

**RESEARCH PAPER****Economic Waves of Power: India and China's Strategic Pursuits in the Indian Ocean Basin****<sup>1</sup>Dr. Nadia Zaheer Ali\* and <sup>2</sup>Syeda Mahnoor Bukhari**

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**ABSTRACT**

Indian Ocean is one of the significant geostrategic ocean due to its role in the global trade and energy flows, and as a contested space for major powers like India, China and the United States. The objective of this study is to analyze the contrasting economic significance of the Indian Ocean for India and China, particularly. The Indian Ocean, being a major maritime trade route, plays a pivotal role in global commerce and energy transport forming the background for this analysis. This research adopts a qualitative approach, reviewing policy documents, existing literature and comparative studies of India and China's strategies in the Indian Ocean Basin. The results highlight that both nations rely heavily on the Indian Ocean for securing energy imports, accessing markets, and asserting influence in global trade. The study recommends that both nations strengthen cooperative mechanisms to ensure stability and mutual economic growth while balancing competition over strategic maritime dominance.

**Keywords:** China, Economic Interests, India, Indian Ocean, Maritime Strategies

**Introduction**

The Indian Ocean is of immense significance due to its size, location and presence of crucial maritime choke points from geostrategic and economic perspectives, particularly. It is the third largest water body covering approximately 20 percent of the world's water surface. The Ocean derives its name from the Indian sub-continent, which dominates its northern region. The Ocean's rich energy resources further elevates its significance among major global powers. As a geographic expanse, it stands astride Asia in the north, Antarctica in the south, Africa in the west, and Indochina in the east. It has four most critical choke points (access waterways) - the Suez Canal, Bab-el Mandeb, the Strait of Hormuz, and the Strait of Malacca which connects the Middle East, Africa and East Asia with Europe and the Americas. Within these waterways, it has 48 independent island and littoral countries; 18 in Africa, 11 in the Middle East, 7 in South Asia, 6 in Southeast Asia, 5 island states, and Australia, while France and the United Kingdom still have island territories in the ocean (Chakraborti, 2021).

Both India and China, in their quest for energy resources to fuel their economic growth, rely on secure shipping lanes in the Indian Ocean. The escalating influence of India and rising influence of China have heightened the ocean's strategic value, leading to ongoing competition between the regional powers to assert their influence. This article has described the complex interplay of economic factors shaping the geostrategic dynamics in the Indian Ocean region. This research has also sought to analyze how India and China leverage their respective economic strengths, trade routes, and maritime assets to assert influence, secure resources, and navigate potential conflicts in this vital waterway.

The Indian Ocean region has been an important trade arena for centuries. Today, it remains critical to the security and stability of shipping lanes and trade routes, accounting

for over one-third of the world's bulk cargo traffic and two-thirds of the world's oil shipments and ensuring global access to food, precious metals, and energy resources. Stretching from Africa's eastern coast to Australia's western coast, the region is home to 33 nations and 2.9 billion people, approximately. Due to the region's importance, many countries around the world work with regional partners to maintain open access to the Indian Ocean's critical waterways and natural resources (Baruah, Labh, & Greely, 2023).

Although, India is emerging as a major regional power, many Indian strategic thinkers aim to establish a defensive sphere of influence in the Indian Ocean, envisioning it as a largely closed strategic system. Their geostrategic perspectives often resonate with those of the British Raj, including a proprietary view of the Indian Ocean and deep concerns about Asian land powers breaching the protective Himalayan barrier—an anxiety that nearly materialized during the Sino-Indian border war of 1962 (Brewster, 2016).

On the other hand, China has historically considered the Indian Ocean as its sphere of influence. The increasing Chinese presence in the region is perceived as a challenge to India's regional dominance. India's infrastructure investments, though less extensive than China's, include the development of the Chabahar Port in Iran, reflecting India's efforts to counterbalance China's influence. However, the economic benefits derived from infrastructure investments if managed sustainably would potentially enhance regional cooperation and security. The reason China has an interest in the Indian Ocean Region (IOR) is primarily driven by commercial objectives rather than military ones. This indicates that China aims to strengthen its maritime capabilities further, becoming a "blue water" force, and being responsible for constructing its naval strength along the coasts of China (Frietas, 2024).

## Background

In world history, the Indian Ocean is marked by millennia of human activity, serving as a vital conduit for trade, cultural exchange, and exploration. Dating back thousands of years, this expansive body of water has played a central role in shaping the fortunes of civilizations around its rim (Afzal, et.al., 2020). Early maritime civilizations such as those of the Indus Valley, Mesopotamia, Egypt, and the civilizations of East Africa established trade networks that stretched across the Indian Ocean. These networks facilitated the exchange of goods, technologies, and ideas, laying the foundation for the region's interconnectedness.



Figure 1. Old Map of the Indian Ocean Source: <https://wun.ac.uk/article/2000-years-of-trade-across-the-indian-ocean/>

India is a large nation, a sub-continent itself. India is a continental power that occupies a central position in the Indian Ocean region (IOR). As quoted by K.M. Pannikar in the 1940s, he argued that “while to other countries the Indian Ocean is only one of the important oceanic areas, to India it is a vital sea. Her lifelines are concentrated in that area, her freedom is dependent on the freedom of that water surface. No industrial development, no commercial growth, no stable political structure is possible for her unless her shores are protected” (Berlin, 2006). The British established their colonies, surrounding the Indian Ocean, in the Indian sub-continent, the “jewel in the crown” as well. It posed a challenge to the Indian sub-continent (Rahman, Ali, & Khan, 2018). The late prime minister Jawaharlal Nehru summed up India’s concerns in this regard: “History has shown that whatever power controls the Indian Ocean has, in the first instance, India’s sea-borne trade at her mercy and, in the second, India’s very independence itself” (Berlin, 2006).

The history of Chinese interaction with the Indian Ocean is characterized by periods of exploration, trade, and maritime influence, interspersed with long intervals of limited engagement. Chinese economic interaction with the Indian Ocean dates back to the Han Dynasty (206 BCE–220 CE) when China engaged in indirect trade through intermediaries along the Silk Road. This trade route facilitated the exchange of silk, spices, and other valuable goods between China and regions around the Indian Ocean, including India and the Middle East (Alpers, 2014). Historically, China primarily engaged with the kingdoms of Southeast Asia, such as Burma and Thailand, due to trade routes passing through southern China. In contrast, interactions between imperial China and South Asia, including India, were minimal. (Ghani, Ahmed, & Muzaffar, 2017). This limited engagement was due to the geographical barrier of the Himalayan mountain range, the lack of a consistent Chinese maritime tradition, and the easier trade routes to the north and west towards the Eurasian steppes. Consequently, despite their ancient and powerful civilizations, China and India remained relatively isolated from each other (Cheng, 2010).

## Literature Review

The article “Silk Roads and Strings of Pearls: The Strategic Geography of China’s New Pathways in the Indian Ocean” has emphasized the significance of the Indian Ocean for India and China as they both are competing for space and economic resources in the Indian Ocean. The Indian Ocean has historically been dominated by a succession of extra-regional maritime powers. Competition among major powers for control over land access to the Indian Ocean has been just as intense as competition at sea. As India emerges as a major regional power, it has brought significant challenges to other players in the Indian Ocean Region (IOR). The Indian naval strategists has also manifested the idea of British Imperial thinking about the need for India to exercise control over the entire Indian Ocean based on control of the maritime chokepoints and major ports across the Indian Ocean. In the maritime realm, the Indian Ocean represents ‘exterior lines’ for China and ‘interior lines’ for India. It supports this research in such a way that the growing Indian and Chinese expansion of strategic interests as well as economic interdependence in the region and their intention to have maritime access to the Indian Ocean make them regional competitors (Brewster, 2016).

According to the article “Geo-Strategic Importance of Indian Ocean: Clash of Interests between China and India”, the author has tried to explore the Indian Ocean as a one-of-a kind ocean due to its geography, strategic location, maritime trade routes and global economic activities. India is geographically located in the middle of the Indian Ocean, shares the coastline, and depends on the energy resources of the Indian Ocean that make up 70 percent of India’s economy. The Indian Ocean is becoming increasingly important for China to protect its economy and address its security concerns. The two states are actively involved in efforts to strengthen bilateral relations, as they have common interests and issues for global trade. China and India did not challenge each other openly but states cannot be sure about each other’s intentions. Although, their economies are related to the security

of the region as any disruption in the ocean would threaten their energy need. Thus, the article supports my study in such a way that it elaborates on the geostrategic importance of the Indian Ocean for both India and China as they both share power rivalry over the region, and all they need is strengthening cooperation and managing rivalry as their security and tactical policies would directly affect this region (Shabbir, Bashir, & Saleem, 2019).

In the research paper titled, "The Political and Economic Significance of Indian Ocean: An Analysis", the contributors has mentioned that China is diligently building up its naval presence in Indian Ocean, which is being observed as an emerging threat to the interests of India and the U.S. as well. The increase in China's maritime power, named "Far Sea Defence" is tasked to conserve China's maritime security to enhance and secure its maritime economic interests, specifically in the IOR and West Africa. India fulfils its 89 percent of oil requirements by importing through the waters of the Indian Ocean. As the major stakeholder in Indian Ocean trade and commerce activities with respect to imported crude oil, raw materials, and consumer goods, the country's exports, it has become essential for India to ensure the security of its sea lines of communication (SLOCs) from the Persian Gulf, Europe, and East Asia (Fatima & Jamshed, 2015).

The article "Geo-politics in Indian Ocean and threat to maintenance of Peace in Asia" has helped in understanding the importance of the Indian Ocean and discusses the increasing influence and intervention of China through investment in port development in various countries like Bangladesh, Pakistan, Djibouti, and Maldives has presented a challenge and conflicts in peace-making efforts in the region. The excess interference of China, an emerging world economy, and its impact on socio-economic and political stability especially between India and Pakistan are also explored. For India most important geopolitical acceleration in the region was UNCLOS III, which has newly demarcated the definition of an Exclusive Economic Zone (EEZ) for the Indian shoreline (Khan, Muzaffar, & Mustafa, 2022). Indian navy from that time onwards has got the favour to protect the offshore interests of its region. The presence of China in the region is highly alarming for Indian security issues. Influence of rising power China and its project "Maritime Silk Route" as well as its investment in the port construction and other navigational project in Sri Lanka, African Nations, and in the building project of littoral states. The author has elaborated on Chinese strategic interests in the Indian Ocean to boost its economy while India is facing security challenges with the increasing influence of China in its surrounding environment (Khan, Ahemmed, & Ahamed, 2019).

In recent years, China has been actively increasing its presence in the Asian infrastructure through initiatives like the Asian Infrastructure Investment Bank (AIIB) and the One-Belt-One-Road (OBOR). The Maritime Silk Road Initiative (MSRI) has significant economic and strategic implications for India as well, given its crucial geostrategic location midway between the Far East and West. These implications also greatly influence India-China's economic and strategic relations. This research paper titled, "India's Economic and Strategic Perceptions of China's Maritime Silk Road Initiative" analyzes the perceptions of India's key interest groups on the MSRI and the factors shaping these perceptions. China's emergence as a net capital exporter provides a substantive context to the MSRI, as the initiative opens opportunities for Chinese FDI outflows. India is a key target for Chinese investors and businesses, particularly in the context of its robust economic outlooks and prospects of good returns on long-term investments. In recent months, several Chinese companies have invested in India, with more investments anticipated. These investments could potentially boost trade, particularly if Chinese firms based in India import raw materials and intermediates from the mainland. From a Chinese business perspective, investments in India for expanding regional value chains through greater trade would be significantly determined by local advantages of cost competitiveness and efficiency. Balancing the pursuit of economic connectivity through infrastructure development, while

safeguarding security imperatives, is a challenging act that Indian policy needs to perform in the context of the MSRI (Palit, 2017).

### **Material and Methods**

This study employed a qualitative research approach to analyze the contrasting economic significance of the Indian Ocean for India and China, and to provide a better understanding of the evolving competition between India and China in the Indian Ocean Basin. Given the strategic importance of the region in global trade and energy security, the case study approach was chosen to allow for an in-depth analysis of the economic policies and strategies pursued by both nations. This methodology incorporated a thorough review of literature, analysis of policy documents, case studies and a comparative analysis of India and China's maritime strategies in the Indian Ocean. This comprehensive methodology has provided a nuanced understanding of the complex economic dynamics at play in this strategically important region.

### **Theoretical Framework**

In the international relations, the concept of "sea power" refers to the power that a state exerts through its capacity to use the sea for both military and civilian purposes. This capacity includes the ability to transport goods, engage in fishing, exploit resources on or under the sea bed, and deploy military power at or from the sea. The potential of sea power is defined by the presence and number of navies, coast guards, and marine, and civil-maritime industries, while the influence of these forces on land and air forces can also be mentioned. However, sea power cannot be defined only by the mere number of ships or personnel; it also includes the degree of possibility to influence the behaviour of other states (Albrecht, Tsetsos, & Grunwald, 2020).

Considering the importance of maritime influence, it becomes evident that the *theory of sea power* holds historical and contemporary significance. During the late 19th and early 20th centuries, two prominent theorists, Alfred Thayer Mahan and Sir Julian Stafford Corbett, emerged, laying the groundwork for maritime strategy principles. In that era, sea power was viewed as the primary method of controlling national activities and projecting power over adversaries. However, this conceptualization of sea power is no longer fully applicable in today's technologically advanced landscape. Yet, during the era dominated by battleships, these two strategists and historians of maritime influence tirelessly advocated for the importance of a nation possessing maritime capabilities to achieve its objectives in times of conflict (Gough, 1988).

Most-modern era advocates of sea power, from Sir Walter Raleigh to Alfred Mahan and Nicholas Spykman, have combined this new, ideological value of sea power with the two more traditional uses, stressing the key role of a strong "blue-water" fleet in troop mobility, naval warfare, and domination of distant islands. In the words of Sir Walter Raleigh (1552-1618): "*He who commands the sea commands the trade routes of the world. He who commands the trade routes, commands the trade. He who commands the trade, commands the riches of the world*" (Steinberg, 2001). Likewise, one of the classic twentieth-century works on the history of sea power begins with the sentence: "*The term sea power, in its widest interpretation, must be taken to include not only the navies of the nations but their total strength and interests on the sea- their extend of coastal line, overseas bases and colonial possessions, merchant shipping and sea-borne trade*" (Stevens & Westcott, 1942).

### **Blue-Water Thinkers and Their Strategic Approach to Waters**

Waters are seemed as the easiest pathways to enter a country's dominion (Khan R. , 2019). The major powers have always tried to reach the Asian seas due to their geostrategic and geopolitical significance. They are struggling for the domination of the Asian seas. The

countries have realized the importance of waters for commercial routes, crucial choke points, off-land assets, economy, and political influence.

The term “sea power” was first coined by Alfred Thayer Mahan (1840-1914), an American naval officer, in his 1890 book “The Influence of Sea Power Upon History, 1660-1783”, where he outlined six prime conditions affecting the sea power of nations: geographical position, extent of territory, physical conformation, number of population, national character, and character of government (Albrecht, Tsetsos, & Grunwald, 2020). Thus, sea power has a fundamental value in terms of global influence. Amidst the era of globalization and the interconnected global trade networks it entails, the significance of maritime influence, particularly in overseeing these routes, becomes paramount.

Mahan has highlighted the importance of a strong national economy, maritime commerce, colonies, and markets as foundations of Sea Power. Regional countries have historically acknowledged the value of naval power and maritime dominance, aligning with Mahan’s principles. The power struggle between India and China in the region can also be analyzed through Mahan’s theory, which provides insights into how the two nations have contested and projected their maritime interests in the Indo-Pacific, especially in the Indian Ocean region (IOR). Alfred Mahan in “The Influence of Sea Power Upon History” jots the elements of sea power. He describes the sea border as a plus point for states. They can establish their own harbours and ports with no fear of blockade (Khan R. , 2019). Mahan’s sea power theory is highly applicable to the Indian Ocean region, emphasizing the importance of controlling sea routes, crucial maritime choke points, possessing a powerful fleet, and establishing naval bases for securing maritime interests and dominating international trade routes.

Sir Julian Corbett (1854-1922) was a distinguished advocate of maritime strategy principles. If Alfred Thayer Mahan is to be remembered for elevating naval history to its rightful place within the context of international relations and economic affairs, then Corbett deserves recognition for his profound understanding of the efficacy of sea power, even in conflicts of limited scope (Gough, 1988). In his maritime strategic studies, he has explained the correlation between sea warfare and a nation’s security, highlighting how control of the sea could safeguard a state’s defensive and protective interests. The concept of sea power, as articulated by Sir Julian Corbett, provides a useful framework for understanding the strategic dynamics of the Indian Ocean region.

Applying Corbett’s sea power theory to the geostrategic significance of the Indian Ocean for India and China from an economic perspective highlights the importance of controlling sea lines of communication and protecting maritime trade and energy flows in the region. China’s BRI and CPEC initiatives, as well as India’s maritime strategies, are aimed at securing their economic interests in the Indian Ocean region. However, these initiatives also have significant geopolitical implications, as they are part of a broader strategic competition between China and India for influence in the region. As the strategic competition between China and India in the Indian Ocean region intensifies, understanding the economic and geopolitical implications of their maritime strategies will be crucial for regional and global security.

### **Indian Ocean as an Ocean of Opportunities**

The Indian Ocean region has been an important trade arena for centuries. Today, it remains critical to the security and stability of shipping lanes and trade routes, accounting for over one-third of the world’s bulk cargo traffic and two-thirds of the world’s oil shipments and ensuring global access to food, precious metals, and energy resources. Stretching from Africa’s eastern coast to Australia’s western coast, the region is home to 33 nations and 2.9 billion people approximately. Due to the region’s importance, many

countries around the world work with regional partners to maintain open access to the Indian Ocean's critical waterways and natural resources (Baruah, Labh, & Greely, 2023).

Most of the world's goods trade and oil trade pass through the region. The Indian Ocean Region (IOR) is a vital maritime area spanning over 36 littoral and island countries. The region is strategically important due to its significant trade routes, natural resources, and geopolitical importance. It is home to some of the world's busiest sea lanes, including the Straits of Hormuz and Malacca, which serve as a conduit for international trade. The region is also rich in marine biodiversity, with various endemic species and coral reefs. However, the Indian Ocean faces significant challenges such as piracy, illegal fishing, and environmental degradation. Climate change is a significant threat to the region, with rising sea levels, ocean acidification, and increased frequency of extreme weather events (Kaul, 2023).



Figure 2. Choke Points in the Indian Ocean Source: <https://carnegieendowment.org/research/2023/06/mapping-the-indian-ocean-region?lang=en>

Choke points are vital to the economic and geopolitical security of the Indian Ocean. Understanding their interdependence is essential for policymakers to develop a cohesive strategy for the region. Following are the main choke points and vital global shipping routes of the Indian Ocean that elaborate the geostrategic significance of the Indian Ocean for global trade, influencing the world's economy:

- Strait of Hormuz
- Strait of Malacca
- Bab el Mandeb

### India's Strategic Approach to the Indian Ocean

To meet the growing economic demands for efficient connectivity and market access, the government of India has now embarked on its most ambitious maritime modernization program called Sagar Mala (2015–2035). Sagar Mala is a grand maritime

geo-economic vision for India (Pradhan, Rathi, & Gupta, 2022). In August 2003, the then Prime Minister AtalBihari Vajpayee did this project to connect all the ports of the country. It was called Sagar Mala because all the major and non-major cities of the country are covered under this project. In 2014, Indian Prime Minister NarendraModi again started the project. In this project, all the ports will be connected through road projects, rail projects, and airports (Tiwari & Tiwari, 2023).

SAGAR (Security and Growth for All in the Region), a maritime initiative launched in 2016 as part of the Sagar Mala project, embodies India's vision for a free and open Indo-Pacific. According to India's External Affairs Minister S. Jaishankar, this vision is inclusive and constructive, rather than antagonistic, particularly towards China. India should promote such initiatives to not only counter the Chinese threat but also to foster regional development. The aim is to create an environment of trust and transparency, uphold the rule of law, and respect each nation's sovereignty while pursuing connectivity and economic interests (Panda, 2020). Apart from this, the project is also very significant from a strategic and geopolitical point of view, because China's reach has become very close through the neighboring countries of India, the alternative of which is it is being seen as many defense experts believe that India has devised a new strategy to challenge China's String of Pearls strategy (Tiwari & Tiwari, 2023).

Furthermore, India's Chabahar Port in Iran is a vital element in its quest to enhance its geopolitical and economic influence. By investing in Chabahar, India not only secures a critical trade and energy route but also strengthens its strategic presence in a region marked by complex geopolitical dynamics. Indian investors and shippers were initially reluctant to invest in the Chabahar Port due to India's reliance on short-term agreements for port operations. However, the 10-year deal signed with Iran on May 13, 2024, is set to boost investors' confidence. This agreement underscores India's assertive and proactive foreign policy amidst global supply chain disruptions caused by the pandemic (COVID-19), the conflict in Ukraine, and the Middle East crisis (Wani, 2024). From a naval perspective, Chabahar Port enhances India's maritime interests in the Indian Ocean. It offers India a foothold in the strategically important Strait of Hormuz region, through which a significant portion of global oil shipments passes.

### **China's Strategic Approach to the Indian Ocean**

China's Belt and Road Initiative (BRI) is a monumental infrastructure and economic development project that seeks to enhance global trade connectivity and foster economic growth across Asia, Africa, and Europe. The BRI was launched by the Chinese government in 2013, under President Xi Jinping. This initiative aimed to stimulate cross-border economic development in massive geographical areas covering Asia, Oceania, Europe, Africa, and Latin America which accounts for 80 percent and 40 percent of the world population and gross domestic product (GDP), respectively. The BRI was composed of the "Silk Road Economic Belt" and the "Maritime Silk Road" based on cross-border infrastructure development to reduce transportation costs by connecting China across countries. However, the BRI did not only meet the domestic demands to sustain China's economy but also played a more proactive role as an alternative system to rebalancing the world economic system by incorporating the newly established Asian Infrastructure Development Bank (AIIB) (Wang, LU, Zhang, & Negash, 2024).

Chinese trade has grown throughout the Indian Ocean and the world. Chinese companies have been investing in the ports' infrastructure projects. China has developed many port facilities across the Indian Ocean. **China's Port Development Strategy** is a comprehensive plan for expanding and enhancing port infrastructure globally to facilitate trade, bolster economic growth, and assert geopolitical influence. This strategy involves significant investments in port facilities, logistic hubs, and maritime infrastructure in key



locations around the world, particularly in the Indian Ocean region, Africa, and Southeast Asia.



Figure 3. Chinese Port Investments in the Indian Ocean Region Source: <https://www.gatewayhouse.in/chinas-ports-in-the-indian-ocean-region/>

Since the beginning of the 21st century, Chinese companies have been actively involved in constructing, expanding, or operating various commercial port facilities in the northern Indian Ocean. Key locations include Gwadar, Pakistan; Hambantota and Colombo, Sri Lanka; Kyaukpyu, Myanmar; Lamu, Kenya; and Bagamoyo, Tanzania, with additional projects proposed in places like Sonadia, Bangladesh. These initiatives are part of China's extensive investment in port infrastructure, driven by the significant growth of Chinese trade across the Indian Ocean and globally (Brewster, 2016).

### Geopolitical Dynamics in the Indian Ocean Region: A Strategic Chessboard

In the contemporary geopolitical landscape, the oceanic sphere constitutes a significant domain of geopolitical and geostrategic interests for nation-states. Oceans and politics are commonly explored in international and regional studies. Oceans, as vast water bodies, are regarded as crucial reservoirs of unexploited marine resources. Their location and connectivity are valuable for trade, navigation, and communication (Khan, Ahemmed, & Ahamed, 2019). In this context, the Indian Ocean, the third largest ocean in the world, is considered a milieu of diverse cultures as well as a zone with commercial and economic benefits. It possesses vital SLOCs that transport one-third of the world trade. At present, the world is witnessing a transitional period where geopolitical power is shifting from the Atlantic and Pacific to the Indian Ocean. The policy-makers of all great countries ought to pay close attention to the maritime region between the Atlantic and Pacific that is the Indian Ocean Region (IOR). The rising economies of East Asia, competition among regional powers, clashes, and sphere of influence of super and greater powers over the region reflect the strategic significance of the IOR. Despite the traditional sphere of influence, it has become the ground for competition between India and China (Rodrigo, 2021).

Over the past decade, China has significantly increased its "visibility" in the Indian Ocean Region (IOR). This has included a broad spectrum of activities, from politico-diplomatic and economic engagements with regional countries to extensive naval operations in the Indian Ocean. However, China's adverse geography presents significant

challenges. Firstly, much of China is continental, distant from the sea, where major economic activities occur. Secondly, despite having a long coastline, China's maritime frontier is far from key sources of hydrocarbons and other natural resources in West Asia and Africa (Khurana, 2016).

However, Pakistan and China are actively collaborating on the development of Gwadar Port due to its immense significance for China's economic and strategic objectives. Conversely, India aims to secure its energy routes and counter the expanding Chinese influence in the Arabian Sea, Persian Gulf, and Indian Ocean. To achieve this, India has formed an economic and strategic alliance with Iran, investing significantly in the development of the Iranian Port of Chabahar. The simultaneous development of Gwadar by China and Chabahar by India has intensified rivalry and competition between the two nations in the region, escalating the contest for the economic and natural resources of Central Asia. The growing competition between China and India has an adverse impact on Pak-Iran relations with the Pakistani Port Gwadar and the Iranian Port Chabahar are the main cause of their geo-strategic and economic competition. China is mainly concerned about the growing Indian presence in the Indian Ocean and the Arabian Sea. Furthermore, the strengthening Indo-U.S. relations since the conclusion of US-India civilian nuclear cooperation on the one hand, and cooperation between India and Iran in Afghanistan and Central Asia on the other hand, pose significant challenges for China's long-standing strategic and economic objectives in the region. India has dual objectives, to encircle Pakistan by establishing good relations with Iran and Afghanistan, and to counterbalance China. It is the only power that can compete with India's hegemony and regional dominance. Pakistan cannot outperform India alone because of its significantly larger navy than Pakistan's (Khan, 2012).

India's strategy aims to dominate the IOR and prevent any other regional state from gaining a foothold in one of the world's largest bodies of water. It is important to note that both China and India are competing in the IOR not only to maintain a strong presence but also to establish their regional hegemony. In pursuit of this goal, both countries are forming alliances with regional partners to garner the necessary support. One such example is of Indo-Iran strategic partnership. The geostrategic location of Iran with its close proximity to the Strait of Hormuz makes it a significant partner of India. However, through Chabahar Port, Iran, India can gain access to Central Asia for oil trade. It can also easily monitor the movement of Chinese vessels and can cause unnecessary delays to the shipments. Despite U.S. sanctions against Iran, India has made investments in Iran. This underscores the close ties between the two nations and demonstrates how Indian investment is safeguarded in the region (Hassan, 2019).

However, Australia and the United States are also involved in counter balancing of the rising power of China and its influence across the region. The optimistic view from Australia and the United States has encouraged India and its allies to be strategically engaged in the Indian Ocean through military exercises and counterbalances to China's increasing influence in the region. Additionally, regional associations such as BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) and IORA (Indian Ocean Rim Association) have utilized multilateral platforms to produce free trade areas for the promotion of international trade (Khan, Ahemmed, & Ahamed, 2019). Hence, the Indian Ocean has gradually emerged as a pivotal region in the economic and geopolitical configurations of the regional as well as the extra-regional powers across the region.

## **Results and Discussions**

The Indian Ocean is geo-strategically and geo-economically vital global trade route, with around 80 percent of the world's oil passing through its waters. It contains important choke points like the Strait of Hormuz, the Strait of Malacca, and Bab el Mandeb Strait, particularly. Both India and China rely heavily on these maritime trade routes for their

economic growth and stability. The region's critical maritime routes, abundance of natural resources and strategic choke points make it a focal point for international trade and energy transportation. As the world's two most populous countries with rapidly growing economies, both India and China have vested interests in securing and enhancing their influence in the Indian Ocean Region (IOR).

Energy security is a paramount concern for both nations. India's energy imports, particularly oil and gas, largely depend on the safe and open passage through the Indian Ocean as it provides access to the energy rich countries in the Middle East. China, the world's largest importer of crude oil, is equally dependent on the sea lanes for its energy needs. The strategic significance of the Indian Ocean is thus amplified by its role in ensuring uninterrupted energy supplies for both countries.

The strategic thinking of the blue-water thinkers, Alfred Thayer Mahan and Sir Julian Corbett, is reflected in the maritime strategies of both nations. Mahan's emphasis on sea power and control of crucial choke points resonates with China's efforts to secure strategic ports and sea lanes. Corbett focus on the strategic use of naval power to support national objectives is evident in India's SAGAR initiative, which aims to leverage maritime power for regional security and economic growth.

China's Belt and Road Initiative (BRI) and its Maritime Silk Road (MSR) component have led to substantial investments in port infrastructure across the Indian Ocean littoral states. Key projects such as Gwadar Port in Pakistan, Hambantota Port in Sri Lanka, and Kyaukpyu Port in Myanmar highlight China's strategy to create a network of strategic ports. These investments not only secure China's trade routes but also extend its geopolitical influence. India, in response, has focused on strengthening its maritime infrastructure, including the development of the Chabahar port in Iran, to counterbalance China's presence and enhance its strategic depth.

However, the Indian Ocean is a theatre of intense strategic competition. The strategic manoeuvres of India and China in the Indian Ocean have significant implications for the broader region. Smaller states in the region, such as Sri Lanka, Maldives, and Mauritius, find themselves at the crossroads of this strategic competition. Their choices in aligning with either of the major powers can tilt the balance of power and influence in the region. Moreover, the United States also has a major stake in the economic dynamics of the Indian Ocean Region (IOR). As part of its Indo-Pacific strategy, Washington is seeking to partner with India and other allies to counter China's influence in the region. Thus, the strategic environment in the Indian Ocean has a direct bearing on the stability and security of the global maritime commons.

## **Conclusion**

The geostrategic environment of the Indian Ocean region can be summarized as strategic competition, alliances, and strategic dilemmas because of the geographical significance, abundance of natural resources and presence of crucial maritime choke points. These factors are the primary drivers of both conflict and stability in the region. The Indian Ocean holds paramount geostrategic significance for India and China, primarily from an economic perspective. The maritime domain is critical for their trade routes, energy security, and broader economic ambitions, shaping their foreign policies and strategic initiatives in profound ways.

China's expanding presence in the region is viewed with suspicion by India and its allies, leading to a security dilemma that could potentially escalate into conflict. Hence, the strategic dynamics in the Indian Ocean region are fraught with dilemmas. Conversely, economic interdependence and the shared interest in securing maritime trade routes provide opportunities for cooperation and stability as well. The challenge lies in navigating

these dilemmas to foster a stable and prosperous regional order. The strategic competition also affects the security and stability of global maritime routes, impacting international trade and economic stability. However, by pursuing inclusive economic development, strengthening maritime capabilities, and fostering cooperative partnerships, India and China can contribute to a stable and prosperous Indian Ocean region beneficial to all stakeholders.

### **Recommendations**

- India should seek to expand its economic ties and an infrastructure investment with countries in the Indian Ocean Region to counter China's growing influence. This includes initiatives like Asia-Africa Growth Corridor (AAGC). For China, it should continue to invest in the region through the Belt and Road Initiative (BRI), but do so in a more transparent manner that addresses concerns of debt-trap diplomacy.
- Both nations should enhance bilateral trade and investment frameworks that focus on mutual benefits and reducing trade imbalances. They should develop infrastructure projects that facilitate connectivity and economic integration in the Indian Ocean Region, ensuring these projects are transparent and inclusive of local economies.
- India and China should collaborate on securing SLOCs in the Indian Ocean to ensure the free flow of trade and energy supplies. Joint patrols and coordinated responses to piracy and other maritime threats can be beneficial. They can also engage in with other major stakeholders, such as the United States, Japan, and Australia to form broader coalitions for the protection of SLOCs.
- India and China should establish hotlines and regular communication channels between their respective navies to prevent misunderstandings and manage incidents at sea. They should also conduct joint maritime exercises focusing on humanitarian assistance, disaster relief, and anti-piracy operations to build trust and operational compatibility.
- They should ensure that national policies align with global maritime governance norms and conventions, such as the United Nations Convention on the Law of the Sea (UNCLOS). They should also actively participate in international maritime organizations (IMO) and contribute to shaping global maritime policies.

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