

74

 **ORF**
**OCCASIONAL
PAPER**

OCTOBER 2015

MILITARY BUILD-UP IN THE INDIAN OCEAN:

**Implications for
Regional Stability**

**RAJESWARI PILLAI RAJAGOPALAN
ARKA BISWAS**

MILITARY BUILD-UP IN THE INDIAN OCEAN:

Implications for Regional Stability

RAJESWARI PILLAI RAJAGOPALAN

ARKA BISWAS

ABOUT THE AUTHORS

Dr. Rajeswari Pillai Rajagopalan is a Senior Fellow and Head of the Nuclear and Space Policy Initiative at the Observer Research Foundation. Dr. Rajagopalan joined ORF after a five-year stint at the National Security Council Secretariat (2003-2007), where she was Assistant Director. In 2012 she was Visiting Professor at the Graduate Institute of International Politics, National Chung Hsing University, Taiwan. A prolific writer, she is the author of four books: *Nuclear Security in India* (2015); *Clashing Titans: Military Strategy and Insecurity Among Asian Great Powers* (2012); *The Dragon's Fire: Chinese Military Strategy and Its Implications for Asia* (2009); and *Uncertain Eagle: US Military Strategy in Asia* (2009). She has also co-authored and edited five other books, including *Iran Nuclear Deal: Implications of the Framework Agreement* (2015). She has contributed to peer-reviewed journals (*India Review*; *Strategic Studies Quarterly*; *Air and Space Power Journal*; and *International Journal of Nuclear Law*) and newspapers (*Wall Street Journal*; *Times of India*; *Hindustan Times*, and *Economic Times*.) She has also lectured at Indian military and policy institutions such as the Defence Service and Staff College (Wellington), National Defence College (New Delhi), Army War College (Mhow), and the Foreign Service Institute (New Delhi).

Arka Biswas is a Junior Fellow at the Observer Research Foundation. He is currently pursuing projects on Nuclear Developments in Iran and on India's membership in the export control groups. His research areas include security, military, and strategic affairs in South Asia and the Asia-Pacific. He has been a Visiting Fellow at the Stimson Center, Washington DC. He obtained his Masters in International Relations from the University of Bristol. His work has appeared in various journals, including *Bulletin of the Atomic Scientists*, *Foreign Policy*, *The Diplomat*, and *The National Interest*.

MILITARY BUILD-UP IN THE INDIAN OCEAN:

Implications for Regional Stability

ABSTRACT

The Indian Ocean region is yet again witnessing another phase of strategic rivalries, with global powers including the US, China and India competing to create their own zones of power. The Indian Ocean has historical significance as a key corridor for both trade and energy resources from the oil-rich Middle East to the big economies of East Asia. The nature of challenges facing the region are evolving. Economically, the Indian Ocean has become more critical, with growing volume of trade and the simultaneous rise of threats from non-state actors along the traditional trade routes and choke-points. Far more crucial is the brewing naval rivalry among the major Indian Ocean powers. Such dynamism has made it imperative for both the major powers and the smaller littoral countries to strengthen their naval capabilities. This paper examines the military build-up of major Indian Ocean powers, and makes an assessment of how they are gearing to address the evolving challenges. It also studies the implications of the military build-up and naval diplomacy on the overall balance of power in the Indian Ocean.

INTRODUCTION

The Indian Ocean has lately been witnessing a heightening sense of strategic rivalries, with major powers such as the US, China and India competing to create their own zones of power and influence.¹ Various factors are driving these powers to seek greater role and influence in the Indian Ocean. One of these factors is the strategic importance of the Indian Ocean, specifically from the perspective of energy security. It is a fact that many Asian countries depend on oil imports from the Middle East. Almost 50 percent of the world's

tankers and more than 80 percent of oil transportation from the Middle East to Northeast Asia pass through this region. This makes the security of these trade and energy corridors around the Strait of Hormuz, the Mozambique Channel and the Malacca Straits highly important to these countries. The protection of these corridors has translated into new emphasis on issues like sea lines of communication (SLOCs), maritime terrorism, and piracy. The Indian Ocean, moreover, is home to mostly unexplored, vast reserves of natural resources. There is also the growing volume of undersea cables across the Indian Ocean region that forms a vital part of communication network linkages between Asia, Europe and America, the security of which is of utmost importance.

Even as this competition for energy, trade and resources picks up in the Indian Ocean, global power transition and the rise of Asia, in particular China, has had a more telling effect on the emerging security dynamics in the region. The rise of China, particularly of its military might, coupled with the relative decline of the US have created further complexities in the region.

MILITARY BUILD-UP OF MAJOR PLAYERS

The Indian Ocean region is dotted with several navies, most of whom have remained passive and have not demonstrated any significant capability to undertake multilateral stability operations. The US, for its part, has paid minimal attention to the Indo-Pacific, including the Indian Ocean region, given its other preoccupations such as its decade-long engagement in Afghanistan and Iraq. Meanwhile, China has emerged as a potent force; particularly disturbing is its tendency to use force, or threats of it, in managing its political and territorial disputes. While much of Asia has adopted a wait-and-watch approach towards these developments, they are increasingly compelled to develop certain capabilities in order to ensure not only their own security but regional stability as well. This paper maps the military capabilities of major Indian Ocean powers—the US, China, Australia, Japan, Indonesia and India—and their implications on Indian Ocean stability. Driven by their own threat perceptions, these countries have been seeking to enhance their military profiles, consequently accentuating the security-insecurity dilemma in the region.

THE US

While the US, geographically speaking, is not an Indian Ocean power, its role and sway over Indian Ocean affairs has been immense. US presence has had important bearing for maritime stability in the region. While the relative decline of the US in the last decade has had a degree of dampening effect in the face of a rising China, the US will continue to be a significant security guarantor for the region. In fact, the US posture has gained a lot more clarity following its Asia pivot policy, initiated by the administration of President Barack Obama.

For the US, the Indian Ocean means several, equally important strategic interests, ranging from trade and energy flows, to the global war on terror and power-centric interests. The importance of energy security-related interest has brought to the fore challenges including piracy, protection of SLOCs, and maritime security. The Indian Ocean also played a significant role in the US' pursuit of its global war on terror in Afghanistan. The US position, nevertheless, remains most critical in the context of its role as a net security provider in the region. In order to serve these interests, the US has maintained substantial presence in the region, both through military deployments and diplomatic missions. At the military level, the US maintains its presence through the CENTCOM (US's Central Command) and PACOM (US's Pacific Command), as well as AFRICOM, which is relevant in the context of the African Indian Ocean littoral countries. The US has simultaneously maintained its diplomatic outreach to both its allies, such as Australia and Thailand, and partners in the region.

With the end of the Vietnam War in the mid-70s, the US' military presence in Asia (except in Japan and South Korea) has been found wanting for a variety of reasons. For one, consent from potential host countries was always an issue and the US has had to primarily rely on Tokyo and Seoul to host most of its forces in the region, with partial logistical support provided by Singapore.² Two, the relative decline of the US, particularly as witnessed under the Obama Administration, has created new uncertainties. The global financial crisis of 2008 and the budgetary restrictions on the US military in recent years have posed questions on the US' ability to play a decisive role in the Indian Ocean. After a decade of US military engagement in Afghanistan and Iraq, there is also the question of US willingness to play a more substantial

role. This has called upon regional powers to shoulder new responsibilities and fill in the vacuum left by such US uncertainty. For instance, many Southeast Asian countries, including the smaller ones, are making serious investments in acquiring hard-power capabilities, particularly in the naval and air domains. This new trend is also driven by China's increasing military might and its belligerent posture towards issues such as South China Sea territorial disputes. Beijing's preference for technological solutions to sovereignty and territorial issues is troubling, and in fact fuelling many of the recent acquisition developments.

In the changing context of rising Chinese military power, the US' relative decline and the changing regional dynamics with smaller powers amassing hard-power capabilities, the US has begun approaching Asian security in a new light. This has prompted the US to delegate responsibility to regional powers such as Japan, the Philippines and India. Even as this is the case, the Indian Ocean continues to be critical for the US from the point of view of trade and security. The focus on the Indian Ocean in the Defense Strategic Guidance 2012³ and the 2014 Quadrennial Defense Review⁴ is a reflection of this importance, translating into the US maintaining strategic naval presence in key Indian Ocean littorals such as Bahrain, Djibouti and Diego Garcia. These bases have remained important in the context of the US' bilateral and multilateral exercises in the Indian Ocean region, involving both African and Asian countries.

Bahrain houses one of the most dynamic US military presences in the Indian Ocean region: the country maintains the US Fifth Fleet and has a total US troop presence of 8,500 personnel. Responsible for a range of naval and maritime activities, the American base in Bahrain is reportedly being considered for significant upgradation, with provisions for accommodating more naval vessels such as new coastal patrol and littoral combat ships.⁵ The expansion of the facility will be particularly important in the context of the US' rebalance strategy to Asia-Pacific, as a means to assuage the concerns of its regional allies.

The US naval base in Djibouti, Camp Lemonnier, meanwhile, has remained important as part of the US Africa Command in the Horn of Africa. The Combined Joint Task Force in the Horn of Africa, set up after the 9/11 terrorist attacks in support of Operation Enduring Freedom – Horn of Africa (OEF-HOA), is also located within Camp Lemonnier. Housed in an unstable

neighbourhood, with conflict-ridden Somalia and Yemen within close proximities, this task force has had an important role in fighting terrorism and managing conflicts in this region.⁶ The US has critical interests here given the strategic location of Djibouti at the mouth of the Gulf of Aden, which has been vulnerable to terrorism and piracy. The US interest here has varied—from demining and humanitarian missions to maritime and counter-terrorism activities, which have also overlapped with many of its African partners. While testifying before the US Congress in 2012, retired Army General Carter Ham had underlined that Camp Lemonnier was “a key location for national security and power projection”.⁷

Camp Lemonnier houses some 4,000 personnel, including a mix of military and civil bureaucracies and contractors responsible for training foreign militaries, intelligence gathering, and providing humanitarian assistance in East Africa. These entities aim to uplift the people's lives from extreme poverty and underdevelopment, which have otherwise contributed to the spread of extremism. The base also has access to the Djibouti-Ambouli International Airport and Port de Djibouti, as per an agreement between the Djibouti government and the US mission in Djibouti.

US military presence in Djibouti is reportedly undergoing a major shift, and the base is being projected to play a significant role in drone and surveillance activities across Africa.⁸ The initial reports in this regard came out in 2012, in the backdrop of the terrorist attack on the US embassy in Benghazi. At that time, a major criticism hurled against the US was that it failed to put in place adequate crisis-response mechanisms in Africa.⁹ Moreover, the situation in Yemen and Somalia have fed into the US' thinking in this regard. According to news reports, the base now also stations a special operation rapid response team, drawn from the US Army's 10 Special Forces Group, whose principal targets remain al-Qaeda and al-Shabab. These operations have been primarily conducted by unmanned vehicles though there are also reports of US F-15s doing combat sorties over Yemen.¹⁰ This base is thus increasingly becoming “the US military's first permanent drone war base” moving away from “expeditionary” camp, as it used to be called when the US moved in during the early 2000s.¹¹

Media reports indicate that given the willingness of the Djibouti government to play host, the US military is there to stay. This has translated into the US making plans for revamping its facility at an estimated cost of

\$1.2 billion for the next 25 years.¹² Some of the highlights of this are a special operations centre, a three-storey barracks and a hangar to station two aircraft.¹³ Even as the Djibouti government has been most willing to accommodate the US forces, the difficulty has proved to be in finding physical space for the planned expansion. For instance, the US planes, including the F-15s, the C-130 transport planes and other refuelling aircraft, are often vying for the same space along with local commercial airlines as well as with Japan and France, which are also involved in anti-piracy operations in the Gulf of Aden. The fact that the Department of Defense's East Africa Response Force (EARF) is also based at the Camp worsens the competition for space.¹⁴

Diego Garcia, an atoll in the centre of the Indian Ocean region, has remained an important base for the US for several decades. Following the withdrawal of the UK in mid-1966 and the intensification of the Cold War in the 1980s, Diego Garcia became a natural attraction for the US for maintaining its presence in the Indian Ocean. The base was significant not only from the anti-Soviet Cold War perspective, but there were also important trade and energy security-related interests involved. Even after the end of the Cold War in 1990, the base continued to serve strategic interests: the base was used for several US military operations including Operation Desert in the early 1990s, its global war on terror in Afghanistan, and Operation Iraqi Freedom.

In the past, US military presence in Diego Garcia had come under sharp criticism from countries such as India, owing to its sensitivities around external players in the Indian Ocean. The fact that the two countries were in opposite camps during the entire Cold War period did not help the matter, either. Eventually, the rising meeting of minds between India and the US led to greater cooperation particularly between their navies, and a key mission of the Diego Garcia base is to extend logistical support to US military operations in the Indian Ocean and Persian Gulf. The base houses a remote tracking station run by the US Air Force and is responsible for providing telemetry, tracking and commanding of DOD satellites. There is also an Air Force Space Command unit in the base, responsible for deep space surveillance using the only GEODSS (Ground-based Electro Optical Deep Space Surveillance) available in the southern hemisphere.¹⁵

CHINA

Increasing trade and energy security compulsions have made the Indian Ocean critical for China, much like other Asian countries. Despite attempts at diversifying its sources of oil and energy imports to include Russia and Central Asia, China continues to rely heavily on West Asia.¹⁶ Much of China's oil imports from West Asia pass through the Indian Ocean, with 85 percent of it transiting through the Gulf of Aden.¹⁷ Highlighting the critical role of the Indian Ocean, a recent report in Chinese official media stated that about “four-fifths of China's oil” transit through the choke points in Indian Ocean.¹⁸ Moreover, with China primarily being an export market economy, its dependence on the SLOCs that pass through the Indian Ocean has always been critical. As it has been often articulated: “As the largest trading nation in the world, maritime security in the Indo-Pacific cannot be more important for China. The Chinese navy has to protect its overseas interests such as the safety of personnel and security of property and investment”.¹⁹ The protection of these SLOCs in the Indian Ocean has therefore become a priority for China. In recent years, Beijing has expressed its concerns over the repercussions of possible blockades and disruptions of these SLOCs, which are its trade and energy security lifeline. It must be noted, however, that SLOCs are extremely long and fairly complex sea routes, the protection of which cannot be the exclusive responsibility of a single country. China has nonetheless taken up the mandate of protecting all of the SLOCs it uses for trade, which as a result helps Beijing justify its growing military presence across the Indian Ocean. China has also sought to exaggerate the need to protect the entire sea route in order to defend its presence.

Historically, China has stayed away from the Indian Ocean. Yet its economic interests in the region have increased rapidly, evident from its growing presence in these waters. For instance, on 18 November 2011, the China Ocean Mineral Resources Research and Development Association (COMRA) signed a 15-year contract with the International Seabed Authority (ISA), gaining exclusive rights to explore 10,000 sq km of seabed in the southwest Indian Ocean, off the coast of Africa, for polymetallic sulphide ore deposits.²⁰ More recently, in May 2015, China proposed joint mining with India in southwest Indian Ocean where its deep-sea manned submersible Jiaolong found deposits of gold and silver.²¹

Even as much of the literature talks about the importance of the Indian Ocean to China solely from an economic and energy perspective, the strategic imperatives are evident. These strategic imperatives have been captured, for instance, in China's 350-page 'blue book' which was publicly released in 2013. While the document recognised China's interests in the Indian Ocean as 'commercial',²² it, however, took into account the possibility of conflict, predicting a struggle amidst 'big powers' for strategic space in the region. The document noted that "no single regional power or world power, including the United States, Russia, China, Australia, India, can control the Indian Ocean by itself in the future world".²³ China also reiterates that India alone is not capable of handling security in the Indian Ocean, "even if it regards the Indian Ocean as its backyard and wishes no one to compete with it there".²⁴

While expanding its own naval capabilities, China has also sought to foster stronger maritime relations with some of its neighbours using diplomacy among other tools. China has simultaneously attempted to increase its naval presence in the Indian Ocean by frequently sending its naval ships on visits to the ports of Karachi (Pakistan), Colombo (Sri Lanka) and other ports in Southeast Asian countries. While China has constructed civilian ports, for instance, at Gwadar in Pakistan and at Hambantota in Sri Lanka, the military dimensions of these ports cannot be ignored, should the need arise particularly during conflict situations.²⁵ These maritime advancements into the Indian Ocean have been accompanied by an increase in the number of naval exercises, which the Chinese navy (PLAN) has conducted on waters beyond its backyard. These developments capture Beijing's goal of establishing itself as a key player operating in the Indian Ocean.²⁶

A corollary effort for China is its currently proactive conduct of anti-piracy operations and leading SLOC protection patrols. Its decision to send three naval ships to the Gulf of Aden in 2009 is a clear example of Beijing's intention of moving beyond its immediate waters into the Indian Ocean. While China does not yet have a military base in the region, it is looking to establish one in Djibouti. This is yet another example of its greater outreach into the Indian Ocean. This strategy has gained greater momentum with more littoral countries themselves seeking Chinese assistance, both in economic and military terms.²⁷ For instance, in 2011, the Seychelles not only sought support from China in its anti-piracy operations, but also called on Beijing to

maintain greater naval presence in the archipelago.²⁸ While the Seychelles government noted that the Chinese ships will practice the same procedures as followed at the ports of Djibouti, Oman and Yemen, its decision has, nonetheless, helped China further strengthen its presence.²⁹ Thus piracy has provided China with the justification to increase its presence, and it did so, quite disproportionately, deploying nuclear submarines for its anti-piracy engagement.

The Maritime Silk Route is another conduit that China is working on which will again benefit Beijing in furthering its strategic interests. It will not only allow China to enter previously unexploited markets, but will also help it further legitimise its naval presence in the Indian Ocean region under the guise of providing security to trade, thus enhancing the potential for competition and rivalry.

Meanwhile, PLAN has grown confident in operating proactively in its waters and beyond, evident from the recurring face-offs with the US, Japan, and other countries from Southeast Asia, including Vietnam and the Philippines.³⁰ Development and induction of modern missile systems, like cruise missiles and anti-ship ballistic missiles, has further enhanced PLAN's asymmetric capabilities. Moreover, the growing inventory of area denial weapons including the DF-21D anti-ship ballistic missiles, "with deployment focus in the Indian Ocean Region (IOR)" is worrisome.³¹ The growing expeditionary maritime capabilities with its nuclear-powered submarines, its underground submarine base in Hainan close to the Southeast Asian waters upped the ante of the regional maritime powers. It has also been confirmed that China is constructing its second aircraft carrier and has begun assembling the world's largest amphibious aircraft.³² While these are all indicators of a strong maritime power in the making, they will, however, take several years to mature into effective force multiplier capabilities. China is clearly demonstrating its intentions to play a more offensive role in the maritime domain, but it is still far from achieving superiority over traditional maritime powers such as India, Japan and the US.

As a result of China's assertive posturing in the Indian Ocean, many of the littoral countries are now seeking external guarantees and arrangements to counter-balance the Chinese threat. China's aggressive actions in the South China Sea have raised apprehension to another level. The manner in which China has upgraded its infrastructure in the Spratlys and Paracel Islands, with

two runways of 3000 metres long has clearly upped the ante in the region. These are prompting new diplomatic and military measures by the neighbouring countries. For instance, in apprehension of the growing Chinese threat, the Philippines has recalled the US forces to its old base at the Subic Bay to counter any Chinese attempt to threaten its maritime freedom. Other littorals, however, have so far been more wary of overtly opposing China's moves so as to not further aggravate their bilateral relations. The ripple effects of Chinese aggression in the Indian Ocean has also been felt by the US, which then reiterated at the Shangri-La Dialogue 2015 that it will operate unhindered in the Indian Ocean region.

JAPAN

Much like India and China, Japan too has significant interests in the Indian Ocean. However, its level of interaction and influence has remained low-key historically due to India's pre-eminent position. Japan's stakes in the Indian Ocean are primarily driven by trade and energy interests; lately, though, security-related considerations are becoming more compelling factors in determining Japan's posture in the Indian Ocean.³³ Dependency on energy resources from the Middle East and the trade corridor connecting to Europe and North Africa have kept up the Japanese interests in Indian Ocean. Following the Fukushima accident in March 2011 and the subsequent shut down of civilian nuclear power plants, the emphasis on oil from the Middle East appears to have become even more dominant. According to latest reports, the share of crude oil imports from the Middle East for the year 2014/15 was 82.7 percent.³⁴ This translates to greater prominence of issues such as maritime security and protection of the Sea Lanes of Communication (SLOCs). Japan has become active in multilateral anti-piracy operations by sending their destroyers to the Indian Ocean – clear reflections of a 'new' Japan perhaps more willing to demonstrate its desire to play hard security games.³⁵ However, growing Chinese military might and its assertive behaviour, coupled with its increasing footprint in the Indian Ocean, has raised Tokyo's concern from a security perspective as well. Humanitarian Assistance and Disaster Relief (HADR) and the protection of people of Japanese origin have also become prominent concerns in recent years.³⁶

Meanwhile, there have been distinct changes taking place in Japan. For one, Tokyo is moving away from its traditional mode of approaching Indian Ocean through a trade and SLOC-protection perspective to one that is driven by a “more conventional power-centred paradigm” in the backdrop of the growing Chinese power dynamics.³⁷ The fact that India, China and Japan are three of the rising powers seeking greater strategic space adds to the existing complexities. As equally rising powers, each country will seek to expand their space, not so much in geographical terms but in the strategic sense. Increasing competition in the Indian Ocean is in a sense a reflection of this rivalry for strategic space. There are also certain inherent problems such as the baggage of history and unresolved territorial disputes peculiar to Asia that compound the Asian security relations.

In the meantime, Sino-Japan rivalry around unresolved territorial issues in Senkaku Islands have forced Tokyo to adopt more 'muscular' approaches, with a particular focus on gaining hard-power capabilities. The shift has been visible especially under Prime Minister Shinzō Abe. Japan has begun to execute its new approach through a variety of means, including new diplomatic initiatives. Being geographically distant from the Indian Ocean, Japan has been forced to forge partnerships with countries that have a more direct presence in the region. Greater diplomatic outreach to countries in the Middle East, India, Australia, Southeast Asia and Indian Ocean littorals are illustrative of this effort. Japan's dispatch of its Maritime SDF to the Indian Ocean on an anti-piracy mission was one of the first such outreach activities undertaken by Tokyo. It has participated in subsequent Somali-Aden missions as well.

The establishment of a Japanese naval base in Djibouti in July 2011 is politically significant and has far-reaching impact. The base houses an airfield for Japan's anti-piracy patrols over the Indian Ocean and Gulf of Aden. The base reportedly has also a permanent port facility for naval vessels.³⁸ Most recently, the Japanese Ministry of Defence has begun looking for further reinforcement of the base, looking to maintain it as a more permanent and full-fledged facility for the region, including for operations such as transporting Japanese nationals by government aircraft and Self Defense Forces (SDF) transport planes, and sending surveillance aircraft in emergency situations.³⁹ A senior Ministry of Defence official is reported to have said, “Based on the government's principle of 'proactive pacifism,' it is a natural

matter of course to develop a strategy to utilize more of the SDF's lone foreign operational base. From the perspectives of cooperation with the US military and NATO forces and sharing terrorism-related information with these forces, it will be to Japan's benefit to increase functions of the base." While the base is significant for strengthening its anti-piracy missions, it goes to strengthen Japan's power projection capabilities. It is worth noting that the US already has significant presence in Djibouti and now China is contemplating a military base there,⁴⁰ initiating discussions in 2013 to this effect. However, with Japan, considered second only to the US in naval terms, having a firm foothold in Djibouti, China is likely to push for its military base sooner than later. As a rising great power with growing interests and investments, the latest move by China comes as no surprise; it is also certain to increase the major power rivalry in Africa and the Indian Ocean region.

Security cooperation between Japan-Australia and Japan-India clearly reflects the evolution of new security risks in the regional and global arenas. Japan also participated, for the first time, in the two-yearly US-Australian military exercise, *Talisman Sabre*, in July 2015.⁴¹ Japan-India partnership has also undergone a big shift in recent years. One of the earlier iterations of this partnership came in 2006 when Prime Minister Abe and his counterpart, Manmohan Singh, decided to elevate the relationship to a 'Global and Strategic Partnership' with provision of annual Prime Ministerial Summits. The subsequent 'Joint Declaration on Security Cooperation' issued in 2008 called for greater cooperation in the Asia-Pacific, including the Indian Ocean. Subsequent agreements between New Delhi and Tokyo have reiterated this cooperation. In September 2014 Abe, and then new Indian Prime Minister Narendra Modi declared their converging global interests, "critical maritime inter-connection and growing international responsibilities". They also reaffirmed their "abiding commitment to peace and stability, international rule of law and open global trade regime" as important markers of their global and strategic partnership.⁴² More recently, a joint press release during Indian Defence Minister Manohar Parrikar's visit to Japan in April 2015 said that both countries want to make the area of defence equipment and technology a "key pillar of bilateral defense relations."⁴³ The Indian defence minister further "welcomed Japan's initiative to strengthen bilateral ties and said that Japan is a privileged partner of India in 'Make in India' including in defence equipment and technology sector." Japan's defence minister Nakatani, for his

part, stated that India and Japan “agreed to actively cooperate in ensuring maritime security, which is of common interest.” Nakatani also noted that “[i]t is important to deepen defence exchanges to secure order at sea based on the rule of law and not by force.” Japan is also in negotiations with India to sell Soryu-class diesel-electric submarines. It is also an active participant in joint naval drills, such as the India-US Malabar maritime exercises, in which the Japanese Maritime Self-Defense Forces (MSDF) regularly participate.

Furthering its outreach to Southeast Asia, Japan signed a defence pact with Indonesia in March 2015, offering a loan of \$1.6 billion.⁴⁴ Similarly, it signed an agreement with the Philippines in January 2015 to bolster defence ties.⁴⁵ Malaysia too has figured prominently in Japan's Southeast Asia calculus. Emphasising strategic partnership with Kuala Lumpur, Abe remarked in May 2015, “As a concrete effort, we agreed to cooperate in the field of defense equipment. [Tokyo] will provide cooperation in maritime safety by offering reinforced assistance to (Malaysia's) coast guard agency”.⁴⁶ Abe added that Japan and Malaysia have agreed to upgrade bilateral ties to a “strategic partnership” to boost cooperation on a wide range of regional and international issues. Relations with Vietnam have been picking up as well. Agreements with Vietnam signed on 18 March 2014 established an “extensive strategic partnership” between the two countries “to promote cooperation between the respective services of the Vietnam People's Army and the Japan Self-Defense Forces (JSDF), and advance cooperation in such fields as human resource development, capacity building, and visits of military ships”.⁴⁷

As for Japan's role in the Indian Ocean, it is likely to intensify in the coming years for a number of reasons. A key imperative is the growing convergence of strategic interests between Japan and several other Asia-Pacific players. At the same time, the growing set of partnerships has invited sharp reactions. The growing India-Japan partnership, for instance, has upped the ante in capitals such as Beijing that views the partnership as restrictive to its own manoeuvrability. Tokyo's budding partnerships with a number of countries in South Asia and Indian Ocean littorals such as Sri Lanka are an indication of Japan's proactive engagement in Indian Ocean. A new 'normal' Japan under Abe's leadership is likely to be a dynamic participant in Indian Ocean security.

AUSTRALIA

Australia, too, has significant interests in the Indian Ocean and could become a major player in the coming years. Making it an ideal Indian Ocean power is geography: the western coast of Australia links with the eastern boundary of the Indian Ocean. For Canberra, both the regional and maritime security calculations are important drivers for its adopting a more proactive policy in this regard. Australia also has a submarine fleet based near Perth in the west, adding to Canberra's security calculations.⁴⁸

Australia's military preparedness in the Indian Ocean, however, received a major setback under the previous government, which reduced defence spending to levels of 1938, resulting in 119 defence projects getting delayed, 43 others getting downscaled, and eight acquisition projects being cancelled.⁴⁹ Though the Royal Australian Navy (RAN) is a strong force, consisting as of April 2015 of 48 vessels, including frigates, submarines, patrol boats, auxiliary ships, amphibious assault ships or Landing Helicopter Dock (LHD), Australia needs to beef up its maritime capabilities, given its geography and location in the Indo-Pacific region. In the same vein, the new coalition government has already committed to invest over \$1 billion in defence projects in South Australia alone. These projects include the acquisition of “three air warfare destroyers (AWDs), 72 joint strike fighters and the first tranche of the Land Combat Vehicle System (LCVS) program of mounted combat reconnaissance vehicles”.⁵⁰ More recently, Australia sanctioned a deal of over \$3 billion to acquire 24 MH-60R Seahawk “Romeo” naval combat helicopters.⁵¹ Australia has also announced a “competitive evaluation process” to assess international bids for the construction of a new generation of submarines.⁵² While there are several contenders including the German ThyssenKrupp (TKMS), the Japanese consortium of Mitsubishi Heavy Industries and Kawasaki Heavy Industries appear to be a more favourable choice, particularly from a strategic perspective.⁵³

The Australian government is expected to release its next defence white paper in the last quarter of 2015, which is likely to confirm an investment of approximately \$4.2 billion on defence over the next four years and may include plans of acquiring new frigates and submarines for the RAN.⁵⁴ RAN also possessed an aircraft carrier, Her Majesty's Australian Ship (HMAS) Melbourne, but it was decommissioned in 1982. In recent years, Australian

leadership has signaled that the country will soon have its fixed-wing aircraft carrier, which is expected to give a major boost to its naval capabilities.⁵⁵

As much as the Indian Ocean is significant to Australia's security, there are also new challenges and vulnerabilities in the form of an aggressive China, whose objectives remain vague and ambiguous, the potential blockade of SLOCs, and piracy—all of which are threats to a stable maritime order. In 2009, the Australian Defence White Paper was categorical about the consequences of rising Chinese military might. That paper argued that unless China was willing to explain and take the necessary confidence building measures, Beijing would continue to be an area of concern for the region.⁵⁶ Following sharp reactions in Beijing about such categorical reference to China, Canberra softened its approach over the years; it has continued to remain, however, cautious of China and its posturing in the region. The US, meanwhile, continues to be the cornerstone of Australia's security, though it is also looking to forge closer partnerships with regional countries such as India and Japan that share similar strategic interests in devising a stable regional order around the Indian Ocean. These are increasingly visible in Australia's policies and posturing.

Despite a relatively restrained approach, the US rebalance has brought back Australia's salience in Indo-Pacific security. Some of this new focus became evident during US President Obama's visit to Canberra in November 2011. The highlights included: stationing of up to 2500 US Marines in Darwin; increasing the number of US war planes using air bases in northern Australia; and greater access to the HMAS Stirling base in Western Australia for US navy ships.⁵⁷ Traditionally, the Indian Ocean base Diego Garcia has served the US' key military and security interests. However, uncertainty around the base after 2016 suggests that Washington may be keen in the coming years to pursue with Canberra an agreement on the use of Cocos Islands.⁵⁸ Many of the US surveillance operations including over South China Sea are currently out of Diego Garcia but these could be shifted to Cocos and Keeling Islands.⁵⁹ However, Defence Minister Smith and other officials have been quick to point out that these are long-term plans and there are various prerequisite infrastructural adjustments.

As mentioned earlier, Australia's emphasis is on strengthening regional partnerships, which was also evident during Prime Minister Modi's visit to Australia in November 2014. In the joint statement signed during the visit,

Modi called upon Australia to “work together on the seas and collaborate in international forums for universal respect for international law and global norms”.⁶⁰ Maritime security and stability around the Indian Ocean are equally prominent objectives for India, Australia and the US.

INDONESIA

Being the world's largest archipelago, Indonesia's shared maritime borders are massive; it has maritime borders with about ten countries, including India and Australia. The nation also borders the Straits of Malacca, one of the world's busiest shipping lanes that connects nations from across the Indian Ocean region. Its seas form part of the South China Sea, where it remains watchful of China's claims on areas near Indonesia's Natuna Islands. While Indonesia has attempted to stay clear of a maritime territorial dispute with China, it has mentioned that China's nine dash-line map is shifting to include Beijing's claim into Indonesia's exclusive economic zone.⁶¹ Indonesia's geography and its position in the Indian Ocean thus make it vital for the country to maintain a strong naval force in order to ensure the security of its surrounding shipping lanes.

Indonesia's defence spending in the past has largely been focused on ground forces as it continued to deal with internal security threats. However, its President Joko Widodo has lately been emphasising the need to enhance Indonesia's naval capabilities and increase its presence in the Indian Ocean region. During his trips to the APEC, ASEAN and G20 summits in 2014, President Widodo repeatedly spoke of how he envisions Indonesia as a “global maritime axis” and “emphasised the importance of making Indonesia's strategic maritime position the cornerstone of its foreign policy”.⁶²

In order to revamp its navy, Indonesia has devised a 20-year plan.⁶³ During these 20 years, as its chief Admiral Ade Supandi has stated, the Indonesian navy will be restructured to mirror the US Pacific Fleet. The plan includes the acquisition of 100 to 150 naval ships.⁶⁴ At the moment, Indonesia has 15 to 20 ships, about half of which are between 25 and 50 years old. Replacing the old ships and acquiring new ones would require heavy investment. In order to facilitate this expansion, Indonesia is planning to increase its annual defence spending to 1.5 percent of its GDP. For 2015, Indonesia has allocated a budget of 14 trillion rupiah (\$ 1.1 billion) for its navy.⁶⁵

Indonesia is also planning to expand its fleet of submarines in the same 20-year period. It currently has five submarines and three more diesel-electric submarines are being built by South Korea's Daewoo Shipbuilding & Marine Engineering (DSME). Indonesia's Ministry of Defense signed a contract with DSME in December 2011 to supply three 209/1200-type diesel-electric attack submarines by 2020.⁶⁶

Given the importance of securing shipping lanes near its borders, the Indonesian navy has plans to enhance the role, responsibilities and capabilities of its coast guard. The coast guard has already received 10 ships from the navy and has also been given the enforcement authority to patrol and police Indonesia's coasts.

While Indonesia's emphasis on increasing its own naval capabilities has picked up pace only recently, it has been quite active on maritime cooperation with other regional navies for more than two decades now. It was in the early 1990s, for example, that Indonesia started holding bilateral naval exercises with Malaysia.⁶⁷ Indonesia also then started coordinating joint patrols with Singapore and Malaysia separately in the Strait of Malacca. By July 2004, these exercises were transformed into trilateral exercises with Malaysia and Singapore.⁶⁸ Indonesia has simultaneously aimed to increase maritime cooperation with Australia, as enshrined in Article 13 and 14 of the Australia-Indonesia 2006 Agreement on the Framework for Security Cooperation.⁶⁹

While defence ties between India and Indonesia have not reached its potential, the two nations appear to be realising the value of naval bilateral cooperation. Indonesia's TNI AL (Tentara Nasional Indonesia Angkatan Laut) and the Indian Navy have held India-Indonesia coordinated patrol (corpat) twice every year since 2002 near the International Maritime Boundary Line "against piracy, armed robbery, poaching, illegal immigration, drug trafficking, and human trafficking".⁷⁰ Both the navies have expressed their interest in increasing the number of vessels participating, in order to make it a joint naval exercise.

An important factor that has contributed to Indonesia's naval restructuring is the election of the new President, Joko Widodo. Widodo appears to be taking a proactive approach to the country's foreign policy and is increasingly looking to confront its neighbours on issues pertaining to its security and sovereignty. This marks a shift from the previous government's "zero-enemies" brand of diplomacy.⁷¹ While Widodo has already stated that

China's claim in South China Sea has no legal basis, he has also approached other regional naval powers, including Japan, to create stronger defence allies.

INDIA

For India, the Indian Ocean is particularly significant given that it sits right in its own backyard. Economic and security-related factors add up to the Indian Ocean's significance. From an economic perspective, all of India's SLOCs pass through the Indian Ocean. Thus, be it imports of oil and gas or trading of commodities, India heavily relies on the Indian Ocean and thus its security and stability is vital for New Delhi. For instance, at present, over 70 percent of India's oil imports transit through the Indian Ocean. Similarly, India's trade with the Asia-Pacific region is on the rise and a significant portion of this trade takes place in Indian Ocean waters. Although Indian ships, as per 2012-13 data, only accounted for 10 percent of the total international trade,⁷² it is projected to jump to almost 20 percent by 2020.⁷³ As Prime Minister Modi's campaigns such as 'Make-in-India' pick up momentum, the international trade aspect will also gain greater traction, leading to simultaneous increase in dependence on SLOCs that pass through the Indian Ocean. Moreover, the Indian Ocean is home to a vast pool of natural resources, most of which remain unexplored – an area in which China is increasingly showing interest, going to the extent of seeking a partnership with India in this regard.

With growing interest come sharpening vulnerabilities as well. The region is increasingly subject to threats such as piracy, maritime terrorism, organised crime at sea, drug and human trafficking, and weapons smuggling.⁷⁴ This has resulted in the amplification of efforts made by New Delhi in not only enhancing its own naval capabilities but also increasing cooperation with other Indian Ocean littoral countries.

In conventional security terms, India has not been threatened in the Indian Ocean as imminently as it has been from across its two land borders, though the developments in the region, particularly in the naval domain, are noteworthy. China has been systematically enhancing its naval capabilities and maritime outreach activities. The argument that China may use the civilian ports it has developed in Karachi and Colombo for military purposes is further exemplified by almost regular presence of Chinese submarines at

Karachi and Colombo. However, experts from China dismiss India's objections to it, calling upon New Delhi to be "broad-minded" in accepting China's presence in the Indian Ocean.⁷⁵ While as a growing major power, China's increasing presence in Indian Ocean is understandable, however, the convergence of hostile intentions of Pakistan and China, rationalise to some extent India's concerns.

Pakistan, on the other hand, is rapidly expanding its naval fleet, with hefty investments on acquisition, maintenance and modernisation of its submarines. This emphasis on strengthening its submarine fleet, which currently includes five Agosta diesel-electric submarines and three MG110 miniature submarines (SSI),⁷⁶ is arguably based on its experience of the 1971 war where only its submarines proved to be of any significance. Also important for India is Pakistan's pursuit of a sea-based version of its subsonic missile system, called Babur, which is capable of delivering nuclear warheads. Pakistan is arguably developing this missile system to limit India's naval warfare options in the Arabian Sea as well as to alter the status quo in its favour.⁷⁷ China, beyond doubt, is assisting Pakistan in its pursuits and this continues to elevate India's apprehension. The recent Chinese decision to sell eight submarines to Pakistan reinstates Beijing's design in this regard.⁷⁸

Acknowledging the critical role of the Indian Ocean for New Delhi is hardly new; in 2005, the Indian Navy already said as much in its document, *Maritime Capabilities Perspective Plan*. The plan had iterated India's aspiration of managing Indian Ocean affairs, via a substantial overhaul of its naval capabilities. The plan proposed an expansion of the Indian naval fleet to 160 vessels, including 24 submarines by the year 2030. The plan also accounted for the replacement of the ageing vessels. However, as of yet, India seems to be lagging far behind in the implementation of this plan of naval revamp. The slow pace of developments in India in the past one decade, in terms of naval acquisitions or indigenous development, questions the possibility of India meeting its aspirations in the near future.

Nonetheless, if the current government shows the inclination of strengthening the Indian Navy and follows through by building on its capabilities, India can still provide for itself the apt platform to become a future dominant power in the Indian Ocean region. As of yet, the Indian Navy has 20 major surface combat ships, including aircraft carriers like INS Vikramaditya and INS Viraat, destroyer ships, frigates and a total of 14

submarines. India is also in the process of commissioning its first indigenously built nuclear submarine, the INS Arihant.

The Indian government has given an early indication of its keenness in the revamp of the navy, for instance, by clearing defence deals of an approximate worth of INR 80,000 crore in October 2014. These deals include the acquisition of 12 maritime surveillance Dornier Aircrafts as well as six conventional submarines. The Indian government has also used these deals as a platform to further Prime Minister Modi's 'Make in India' campaign. For instance, the Indian Navy has been assigned the task of recognising ship-building yards which will be used by foreign manufacturers for the construction of the contracted vessels. This will involve significant technology transfers, which will enable India to construct more vessels indigenously using the technologies acquired.

Meanwhile, the new government is also beginning to place the Indian Ocean in the larger strategic scheme of things, with Modi outlining a clear strategy in this regard. During his three-nation tour in March 2015, he outlined a “comprehensive framework for India as a maritime power”.⁷⁹ This comprehensive framework comprised five major pillars, including the prioritisation of security for India's mainland and island territories as well as its maritime interests, fostering maritime relations with friends and partners in the Indian Ocean, developing multilateral security architecture governing Indian Ocean affairs, ensuring sustainable development for all Indian Ocean littoral countries, and forgoing India's long-standing ambition of managing the Indian Ocean affairs alone.⁸⁰

Along with developing its own naval capabilities, India has continued its pursuit of building relations, both economic and military, with other countries from the Indian Ocean region.⁸¹ It has aimed to use its economic power, via means of investments in mining projects for oil, gas and other natural resources as well as infrastructural projects, to enhance its strategic influence across the Indian Ocean region. For instance, in one of the most recent cases, India handed over a warship, Barracuda, to Mauritius.⁸² There is also a decision being taken to supply Sri Lanka with two off-shore patrol vehicles, which are currently being built at the Goa Shipyard.⁸³ These decisions by the Modi government clearly reflect the proactive nature of India's current engagement with the Indian Ocean region.

Meanwhile, India has strengthened its outreach with a number of Indian Ocean littorals. It has taken part in a range of maritime and naval exercises with its partners from the region, with the ultimate objective of both increasing its presence in the Indian Ocean and enhancing its own operational competency on seas. For example, beginning in 2011, India has been engaging Sri Lanka and Maldives in annual, trilateral naval talks and exercises. In 2014, not only did the talks reach the level of National Security Advisers – reflecting a significant jump in the magnitude of this trilateral exercise, but it also got expanded with the inclusion of the Seychelles and Mauritius, leading to the establishment of a new grouping called the Io5.⁸⁴ It has also strengthened its naval engagement with major Indian Ocean powers such as the US, through its participation in 'Exercise Malabar', which has been held annually since 1992. In 2014 Japan also joined the Exercise Malabar, making it a trilateral engagement.⁸⁵ This is in addition to the bilateral exercise, which India has been holding with Japan since 2012. This Indo-Japanese bilateral naval exercise consists of numerous training and operational exercises between the navies and the coast guards of the two countries, along with demonstration of joint manoeuvres.⁸⁶ More recently, India has also assigned great importance to establishing naval cooperation with Australia, another key Indian Ocean power. This got a major fillip during Modi's visit to Australia wherein the two countries agreed to hold their first bilateral maritime exercise, called IN-RAN in the Bay of Bengal from 30 October to 4 November 2015.⁸⁷

All of these developments assume a greater proportion of Indian thinking, particularly, from a strategic balance-of-power perspective. The shifting balance of power equations in the Indian Ocean, in parts caused by the relative US decline, and reflected in Beijing's increasingly assertive posture, has made it all the more important for India to take a more proactive role in the management of security and stability in these waters.

CONCLUSION

There is hardly any doubt that stability and tranquillity in the Indian Ocean remains critical. However, the lack of a shared security approach foretells the potentially grave consequences for the region. The differentiated approaches adopted by each of these major Indian Ocean powers suggest the possibility of

confrontations in the future. The fact that there are historical and sovereignty issues, along with unresolved territorial disputes, make the situation far more complex. The rising military profile in the region, increasingly belligerent posturing along with nationalism is a perfect recipe for inadvertent conflicts.

The relative decline of the US and a particularly restrained approach under President Obama has further emboldened China to adopt a more muscular approach to Indian Ocean affairs. The US under Obama's leadership has also bought into the argument of Asian multilateralism, thus ceding away significant strategic space to China, which has created its own dynamics. Countries like India, Japan and Australia now have to take a more power-centric approach to the Indian Ocean as against the traditional approach that emphasised trade and energy.

The absence of the US as a credible security guarantor has had other consequences as well. This, for one, meant that regional powers have to shoulder much of the responsibility. This is reflected in the increasing military spending and amassing of hard-power capabilities in the region. Even as this is increasingly the case, India could still potentially take the lead in dissolving some of the apprehensions and make way for regional confidence-building measures. It must be recognised that many of the maritime challenges in the Indian Ocean region cannot be tackled effectively by any one single nation. Challenges such as piracy, maritime terrorism and natural disasters, which the broad Asia-Pacific region is prone to, should ideally bring all the major powers to collaborate with the smaller Indian Ocean littorals, which may not have the technological or institutional wherewithal. India and the other established maritime powers have a responsibility for fostering more synchronised mechanisms to deal with the challenges confronting the region. Given the growing Chinese interest and influence in the Indian Ocean region, Beijing must be made to shoulder responsible in a collaborative manner as well.

In the absence of a proactive US in the global governance of maritime commons, countries like India and Japan have to take a particular lead in shaping the global narrative on ocean governance. India and Japan could be joined by other Asian powers that may have a shared interest in establishing new regulatory frameworks within existing institutions such as the International Maritime Organization (IMO). Upholding international legal measures such as UNCLOS should also be prioritised in bilateral and multilateral security dialogues.

Finally, India looks to maintain Indian Ocean as a zone of peace and stability. This can be achieved through active cooperation with involved parties such as the US, Japan, Australia, Singapore and Indonesia. However, India's collaboration with many of these countries has been limited, owing to a variety of factors including "geographical remoteness" and "strategic independence primacy for India".⁸⁸ Nevertheless, India must recognise that there is a strategic, opportune moment for it to cash at this point of time. The US, particularly under the Obama leadership, has been reluctant to play a more active role in the Asia-Pacific and has therefore looked to regional powers, in particular India, to shoulder much of the responsibility of maintaining a stable order in the region. Given the dominant geographical presence of India in the Indian Ocean, other countries too approach New Delhi to assume the role of net security provider. Japan, for instance, looks at India's rising military profile as something that could maximise its own security interests. New Delhi should seize the moment and live up to this potential.

ENDNOTES:

1. An abridged version of this paper has been published earlier. See Rajeswari Pillai Rajagopalan and Arka Biswas, "Military Build-up and Regional Stability," *Seminar* 670 (June 2015), accessed July 21, 2015.
2. David J Berteau and Michael J Green, *US Force Posture Strategy in the Asia Pacific Region: An Independent Assessment* (Washington DC: Centre for Strategic and International Studies, 2012), 16.
3. Department of Defense (USA), *Sustaining U.S. Global Leadership: Priorities for the 21st Century Defense* (Washington DC: Department of Defense, 2012).
4. Department of Defense (USA), *Quadrennial Defense Review 2014* (Washington DC: Department of Defense, 2014).
5. Hendrick Simoes, "Work in Progress to Upgrade Facilities at Navy," *Stars and Stripes*, April 11, 2014.
6. Horn of Africa includes some of the most extremist-threatened and failing states in the region such as Kenya, Ethiopia, Sudan, Somalia, Eritrea and Yemen.
7. Shashank Bengali, "US Military Investing Heavily in Africa," *LA Times*, October 20, 2013, accessed July 14, 2015. <http://www.latimes.com/world/la-fg-usmilitary-africa-20131020-story.html>
8. Craig Whitlock, "Remote US Base at Core of Secret Operations," *The Independent*, October 26, 2012, accessed August 02, 2015, <http://www.independent.co.uk/news/world/americas/remote-us-base-at-core-of-secret-operations-8227588.html>
9. Shashank Bengali, "US Military Investing Heavily in Africa."
10. Frank Gardner, "US Military Steps Up Operations in the Horn of Africa," *BBC News*, February 7, 2014, accessed August 19, 2015. <http://www.bbc.com/news/world-africa-26078149>; Craig Whitlock, "Remote US Base at Core of Secret Operations"
11. Craig Whitlock, "Remote US Base at Core of Secret Operations."
12. Shashank Bengali, "US Military Investing Heavily in Africa."
13. Shashank Bengali, "US Military Investing Heavily in Africa."
14. EARF is the US Army's regionally aligned forces initiative, an initiative to deal with regional crises and contingencies on a rapid reaction basis. The force they provide additional capacity to the US Africa Command to respond and "relocate anywhere in the world at a moment's notice." See "East Africa Response Force deploys for 1st Time," US Army Africa, accessed July 20, 2015. http://www.usaraf.army.mil/NEWS/NEWS_131228_car3.html
15. "Ground-Based Electro-Optical Deep Space Surveillance," Air Force Space Command (USA), accessed August 02, 2015, <http://www.afspc.af.mil/library/factsheets/factsheet.asp?id=3653>.
16. Middle East continues to supply the largest share of energy resources to China at 2.9 million bbl/d (52%). In terms of individual countries, Saudi Arabia and Angola are

- emerging as the largest sources respectively. See “China: International Energy Data and Analysis,” last modified May 14, 2015. <http://www.eia.gov/beta/international/analysis.cfm?iso=CHN>
17. *China: International Energy Data and Analysis*, last modified May 14, 2015, <http://www.eia.gov/beta/international/analysis.cfm?iso=CHN>
 18. Zhou Bo, “China's subs in Indian Ocean no worry for India,” *China Daily*, July 20, 2015. http://www.chinadaily.com.cn/opinion/2015-07/20/content_21329579.htm
 19. Zhou Bo, “China's subs in Indian Ocean.”
 20. Ananth Krishnan, “China signs contract for Indian Ocean mining rights,” *The Hindu*, November 19, 2011.
 21. Press Trust of India, “China proposes joint mining of Indian Ocean with India,” *The Economic Times*, May 07, 2015.
 22. Ananth Krishnan, “China Details Indian Ocean Strategy and Interests,” *The Hindu*, June 09, 2013.
 23. Ananth Krishnan, “China Details Indian Ocean Strategy.”
 24. Zhou Bo, “China's subs in Indian Ocean.”
 25. Rahul Singh, “China's Submarines in Indian Ocean Worry Indian Navy,” *Hindustan Times*, April 07, 2013.
 26. Press Trust of India, “China Flexes Muscle in Indian Ocean, Navy Concerned,” *Times of India*, May 13, 2013.
 27. Even as the Seychelles is seeking Chinese assistance, it should be noted that Victoria has asked for similar assistance from the US and India as well. For details, see “India-Seychelles Relations,” Ministry of External Affairs, accessed August 05, 2015. http://www.mea.gov.in/Portal/ForeignRelation/Seychelles_July_2014.pdf
 28. Ananth Krishnan, “No Indian Ocean Military Base: China,” *The Hindu*, December 13, 2011.
 29. Ananth Krishnan, “No Indian Ocean Military Base: China.”
 30. Also the manner in which one of the senior PLA Navy officials talked to visiting US PACOM Commander Admiral Timothy Keating about the possible division of responsibilities between Indian and Pacific Oceans, displayed the growing Chinese confidence. See Manu Pubby, “China proposed division of Pacific, Indian Ocean regions, we declined: US Admiral,” *The Indian Express*, May 15, 2009.
 31. Rahul Singh, “China's Submarines in Indian Ocean Worry.”
 32. Zachary Keck, “Confirmed: China Is Building 2nd Aircraft Carrier,” *The National Interest*, March 09, 2015; “Growing Influence: China Assembling World's Largest Amphibious Aircraft,” *Sputnik International*, July 23, 2015, accessed August 11, 2015. <http://in.sputniknews.com/world/20150723/1015192685.html>

33. Yoichiro Sato, "Japan's Maritime Security Interests in the Indian Ocean Region and Prospects for India-Japan Cooperation," accessed August 06, 2015. <http://www.icrier.org/pdf/satojapan.pdf>
34. "TABLE-Japan's 2014/15 crude oil imports by source-METI," *Reuters*, May 1, 2015, accessed August 09, 2015. <http://af.reuters.com/article/energyOilNews/idAFL4N0XS1F020150501>
35. Bruno de Paiva, "Japan: National Involvement in the Indian Ocean Region," *Strategic Analysis Paper*, July 29, 2011, accessed August 21, 2015. <http://www.futuredirections.org.au/publications/indian-ocean/167-japan-national-involvement-in-the-indian-ocean-region.html>
36. Yoichiro Sato, "Japan's Maritime Security Interests"; Yusuke Fukui and Sachiko Miwa, "Japan to Reinforce SDF Anti-Piracy Base in Djibouti for Broader Middle East Responses," *Asahi Shimbun*, January 19, 2015, accessed August 12, 2015. http://ajw.asahi.com/article/behind_news/politics/AJ201501190036
37. Euan Graham, "Maritime Security and Capacity-Building: The Australia-Japan Dimension," in *Beyond the Hub and Spokes: Australia-Japan Security Cooperation*, ed. William Tow and Tomonori Yoshizaki, (Canberra and Tokyo: ANU and NIDS, 2014),43-57.
38. Peter Feuilherade, "China and Japan Take Military Rivalry to Djibouti," *New African*, July 2010, accessed July 28, 2015. <https://www.questia.com/read/1G1-232741213/china-and-japan-take-military-rivalry-to-djibouti>
39. Yusuke Fukui and Sachiko Miwa "Japan to Reinforce."
40. Kevin Wang, "No Need to Sweat A Chinese Military Base in Djibouti," *Diplomat*, May 16, 2015, accessed August 13, 2015. <http://thediplomat.com/2015/05/no-need-to-sweat-a-chinese-military-base-in-djibouti/>
41. "Japan joins US-Australian military exercise in July for first time," *The Guardian*, May 26, 2015, accessed July 29, 2015. <http://www.theguardian.com/world/2015/may/26/japan-joins-us-australian-military-exercise-in-july-for-first-time>
42. "Tokyo Declaration for India - Japan Special Strategic and Global Partnership," last modified September 01, 2014, http://mea.gov.in/bilateral-documents.htm?dtl/23965/Tokyo_Declaration_for_India__Japan_Special_Strategic_and_Global_Partnership.
43. Franz-Stefan Gady, "India and Japan Continue to Deepen Their Defense Ties," *Diplomat*, April 01, 2015, accessed August 04, 2015. <http://thediplomat.com/2015/04/india-and-japan-continue-to-deepen-their-defense-ties/>.
44. "Japan signs defence pact with Indonesia, offers S\$1.6b loan," *Today*, March 24, 2015, accessed August 03, 2015. <http://www.todayonline.com/world/asia/japan-signs-defence-pact-indonesia-offers-s16b-loan>
45. "Joint Press Release, 29 January 2015: Ministry of Defense of Japan and Department of National Defense of the Republic of the Philippines," accessed August 13, 2015. http://www.mod.go.jp/j/press/youjin/2015/01/29a_jpr_e.pdf

46. Masaaki Kameda, "Japan, Malaysia agree to beef up defense cooperation," *The Japan Times*, May 26, 2015, accessed August 04, 2015. <http://www.japantimes.co.jp/news/2015/05/26/national/politics-diplomacy/japan-malaysia-agree-to-beef-up-defense-cooperation/#.VZ4nJxuqqko>
47. "Japan and Vietnam Expand Defense Partnership," *USNI News*, March 19, 2014, accessed August 03, 2015. <http://news.usni.org/2014/03/19/japan-vietnam-expand-defense-partnership>
48. Rajeswari Pillai Rajagopalan, "Modi's Canberra Visit: Continuing the Momentum," *Asia Pacific Bulletin* 288 (November 14, 2014).
49. "Australia to Invest in Defence Projects," *Naval Today*, June 01, 2015, accessed August 24, 2015. <http://navaltoday.com/2015/01/06/australia-to-invest-in-defence-projects/>
50. Nigel Pittaway, "Australia To Reform Defense Acquisition," *Defense News*, May 27, 2015, accessed August 17, 2015. <http://www.defensenews.com/story/defense/international/asia-pacific/2015/05/27/australia-defense-acquisition-reform/26885891/>
51. "Future Aircraft: Naval Combat Helicopter," Royal Australian Navy, accessed August 24, 2015. <https://www.navy.gov.au/fleet/aircraft/future-aircraft>
52. Justin McCurry, "Japan security council approves bid to build Australian submarines," *The Guardian*, May 19, 2015.
53. Tim Kelly, Nobuhiro Kubo and Matt Siegel, "Exclusive - Japan eyes British help to sink German bid for Australian submarine: sources," *Reuters*, July 23, 2015, accessed August 25, 2015. <http://uk.reuters.com/article/2015/07/23/uk-japan-australia-submarine-idUKKCN0PX1F820150723>
54. Nigel Pittaway, "Australia To Reform Defense Acquisition," *Defense News*, May 27, 2015, accessed August 27, 2015, <http://www.defensenews.com/story/defense/international/asia-pacific/2015/05/27/australia-defense-acquisition-reform/26885891/>
55. Brendan Nicholson, "Tony Abbott aims for aircraft carriers," *The Australian*, May 23, 2014, accessed August 27, 2015. <http://www.theaustralian.com.au/archive/national-affairs/tony-abbott-aims-for-aircraft-carriers/story-fnmdbx1i-1226927573598>
56. "Defending Australia in the Asia Pacific Century: Force 2030, *Defence White Paper, 2009*," Department of Defence, Australian Government, accessed August 27, 2015. http://www.defence.gov.au/CDG/Documents/defence_white_paper_2009.pdf
57. HMAS Stirling are reported to provide deep-water port facilities, with the possibility of expanding to accommodate aircraft carriers, extend support facilities for surface ships and submarines. With development of additional facilities, HMAS Stirling could be used for extensive surface and submarine operations in the Indian Ocean. See Michael J Green and Andrew Shearer, "Defining US Indian Ocean Strategy," *The Washington Quarterly* 35(2)(2012): 175-89.

58. Cocos Islands, located about 3000 kms east of Diego Garcia, are reported as ideal locations for both manned US surveillance operations and high-altitude surveillance drones such as Global Hawks. Cited in Phillip Coorey, "US Military Eyes Cocos Islands as A Future Indian Ocean Spy Base," *The Sunday Morning Herald*, March 28, 2012, accessed August 28, 2015. <http://www.smh.com.au/federal-politics/political-news/us-military-eyes-cocos-islands-as-a-future-indian-ocean-spy-base-20120327-1vwo0.html>
59. It has been reiterated that Diego Garcia, HMAS Stirling and Cocos Islands remain significant for the US' Asia pivot or the rebalancing strategy, as is called now. See Phillip Coorey, "US Military Eyes Cocos Islands."
60. "Prime Minister Narendra Modi's Address to the Joint Session of the Australian Parliament," last modified November 18, 2014. <http://www.narendramodi.in/prime-minister-narendra-modis-address-to-the-joint-session-of-the-australian-parliament/>
61. Ristian Atriandi Supriyanto, "Indonesia's Natuna Islands: Next Flashpoint in the South China Sea?," *RSIS Commentary*, No. 033, February 16, 2015, accessed August 29, 2015, <https://www.rsis.edu.sg/wp-content/uploads/2015/02/CO15033.pdf>. Also see Sneha Shankar, "Indonesia's Joko Widodo Says A Chinese Claim In South China Sea Has No Legal Basis," *International Business Times*, March 23, 2015, accessed September 02, 2015. <http://www.ibtimes.com/indonesias-joko-widodo-says-chinese-claim-south-china-sea-has-no-legal-basis-1855344>
62. Awidya Santikajaya, "Indonesia: A Potential Leader in the Indian Ocean," *The Diplomat*, December 12, 2014, accessed August 29, 2015. <http://thediplomat.com/2014/12/indonesia-a-potential-leader-in-the-indian-ocean/>
63. Bloomberg, "Indonesia using U.S. Pacific Fleet as blueprint for naval buildup," *The Japan Times*, March 19, 2015, accessed August 29, 2015. <http://www.japantimes.co.jp/news/2015/03/19/asia-pacific/indonesia-using-u-s-pacific-fleet-as-blueprint-for-naval-buildup/#.VZuHoBuqqkq>
64. Bloomberg, "Indonesia using U.S. Pacific Fleet as blueprint."
65. Bloomberg, "Indonesia using U.S. Pacific Fleet as blueprint."
66. "Indonesia Submarine Import and Export Behavior," Nuclear Threat Initiative, last modified August 02, 2013. <http://www.nti.org/analysis/articles/indonesia-submarine-import-and-export-behavior/>
67. John F. Bradford, "The Growing Prospects for Maritime Security Cooperation in Southeast Asia," *Naval War College Review* 58(3)(Summer 2005): 66.
68. John F. Bradford, "The Growing Prospects," 68.
69. Ristian Atriandi Supriyanto, "Waves of opportunity: Enhancing Australia-Indonesia maritime security cooperation," *Strategic Insights (ASPI)*, 79 (November 2014), accessed September 02, 2015. https://www.aspi.org.au/publications/waves-of-opportunity-enhancing-australia-indonesia-maritime-security-cooperation/SI79_Aus_Indon_maritime_cooperation.pdf

70. S. Anandan, "India-Indonesia coordinated patrol graduates into joint exercise," *The Hindu*, February 06, 2014, accessed August 29, 2015. <http://www.thehindu.com/news/national/indiaindonesia-coordinated-patrol-graduates-into-joint-exercise/article5661161.ece>
71. Yudith Ho and Rieka Rahadiana, "Indonesia Under Widodo Shifts From 'Zero-Enemies' Diplomacy," *Bloomberg Business*, April 24, 2015, accessed August 28, 2015. <http://www.bloomberg.com/news/articles/2015-04-23/indonesia-under-widodo-steps-away-from-zero-enemies-diplomacy>
72. Indian ships carried 9.10% of the country's overseas cargo during 2012-13 as against 10.87% in 2011-12. See Government of India, Ministry of Shipping, Transport Research Wing, *Basic Port Statistics of India 2012-13*.
73. Vijay Sakhuja, *Asian Maritime Power in the 21st Century: Strategic Transactions: China, India and Southeast Asia* (New Delhi: Pentagon Press, 2011), 147.
74. Aditi Chatterjee, "Non-traditional Maritime Security Threats in the Indian Ocean Region," *Maritime Affairs: Journal of the National Maritime Foundation of India* 10(2) (2014), 77-95; Martin N Murphy, "The Abundant Sea: Prospects for Maritime Non-State Violence in the Indian Ocean," *Journal of the Indian Ocean Region*, 8(2)(2012), 173-87.
75. PTI, "Be broad-minded to accept Chinese subs in Indian Ocean'," *News Room Post*, July 21, 2015, accessed August 11, 2015. http://www.newsroompost.com/220786/broad-minded-accept-chinese-subs-indian-ocean/st_refDomain=www.facebook.com&st_refQuery=
76. "Submarine Force," Pakistan Navy, accessed August 24, 2015, www.paknavy.gov.pk.
77. Iskander Rehman, "Nuclear Weapons and Pakistan's Naval Strategy," *The Interpreter*, August 22, 2014, accessed September 02, 2015. <http://www.lowyinterpreter.org/post/2014/08/22/Nuclear-weapons-and-Pakistans-naval-strategy.aspx>
78. David Tweed, "Xi Jinping's sale of submarines to Pakistan raises risk of Indian Ocean nuclear clash," *The Sydney Morning Herald*, April 19, 2015.
79. C Raja Mohan, "Narendra Modi and the Ocean: Maritime power and responsibility," *The Indian Express*, March 12, 2015.
80. C Raja Mohan, "Narendra Modi and the Ocean."
81. C Raja Mohan, "The Great Game Folio: Ocean Diplomacy," *Indian Express*, December 24, 2014.
82. Ajai Shukla, "India's first warship export to Mauritius," *Business Standard*, December 19, 2014, accessed August 24, 2015. http://www.business-standard.com/article/economy-policy/india-s-first-warship-export-to-mauritius-114121900027_1.html. The decision to hand over the ship was taken in December 2014 and was handed over by Narendra Modi during his visit to Mauritius in March 2015. See Press Trust of India, "PM Modi commissions India-built Mauritian naval patrol ship," *The Economic Times*, March 12, 2015.

MILITARY BUILD-UP IN THE INDIAN OCEAN

83. IANS, "After Mauritius, India to export warships to Sri Lanka," *The Times of India*, December 20, 2014.
84. David Brewster, "India's Own String of Pearls: Sri Lanka, Mauritius, Seychelles and Maldives," *The Interpreter*, March 13, 2014, accessed August 18, 2015. <http://m.lowyinstitute.org/node/42168>
85. Niharika Mandhana, "Japan to Join U.S.-India Military Exercises," *Wall Street Journal*, July 22, 2014.
86. Niharika Mandhana, "Japan to Join U.S.-India."
87. Rajat Pandit, "With eye firmly on China, India to hold naval exercises with Japan, Australia, Myanmar and others," *The Times of India*, June 27, 2015.
88. Yoichiro Sato, "Japan's Maritime Security Interests."

Observer Research Foundation (ORF) is a public policy think-tank that aims to influence formulation of policies for building a strong and prosperous India. ORF pursues these goals by providing informed and productive inputs, in-depth research and stimulating discussions. The Foundation is supported in its mission by a cross-section of India's leading public figures, academics and business leaders.



Ideas • Forums • Leadership • Impact

ORF, 20, Rouse Avenue Institutional Area, New Delhi - 110 002, INDIA
Ph. : +91-11-43520020, 30220020. Fax : +91-11-43520003, 23210773

E-mail: contactus@orfonline.org

Website: www.orfonline.org