 40 years in 2007. The agreement, however, ran into a problem with Pakistan blaming PSA for not keeping their end of the contract with respect to the investments promised by them. The running of the port has now been handed over to the Chinese. The commencement of Gwadar port's operations has given a strategic depth to Pakistan Navy, an opening into the Arabian Sea to the Chinese and some cause for worry for India. As the then Chief of Naval Staff, Indian Navy Admiral Sureesh Mehta said in 2008, Gwadar could be used by Pakistan to "take control over the world energy jugular."

14. Oil tankers from Gulf transit about 6000 nm and those from the African coast transportation about 10,000 nm before they discharge their energy cargo at Chinese ports. Both the tankers routes have to pass through Malacca Straits. If the ships can unload at Gwadar, they would have to travel only about 680 nm from the Gulf and about 3000 nm from the African coast (Angola). The Chabahar port project is crucial for Afghanistan since it would enable shipping goods to Middle East and Europe as well as allow inflow of vital goods to Afghanistan. Economically it would imply a significant boost to its trade and investment in much-needed infrastructure. This has now become a distinct possibility with the US and Iran about to reach an understanding on Iran's Nuclear program.

CONCLUSION

15. **India's necklace of diamonds strategy** is a strategy to conspire against China's influence in the INDIAN OCEAN . This strategy was **created to counter CHINESE STRATEGY OF STRING OF PEARLS** . This strategy was also introduced to regain the entire control over Indian ocean , which was once India's own backyard.

16. Regaining the control in Indian ocean has many merits-

- (a) India's political and economical influence will drastically incline .
- (b) India will become regional superpower.
- (c) more than 80 percent of the world's seaborne trade in oil transits through Indian Ocean choke points . Now India will control the trade of this industry if it manages to control the ocean.
- (d) Pakistan and China will have to take permission from India to perform any activity in Indian ocean .

17. Honestly speaking , India's **necklace of diamonds strategy is weak** compared to Chinese's strategy of **string of pearls** . This is because

- (a) lack of capital investment
- (b) lack of cooperation with other nations.
- (c) lack of vision.