Geopolitics in the Indo-Pacific: Major players' strategic perspectives

SUMMARY

The Indian Ocean hosts some of the fastest growing economies in the world and connects these economies with both the Atlantic Ocean and the Asia-Pacific region, making the Indo-Pacific a region of tremendous geostrategic importance.

For over a decade, China has been increasing its maritime presence and its ambitions in the region and beyond. With the development of the Belt and Road Initiative (BRI) in 2013 and renewed tensions between China and Taiwan, China’s territorial claims and its artificial islands in the South China Sea, the security dynamic in the region has shifted. India has expressed significant concern regarding China’s increased presence in the Indian Ocean and China’s bolstered relations with Pakistan. In response, India has reinforced its participation in the United States-led Quadrilateral Security Dialogue (QUAD) and in the Indian Ocean Rim Association (IORA). India has also adopted a new defensive approach. The US has also demonstrated unease regarding China’s actions, in particular with its ‘debt-trap diplomacy’ and its assertive tone on Taiwan. The US has not only expressed these concerns at the bilateral level, but also at the international level, for example through NATO’s Strategic Concept.

Caught in the crossfire of three strategic perspectives lie the sea trade routes that connect the Middle East, Africa and east Asia with Europe and the US, over which the majority of the world’s maritime oil trade and nearly one third of total worldwide trade passes. Along this route there are crucial passage points, which, if obstructed, could potentially bring the world economy to a standstill.

The EU’s position on China, its second biggest trading power, has remained broadly unchanged since March 2019. In the March 2022 Strategic Compass, the EU alluded to China’s increased assertiveness in the Indo-Pacific, expressing serious concerns. The EU presented its first strategy for the Indo-Pacific on 16 September 2021.

IN THIS BRIEFING

- Introduction
- Strengths and weaknesses of China’s strategy
- India
- United States
- European Union perspective
Introduction

The Indo-Pacific is a region of growing strategic challenges, largely due to contested geographical boundaries. Furthermore, it is home to three of the world's largest economies (China, India and Japan), as well as seven of the world's largest military forces. Over the last few years, with China's rise as a military power, the United States (US) has expressed concern regarding the region, highlighting that one third of global shipping crosses through the South China Sea. As one of the world's largest growing economies, with the second largest military expenditure in the Indo-Pacific, India has proven to be vital to the US efforts to counter China's rise. In this context, China, the US and India are three of the most important strategic players in the region.

Figure 1 –United States, Indian and Chinese military bases (including China's Belt and Road ports) in the Indo-Pacific

Source: EPRS, based on Aubry and Tétart; Graphic: Györgi Macsai.

According to a US Defense Department report released in 2021, China has the biggest navy in the world today, with 355 vessels. By 2025, the People's Liberation Army Navy (PLAN) is expected to gradually increase its size to 420 ships, and in 2030 to 460 ships. The current 355 vessels include major surface combatants, submarines, aircraft carriers, ocean-going amphibious ships, mine warfare ships and fleet auxiliaries. The US report also states that China's submarines have the capacity to launch nuclear-armed missiles. In addition to its naval capabilities, Beijing funds Chinese-operated maritime militias in the South China Sea to support its territorial ambitions in the region. Some 120 militia vessels have been identified. The Tanmen Maritime Militia, operating from the island of Hainan, is also considered the model maritime militia. Maritime militia have proven to be extremely useful for Beijing, as was seen in 2012, when China took control over Scarborough Shoal, in the Philippines' exclusive economic zone. Experts argue that using civilian forces (militias) can be beneficial to Beijing, as it allows for plausible deniability.

China first signalled its interest in developing capabilities to act in foreign waters in 2008, with its biannual defence white paper. Subsequently, China expressed interest in developing the necessary capabilities to support its interests overseas in 2013. With its 2015 defence white paper, China clarified its intentions. Another notable development illustrating China's assertiveness is the 2017 establishment of a naval logistics facility in Djibouti; Beijing justified the necessity for this facility by claiming that it would carry out peacekeeping operations and would focus on the protection of
overseas citizens; however, it is worth noting that it also provides China with an increased military presence in the Indian Ocean.

Despite these developments and the gradual change of tone, China's strategic ambitions remain cryptic. More specifically, it is clear that China is pursuing strategic capabilities abroad, but it remains unclear what China is aiming to achieve first, and by which means, as well as what China is willing to waive (such as unhindered passage through the Strait of Malacca) to achieve its territorial ambitions in the Indo-Pacific. Arguably, China's Belt and Road Initiative (BRI) can provide the west with some direction as to its intentions in the Indo-Pacific. Beijing has made significant investments in several countries and it seems that it also intends to use these investments for military purposes. To what extent this can be achieved is debatable, but some experts argue that the military capabilities that China seeks will not be obtained through commercial investment.

China is aware that many neighbouring and Western countries will not approve of its strategic ambitions, particularly, Beijing's interpretation of its rights over Taiwan under the 'one-China principle'. Building upon this knowledge, experts explain that China has been carefully developing a strategic plan that will best protect its interests should the US, India and other like-minded countries decide to counteract, e.g. in case of a People's Liberation Army (PLA) invasion of Taiwan. So far, China's strategic plan has led to the creation of several artificial military bases in the South China Sea. According to US Admiral John C. Aquilino, commander of the US Indo-Pacific Command, these are intended to expand Beijing's offensive capability beyond its continental shores. With these military bases, China will be better able to monitor the Strait of Malacca and prevent the US from potentially choking this strategic shipping lane. More precisely, PLAN-led ships will have easier access through the South China Sea to the Strait of Malacca, through which 80% of China's oil imports pass (hence China's Malacca Dilemma). It is worth noting that Beijing's growing relations with Pakistan and Myanmar are seen by China as a potential alternative to the Strait of Malacca.

The energy dimension

In 1993, China became a net importer of crude oil, and in 2013 turned into the world's largest net importer of crude oil. As pointed out by the Center for Strategic and International Studies (CSIS) in 2017, 'China's race to ensure security of supply can also in part explain the development of the One Belt, One Road (OBOR) initiative and the various pipeline deals'.

In 2013, for example, China connected itself to Myanmar and therefore to the Indian Ocean through the Kyaukpyu pipeline, circumventing the Strait of Malacca. This pipeline has an annual capacity to transport 12 billion cubic metres of natural gas, and the oil pipeline connecting the Sittwe and Kunming deep-water ports has an annual capacity of 22 million tonnes. In 2021, the Pakistan government granted the strategic Pakistan-China oil pipeline contract to a Chinese company. According to the International Monetary Fund (IMF), 30% of Pakistan's total foreign debt is owed to China; in turn, Pakistani authorities have not only awarded Chinese companies with the pipeline contract but also part of the profits and all equity in the pipeline. Available information suggests that the project will be continued, in spite of Pakistan's serious debt challenges.

Under President Xi Jinping, China has also been trying to find long-term solutions to China's rising energy dependency though its cooperation with Moscow. Indeed, China's relationship with Russia is one of mutual benefits: Russia's ability to supply China with most of its energy needs allows China to rely less on supplies transiting the Straits of Malacca and Hormuz. As such, if Russian energy supplies to China increase, the latter will be able to pursue its foreign policy ambitions with reduced risk. To allow for the direct delivery of gas to China, Russia has built the Power of Siberia pipeline and is currently working on the Power of Siberia 2 pipeline (this second pipeline is likely to have a capacity only slightly below the original Nord Stream 2). President Xi Jinping has gone further, exploring alternative Arctic routes that China could use to export Chinese goods to Europe, as well as to obtain its gas and oil from Russia. Moreover, the China-Central Asia Gas Pipeline, which began operating in 2009, starts on the Turkmenistan/Uzbekistan border, runs through central Uzbekistan.
and southern Kazakhstan, and ends in Khorgos in Xinjiang Uygur Autonomous Region (XUAR). The pipeline has three lines and a total capacity of 60 billion cubic metres per annum.

By developing alternative energy routes, China under Xi Jinping will be more independent, i.e. able to pursue its strategic and territorial ambitions with fewer restrictions from foreign pressure(s).

China's military strategy

Beijing's Indo-Pacific strategy is based on a combination of economic, diplomatic and military factors, at both international and regional level. More specifically, China has adopted a regional-level strategy that invests in 'strongpoints' in close proximity to its borders and to neighbouring countries, such as India. A 2004 report by Booz Allen Hamilton, calls China's strategy the 'string of pearls strategy' and posits that China will attempt to expand its naval presence through civilian dual-use maritime infrastructure.

As such, China has achieved exactly this goal with the BRI. China's BRI has been a series of purposeful investments in ports across the Indian Ocean that could be used as a series of naval bases. These bases could be employed to encircle neighbouring countries and provide China closer proximity to strategic choke points in the Indo-Pacific. China has also bolstered its surface combatants, including the number of submarines operating in the Indian Ocean since 2013; indeed, it is estimated that China currently operates 58 submarines. However, how many of these are generally located in the Indian Ocean is unclear. To the US and India's advantage, the Strait of Malacca is far too shallow for conventional and nuclear submarine fleets to pass undetected. In this way, passing through some of these 'choke points' without being detected may remain a major challenge for Chinese submarines entering the Indian Ocean.

China's overseas strongpoints include:

- **Hambantota Port, Sri Lanka** – Provides China with a foothold in the Bay of Bengal, is relatively close to the China-Myanmar Economic Corridor (CMEC) with the ability to circumvent the Strait of Malacca. Conveniently, Hambantota Port can accommodate PLAN warships. However, the Sri Lankan government has publicly stated that it does not permit China to use Hambantota Port for military purposes, in an attempt to reassure India. Yet, in August 2022, a PLAN vessel did dock in the port.

- **Gwadar Port, Pakistan** – The geostrategic relevance of this port lies in its proximity to India and the Strait of Hormuz. Pakistan's navy is currently stationed at Gwadar Port, meaning that large vessels can access the port's infrastructure; PLAN warships could possibly berth there in the future. According to the Economic Times, the Chinese Overseas Port Holding Company (COPHC), which operates the port, is obliged by law to support PLA operations if asked to do so. In addition to Gwadar, and through the China Pakistan Economic Corridor (CPEC) project, Beijing has made a direct investment in the Karachi Port Trust to build a commercial port. This investment could lead to four new ship berths.
Geopolitics in the Indo-Pacific: Major players' strategic perspectives

- **Kyaukpyu Port, Myanmar** – In 2016, two Chinese companies were contracted for two projects: the development of a deep-sea port and the creation of an industrial area. According to their contract, these companies will hold the port for 50 years. Similarly to the Hambantota Port, Kyaukpyu Port will afford Beijing access to the Bay of Bengal and the Andaman Sea.

- **Ream Naval Base, Cambodia** – According to news outlets, China reached a covert agreement with the Cambodian government to build and use the Ream Naval Base as a PLAN facility. This base could provide China with access to the Gulf of Thailand, the Strait of Malacca and the western part of the South China Sea.

- **Laem Chabang Port, Thailand** – Thailand's biggest private deep-sea port and the forthcoming China-Laos (Thailand) railway (an extension of the existing China-Laos high-speed rail system), are expected to be completed by 2028. Both benefit from the BRI; more specifically, state-owned China Harbour Engineering Company (CHEC) and Thai energy company Gulf Energy Development entered into a private partnership to expand the port. This port would provide China with strategically valuable logistics support.

- **Dar es Salaam Port, Tanzania** – According to a Chinese news outlet, state-owned Chinese companies have upgraded the Port of Dar es Salaam by deepening seven of the berths and building a new terminal in the port. China has refuted any intention of using the port for military purposes, despite the strategic importance of the Mozambique Channel. The significance of this channel lies in its geostrategic influence in the western Indian Ocean, as well as its access to abundant natural resources.

- **Logistics Facility, Djibouti** – Contrary to China’s claims, Western experts and politicians have claimed that China’s logistics facility in Djibouti is in reality China’s first overseas naval base (the US, France and Japan also have military bases in Djibouti). They note that this base provides PLAN with close proximity to the Strait of Bab el-Mandeb, which is the point of entry to the Suez Canal and consequently, Europe’s and North America’s oil markets, as well as the access point for African and Asian oil markets.

**Strengths and weaknesses of China’s strategy**

Ultimately, China’s greatest advantage in the region lies in its proximity to the Indian Ocean and its control over most of the East China Sea coastline, as well as some of the coastline in the South China Sea. Proximity is a crucial asset to ensuring the rapid deployment of forces and can often lead to higher success rates in operations. The BRI also provides China with a stronger foothold in the region. Beijing seeks ports that are capable of hosting PLA and PLAN operations; these must contain built-in ramps to offload heavy cargo and deep-water ports to be able to dock large heavy vessels (such as warships), to accommodate PLAN personnel and store equipment. This type of commercial venture can then be used for both commercial and military capabilities, and China has conveniently located them along its Maritime Silk Road. Accordingly, China’s 2015 white paper advocated civilian-military integration, and President Xi Jinping has argued that this is vital for a strong PLA. Nevertheless, Chinese officials have consistently denied the dual use of BRI ventures, as the infrastructure is concealed in commercial environments.

China can then use economic coercion to its advantage by forcing neighbouring countries to support or at least accept its policies towards Taiwan. It can also use its economic power to compel countries to accept its territorial claims in the South China Sea. Likewise, experts believe that the strategic location of the Gwadar Port in Pakistan, depending on its capability to host China’s People’s Liberation Army (PLA) surface combatants, could safeguard China’s interests in the Strait of Hormuz. This latter is considered one of the most important choke points in the world, due to the high volumes of oil that pass through it (approximately 17 million barrels of oil per day).
In terms of capabilities and power, despite the PLAN having the largest fleet of surface combatants in the world, the United States Navy has greater capabilities and on average larger, more weaponised vessels. More specifically, US Navy vessels carry a greater amount of offensive missiles and have a stronger strategic perspective when it comes to cruise missile launch. Furthermore, it has been argued that China has no reliable allies. At the same time, other powers in the region, such as the US and India, have fostered many security partnerships in the region and can therefore rely on other security providers, who also benefit from strategic proximity to the South China Sea. Finally, it has been noted that many of the ports and infrastructure investments that China has built through the BRI cannot support China’s surface combatants, and therefore would most likely not be of much use in a potential conflict. Some of the above-mentioned ports are also located close to very challenging topography (e.g. the Himalaya) and/or close to an unstable region, which might render them vulnerable to potential attack in the event of a conflict.

India

India shares a border with eight countries, and is bounded by the Indian Ocean to the south, the Arabian Sea to the south-west, and the Bay of Bengal to the south-east. Due to its geographical location and the size of the country, India faces several geopolitical challenges. Against this backdrop, the Indian government has increasingly broadened its alliances. Thus, Prime Minister Narendra Modi has given an energetic boost to good relations with neighbouring allies. Moreover, India’s mainland, as well as its many islands, including the Andaman and Nicobar Islands, provide it with a massive geographical reach in the Indian Ocean and therefore allow it to project significant power in the region. However, friction and territorial dispute with neighbouring countries have long persisted. Relations with Pakistan and China have arguably been the most contentious. Sino-Indian relations have historically been tense because of unresolved border disputes. In recent years, with China and Pakistan’s improving relations – evidenced by the China-Pakistan Economic Corridor (CPEC) – and Beijing’s increased presence in the Indian Ocean, Sino-Indian relations have worsened.

While India has not (yet) published a fully defined national security policy document, the political leadership recognises the strategic importance of islands in its maritime strategy and is therefore especially concerned with China’s close relations with the Maldives, Sri Lanka, Mauritius and the Seychelles. In the same way, China’s BRI has heightened India’s concern over China’s increasing role in India’s neighbourhood. The handover of Sri Lanka’s Hambantota Port to China in 2017 is one example.

India’s Indo-Pacific strategy

In light of these challenges, India has increasingly focused on developing its own Indo-Pacific strategy. Specifically, analyses point to the increasing importance of maritime security in India’s foreign policy, in response to China’s growing maritime presence. According to the Lowy Institute, Modi has made addressing the new security dynamics in the region a key part of his agenda. His strategy centres on developing and strengthening partnerships, so that deterrence and preparedness compensate for India’s smaller and less capable (compared to other major powers in the region) navy.

India has developed its own strategy, the ‘necklace of diamonds strategy’, in response to China’s ‘string of pearls’ strategy. The term was first mentioned by India’s former Foreign Secretary Lalit Mansing at a think-tank event in August 2011. The strategy focuses on setting up strong naval cooperation between all major powers in the Indian Ocean. In line with the strategy, and to counter China’s grip over the choke point in the Mozambique Channel (see above), India signed an agreement with the Seychelles in 2015, to obtain use of the Seychelles’ Assumption Island for military purposes. This agreement was revised in 2018 to allow India to build military infrastructure on Assumption Island. In 2015, India also reached an agreement with the Mauritius authorities, providing Indian forces with access to facilities in Agaléga, with prior notification, and permission to develop a runway and jetty.
In the context of New Delhi’s Indo-Pacific policy objectives, one of its most crucial partnerships is with the Association of Southeast Asian Nations (ASEAN). Another key partnership is with the US. A US-India joint strategic vision for the Asia-Pacific and Indian Ocean region was released in 2015. More recently, the Quadrilateral Security Dialogue (QUAD) – including the US – is also of significant strategic relevance and, among other things, increases India’s power projection (see box).

Another element of India’s maritime strategy in the Indo-Pacific is a listening post in Madagascar, which allows India to intercept maritime communications. Furthermore, to counter China’s BRI initiative and in exchange for India’s economic investments, the 2018 Sabang arrangement allowed India military access to Sabang Port, located at the northern entrance of the Strait of Malacca in Indonesia. With respect to the other end of the Strait of Malacca, India has access to the Changi Naval base in Singapore. In 2020, India and Japan signed an Acquisition and Cross-servicing Agreement, allowing both countries to exchange military supplies and services on a reciprocal basis. Another strategic move was the 2016 decision by India to invest US$500 million in the development of Iran’s only deep-water port (Chabahar). The port now comprises two separate parts, one of which (Shahid Beheshti) is managed by an Indian company (India Ports Global Limited). This could allow India to bypass Pakistan and open a transport corridor to Central Asia through Afghanistan. Moreover, India has acquired access to the Port of Duqm in Oman since 2018, which provides it with strategic access to the Strait of Hormuz.

Essentially, India has focused on protecting its territory through a strong network of allies that can simultaneously act as deterring factor for China.

Budget and capabilities

When analysing the global developments in military expenditure over the last 13 years, SIPRI researchers observed that there has been no substantial percentage increase in Indian military spending measured as a share of GDP. At 2.7% of GDP in 2021, this ratio was no higher than in 2011. However, with military expenditure of US$81.4 billion in 2022, India became the fourth largest spender in the world in 2022 (India’s military expenditure was up by 6% from 2021 and by 47% compared to 2013).

In 2021-2022, the total allocation to the three armed forces (including pensions) was INR4 517 04 crore (or slightly more than €50 billion) – 94% of the total defence budget (the rest of the allocation was dedicated to research and development. Some 61% of the defence budget was allocated to the army, 20% to the air force, and 14% to the navy.

Russia’s invasion of Ukraine in February 2022 raised new complications for defence supplies. India has strong ties with Russia going back decades. Today, the two countries are linked within ‘a special and privileged strategic partnership’. Of India’s existing (military) arsenal, 70% is Russian-made, and half of its arms imports come from Moscow. Following the tightening of international sanctions on Russian exports, some weapons deliveries – such as the S-400 systems – continue, but according to the Economic Times, only because the US waived the Countering America’s Adversaries Sanctions Act (CAATSA) sanctions in this specific case, due to ‘India’s immediate defence needs’. At the same time, however, negotiations for other defence procurement with Russia have halted, including for additional Ka-31 naval helicopters and Su-30 MKI combat aircraft.
In the north, the conflict over the Line of Control with Pakistan has subsided to some extent, with the tacit reconfirmation of the 2003 ceasefire. At the same time, clashes on the Indian-Chinese border in India's north-east have become more frequent and it seems Indian officials are concerned that China is testing India to see whether it is willing to divert increasing resources both to the defence of its north and to counter rising Chinese maritime ambitions. In this context, the increasing ‘naval share’ of the 2023-2024 defence budget to 20% (compared to 14% in 2021-2022), has been interpreted by some as an indication of 'India's changing weights in threat perceptions, from continental to maritime'.

According to the new budget indications, the Indian air force will spend most of the funds available in 2023 on covering existing commitments to procure French, Russian and Israeli equipment. On naval procurement, the budget focuses on payments for previously ordered aircraft carriers, destroyers and helicopters.

**Strengths and weaknesses**

India’s control over the Arabian Sea, Bay of Bengal and the Andaman Sea provides it with a strategic edge. Thus, the network of alliances that the Indian government is weaving represents an advantage for the country both commercially and militarily, along with a crucial element of deterrence against Chinese influence in the region. Moreover, while China’s control of the port of Hambantota in Sri Lanka, along with the port of Colombo and the ports of Gwadar and Karachi in Pakistan, poses a serious threat to India's borders, many of these commercial ventures cannot (yet) accommodate military vessels (see above).

One of India's most pressing capability gaps remains its weakness in anti-submarine warfare, particularly in the wake of Beijing’s recent undersea threats.

**United States**

By the end of World War II, the United States Navy (USN) had become the most powerful navy in the world. In the last few years, China has increased its naval force to surpass even the USN’s number of warships. However, according to numerous analysts, the USN has a higher metric tonnage, suggesting that it operates larger vessels than China. As of 2019, the USN fleet stood at 4.6 million tonnes, whereas China's stood at a mere 1.8 million tonnes. However, having a higher metric tonnage and therefore operating larger vessels that are capable of carrying larger weapons may not always translate into a more powerful navy. Other factors, such as air defence capabilities, also play a large role in quantifying a navy’s power. According to Brookings, a US think-tank, the US is still ahead in terms of carrier-based air power and long-range attack submarines, whereas China has a strong force of short range, diesel-powered attack submarines.

Like India, the US has also expressed concern regarding China’s growing influence in the Indo-Pacific. This concern has been translated into its Indo-Pacific strategy, National Security Strategy, and in NATO’s strategic concept, as well as into its bilateral security arrangements with countries in the Indo-Pacific region. For the US, China’s rise presents the emergence of a serious competitor in the region. China’s assertiveness and posturing threatens both US partners in the Indo-Pacific and the US’s global pre-eminence. Furthermore, the US has strongly opposed China’s BRI. In its Indo-Pacific strategy, Washington has stressed the Indo-Pacific region’s importance to US interests; indeed, the Indo-Pacific (as defined by the US) has received US$900 billion in direct foreign investment; employs numerous American nationals; and the region’s potential for economic growth still seems unparalleled.

**US Indo-Pacific strategy**

The Biden administration's Indo-Pacific strategy focuses on five core objectives: a free and open Indo-Pacific; building connections within and beyond the region; driving prosperity, bolstering security; and building regional resilience. The strategy aims to continue to empower and support
India’s regional leadership. It promotes stronger cooperation within the QUAD and within the trilateral security pact between Australia, the US and the United Kingdom (AUKUS). Other actions include bolstering US bilateral security relations with Japan and South Korea and reinforcing links between NATO and countries in the regions. The strong US strategy focus on the Indo-Pacific is also highlighted by the Pacific deterrence initiative, which aims “to enhance U.S. deterrence, assure allies and partners, and counter adversary threats in the Indo-Pacific region in response to China’s growing military power.”

With respect to its military strategy, the US has taken an integrated deterrence approach. More specifically, Washington intends to mobilise 60% of its surface ships to the Indo-Pacific, to ensure territorial and trade route safety. In turn, the US naval fleet mandated in the Indo-Pacific consists of approximately 200 ships and 1,500 aircraft. By mobilising its naval ships, the US also seeks to ensure the safety of Taiwan. Since August 2021, President Joe Biden has repeatedly stated that the US is prepared to defend Taiwan’s territorial integrity if China were to launch an invasion, but on each occasion, US staffers insisted that the ‘traditional’ policy of ‘strategic ambiguity’ on this issue has not changed. According to the Taiwan Relations Act of 1979, the US ‘shall make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capacity as determined by the President and the Congress’.

United States bases in the region include:

- **Naval support facility in Diego Garcia**, British Indian Ocean Territory and a drone base in Seychelles – providing the USN with a strong, central position in the Indian Ocean and close to the Mozambique Channel.
- **Naval base in Djibouti** – Giving the USN control of the Strait of Bab el-Mandeb and a foothold in the Gulf of Aden.
- **Airbases** in Saudi Arabia and Oman, airbase and naval support facility in Bahrain, airbase in Qatar, airbase and access to a port in the United Arab Emirates – All these facilities provide the US with a foothold in the Persian Gulf, the Gulf of Oman and, most importantly, proximity to the Strait of Hormuz.
- **Naval and airbase in Singapore** – As opposed to PLAN, the USN has bases located close to the Strait of Malacca, arguably the most important strongpoint in the region.
- **Naval base in Thailand** – During the Iraq and Afghanistan wars in 2015, Washington rented part of the base for logistics support from a private contractor; media report that Thailand continues to give the United States access to its bases in Sattahip and U-tapao.
- **Four airbases in the Philippines** – In 1951, the US and the Philippines signed a Mutual Defence Treaty. They have since reinforced this commitment with the 2014 Enhanced Defence Cooperation Agreement. As of February 2023, this agreement has granted the US access to four more military bases in the Philippines. These bases are critical for the USN deterrence strategy in the South China Sea.
- **Naval and air force base in Guam** – The US base in Guam is one of the biggest US Pacific fleet support bases. It provides the US with a strong foothold in the Philippine Sea. In February 2022, the US deployed B-52 nuclear-capable bombers to Guam, as Guam is the hub of US military operations in the Second Island Chain.
- **Three airbases and three naval Stations in Japan** – The US and Japan have a strong military cooperation based on the 1960 Security Treaty. The US base in Okinawa, Japan, is of immense geostrategic relevance due to its proximity to Taiwan. A military presence in this location contributes to the US’s strong power projection and therefore its strategy of deterrence. Furthermore, it allows the US to carry out numerous surveillance operations in the East China Sea. Okinawa – like Taiwan itself – is central to the First Island Chain, the barrier that constrains China’s access to the western Pacific.
Two military bases in South Korea – These are the largest overseas US military bases in the world, with a combined US military-civilian population of approximately 36,500. Their location allows the US to counter any attack in the Yellow Sea, as well as the East and South China Sea. In December 2022, the US deployed B-52 nuclear-capable aircraft for joint military drills with South Korea. In addition to deterring China, these bases also provide the US with a strong deterrent position over North Korea, thereby undermining its threats.

Air and naval base in Australia – These bases currently serve as support bases. The US recently announced that it would deploy nuclear-capable B-52 aircraft. This type of aircraft is capable of carrying out both ocean surveillance and anti-ship operations. The Australian government intends to increase interoperability with the US amidst China’s increased presence in the Indian Ocean.

Strengths and weaknesses of the US strategy

The long US history of engagement in the region has led to an extended network of partners and allies, which in turn, provides it with a critical advantage to address any tension and conflict in the Indo-Pacific. Furthermore, the US army is backed by a powerful domestic defence industry. Together with its partners and allies, experts argue that the US maintains power in the region and could still overwhelm the PLA – especially, in the western Pacific, where numerous US naval bases are located. Despite China’s newly built artificial islands in the South China Sea, the US presents a strong front with its airbases in the Philippines and Thailand, together with its naval base in Singapore. Some argue that China should also be aware of the US’s airbase on the Japanese island chain of Okinawa, due not least to its proximity to Taiwan. On the other hand, Chinese submarines can operate more freely in the Indian Ocean, given that the US is based predominantly in the Arabian Sea and in Australia. With the deployment of B-52 nuclear-capable aircraft, however, to Australia, Guam and for military drills in South Korea, it seems that the US has created a strong perimeter around China, legitimising and strengthening its deterrence strategy.

The US remains advanced in terms of military power projection and in some areas of military technology. However, experts point to China’s leap in innovation, which is gradually leading it towards gaining potential technological leadership in some areas. According to several experts, its strong economic and commercial position, combined with a transformed BRI strategy, might gradually increase its importance as a security player in the region. Conversely, according to the findings of the Asia Power Index, China may never be able to surpass the US’s superpower status. Nonetheless, the same report notes that China need not surpass the US to be able to challenge its authority in Asia, as its military capabilities are rapidly improving. Even though China’s military capabilities may be less than those of the US, they are certainly more powerful than its neighbours’ forces.

European Union perspective

EU role in the Indo-Pacific

The European Union (EU) seeks to strengthen regional partnerships and to empower like-minded regional powers worldwide. The EU Member States view the Indo-Pacific as a region of great economic opportunity and strategic importance, with three Member States having developed their own Indo-Pacific Strategy so far (Germany, the Netherlands and France). In April 2021, the European Council adopted conclusions on an EU strategy for cooperation in the Indo-Pacific. With this strategy, the EU intends to contribute to the region’s security, stability and prosperity. The strategy recognises China’s assertiveness, but does not develop further arguments on this subject. However, the Indo-Pacific strategy is complemented by the 2022 Strategic Compass. China is portrayed in the Compass as a partner in cooperation, an economic competitor, and a systemic rival. This echoes view in the 2019 ‘EU-China – a strategic outlook’ paper. According to experts, both strategies are
slightly ambiguous on how far the EU is willing to go to ensure security and stability in the Indo-Pacific.

EU capabilities and actions in the Indo-Pacific

The EU 'military' capabilities in the region include maritime cooperation through the Critical Maritime Routes Indian Ocean (CRIMARIO) and supporting the Philippines Navy, Coast Guard, MARINA and National Coast Watch Council Centre in their efforts to strengthen maritime domain awareness and improve operational effectiveness, with the use of the Indo-Pacific Regional Information Sharing (IORIS) platform. Other methods of assistance focus on securing maritime lines of communication, enhancing Member States' naval presence in the Indo-Pacific and conducting more joint exercises. Moreover, the EU has committed to promoting greater dialogue on security and defence with its Indo-Pacific partners. In the newly updated EU maritime security strategy, the EU stresses the need to maintain stability and security at the key choke points, the Straits of Malacca, Hormuz and Bab el-Mandeb. The EU and its Member States must expand their presence in these areas to achieve this goal. Furthermore, the strategy calls for an increase in partner exchanges on maritime security, through the Enhancing Security Cooperation in and with Asia (ESIWA) and through bilateral dialogues, particularly with the Indian Ocean Rim Association (IORA). The recently released EU space strategy for security and defence also seeks to complement EU defence capabilities in the Indo-Pacific, through the development of space situational awareness services, which would enhance the EU's satellite imagery infrastructure. In addition, the strategy aims at securing communications in security and defence missions and operations.

With regard to Member States' individual capabilities, France has the biggest ongoing presence in the Indo-Pacific, due to its extensive exclusive economic zone, around its Pacific départements d'outre-mer et territoires d'outre-mer (DOM-TOMs). As of 2022, France had deployed 7,000 military personnel, 20 vessels and 40 airplanes. By February 2023, the Charles de Gaulle carrier strike group had already carried out large-scale joint exercises with the Indian navy and deployed three Rafale fighters to Paya Lebar airbase in Singapore. In this way, France has a relatively strong power projection in the region, particularly in the Indian Ocean and in the Strait of Malacca, as the only EU Member State with a permanent presence in the Indian Ocean. In recent years, Germany has also increased its focus on the Indo-Pacific, sending six Eurofighter jets, four transport aircraft and three air-to-air refuelling tankers to Australia. In February 2022, the frigate Bayern returned to Germany following a 7-month deployment in the Indo-Pacific. It is argued that Germany sought to show its assertiveness and willingness to act to defend the international rules-based order and its readiness to be involved in ensuring the security of the region. In a similar manner, in 2021, the Netherlands deployed the frigate Evertsen to the Indo-Pacific, where it called at the Changi naval base in Singapore as well as visiting Japan and South Korea.

The European Parliament and the Indo-Pacific

Following the September 2021 publication of a joint communication by the Commission and the High Representative/Vice President on 'An EU strategy for cooperation in the Indo-Pacific', the European Parliament Committee on Foreign Affairs Committee (AFET) own-initiative report on the 'EU and security challenges in the Indo-Pacific' of 22 March 2022 was voted in plenary on 7 June 2022. Parliament subsequently adopted a resolution on 'the Indo-Pacific strategy in the area of trade and investment' in plenary on 5 July 2022, following a motion from the Committee on International Trade Committee (INTA).
MAIN REFERENCES/FURTHER READING

Jie Y. and Wallace J., *What is China’s Belt and Road Initiative (BRI)?*, Chatham House, 2021
Patton S., Sato J. and Lemahieu H., *Lowy Institute Asia Power Index, 2023 Key Findings Report*, Lowy Institute, 2023
Kugelman M., *Have China and Pakistan Hit a Roadblock?*, Foreign Policy, 2023
Jaybhay R., *China’s pipeline dream in Pakistan*, the interpreter, 2020
Mangi F., *China’s Funding to Pakistan Stands at 30% of Foreign Debt*, Bloomberg, 2022
Bonnet F. X, *Charting submarine routes in Southeast Asia*, Hérodote, Vol 176, Issue 1, 2020
O’Hanlon M. E., *But CAN the United States defend Taiwan?*, Brookings, 2022

DISCLAIMER AND COPYRIGHT

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.


Photo credits: © MotionCenter / Adobe Stock.

eprs@ep.europa.eu (contact)
www.eprs.ep.parl.union.eu (intranet)
www.europarl.europa.eu/thinktank (internet)
http://epthinktank.eu (blog)