
Emerging Naval Rivalry in East Asia and the Indian Ocean: Implications for Australia

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The article identifies current trends towards naval rivalry in Australia's northern security environment which are likely to bring instability and the danger of conflict. China, Japan, and Korea have engaged in naval expansion to ensure the security of their oil supplies from the Middle East which are shipped through the Malacca Straits and the Indian Ocean. In the past Japan depended upon the US navy for the protection of its oil supply lifeline and was comfortable with the American naval presence in East Asia. China, however, has regarded the United States as a potential rival and has been developing its own naval capabilities which then prompts Japan to do the same. As a result extended naval rivalry with Japan and also with India becomes a realistic possibility. India has been developing a naval capability to ensure control over the Indian Ocean in which case both China and India would be strengthening their naval power at the same time. Under these circumstances the security of the broad area from East Asia to the Indian Ocean may deteriorate. Australia's trade routes and its access to energy sources may be threatened. Several responses are required; the first is that Australia's naval capability has to be strengthened and though the May 2009 Defence White Paper is a positive step in this direction it does not go far enough; secondly a diplomatic response is necessary to promote dialogue over maritime security involving the United States with China, Japan and India as well as ASEAN. Existing dialogues in the ASEAN Regional Forum and elsewhere should be extended to include maritime security.

Asian economies have become increasingly dependent upon imported oil for their economic growth revealing a common vulnerability to disruption of their oil supplies. Not only is the Middle East the major source of oil for China, Japan and Korea but their oil shipments go through the Indian Ocean and Malacca Straits creating an inescapable geographic vulnerability which impacts upon their strategic planning. The security of the energy sea lanes has become an increasing concern for these Asian actors and a factor stimulating programs of naval expansion intended to protect oil imports. China's position stands out as its vulnerability increases as rapidly as its economic growth creating an unsettling situation for the future. The bulk of China's oil supplies is shipped through seas and straits which are vulnerable to interdiction by potential rivals. China has revealed an intention to protect its oil supplies through these critical areas by strengthening its naval capability which has the potential to provoke others to do much the same. Japan has acted to counter China's rise by involving the United States, India and Australia in a coalition that may in turn stimulate increased naval rivalry with Beijing. Moreover, increased Chinese interest in the Indian Ocean would result in competition with India whose leaders have supported the

development of a blue water navy to secure their trade and imported oil supplies. Emerging naval rivalry between these major Asian actors presages a deterioration of Australia's northern security environment for which Canberra should be prepared.

Energy Security and the Sea Lanes

China became a net energy importer in 1993, and just a decade later in 2003 it was the third largest importer of oil and the second largest consumer of oil after the United States; China imports 47 percent of its oil from the Middle East. Projections of China's future energy consumption depend not only on expected economic growth, but energy efficiency and the price of oil. According to the US Department of Energy should China's high growth rate continue its oil needs would increase by an average of 4.0 percent, or triple over 2004-2030. Should China experience low economic growth its oil consumption would increase by 3.1 percent annually or double by 2030.¹ In the past, China could view events in distant regions with a sense of indifference fortified by a strong belief in its own civilisation. Today, however, China's vulnerability compels its leaders to become involved in unfamiliar regions well beyond their traditional area of interest for which they have been unprepared by past experience. Though China has benefited from an American-supported international order it cannot rely upon the US navy to defend the sea lanes because of America's role in the Taiwan conflict and the conviction, often found in Beijing, that the United States is malevolently blocking China's rise. Indeed, the Chinese are concerned that should conflict with America arise over Taiwan, the United States would be able to use its navy to interdict their energy supplies either in the Malacca Straits, through which an estimated 80 percent of China's oil imports flow, or in the Indian Ocean. Chinese security specialists regard the Malacca Straits as the key waterway where the United States would consolidate its geopolitical superiority over China.²

Beijing has been exploring alternative supply routes in an effort to circumvent the possibility of interdiction by the US navy. China's crude oil imports from Africa, Sudan, Angola and Nigeria increased to 31 percent in 2006 indicating a reduced dependency upon the volatile Middle East.³ Oil imports from Africa are still shipped through the Indian Ocean and the Malacca Straits, however, and the only practical way of reducing this vulnerability is to boost supply from overland routes in Central Asia and Russia. The 960 km Kazakhstan pipeline was China's first overland route,

¹ See Energy Information Administration, *International Energy Outlook, 2007*, Washington DC, US Department of Energy, May 2007, <[http://tonto.eia.doe.gov/ftproot/forecasting/0484\(2007\).pdf](http://tonto.eia.doe.gov/ftproot/forecasting/0484(2007).pdf)> [Accessed 22 May 2009].

² Willy Lam, 'China's Energy Paranoia', *Wall Street Journal*, 30 August 2004.

³ On China's oil imports see, 'Oil Imports From All Sources on the Increase', *Ministry of Commerce: The People's Republic of China*, 6 March 2007; International Crisis Group, *China's Thirst for Oil*, Asia Report No. 153, (9 June 2008).

the first two sections from Atasu to Alashankou in Xinjiang were completed by December 2005. At full capacity in 2011 it will ship some 20 million tons of crude oil to China, or around 8-9 percent of China's projected imports. Beijing also expected that the Siberian pipeline that the Russians had planned would go exclusively to China, but Putin decided to extend it to the Pacific coast to supply Japan as well. In 2006 Russia supplied China with only 11 percent of its oil needs and is unlikely to match Chinese demand. Another option for China is to search for ways of circumventing the Malacca Straits as the most vulnerable point along China's energy sea lanes, which would at least reduce the risk in one critical area. Reports claim that at the Central Economic Meeting on 29 November 2003 Hu Jintao raised the Malacca Straits issue and received four possible options: one was to construct a canal across the Kra Isthmus in Thailand, which would require considerable investment for minimum gains; a second was to construct a pipeline from Bangladesh to Tibet which was regarded as unacceptable because it would go through Indian territory; the third was a pipeline from Gwadar on Pakistan's coast to Xinjiang which would be accompanied by a railway—this was considered feasible; the most appealing was the fourth option which entailed the construction of a pipeline from Sittwe in Myanmar to Kunming in Yunnan province. About 1250 km in length the Myanmar pipeline would shorten the sea distance for China's oil shipments by at least 2000 km.⁴

The Chinese have shown active interest in the development of the Pakistan and Myanmar pipelines as both countries have close relations with Beijing. The problem is that even with both Myanmar and Pakistan pipelines operating they would reduce but not remove entirely China's dependence upon the Malacca Straits. Pipeline capacity depends on various factors including pipe diameter, distance, as well as pumping strength and even if these pipelines could reach high capacity (42 inch diameter pipe with regular booster stations) they would each deliver a maximum of about 50-60 million tons of oil annually: China's Kazakhstan pipeline delivers around 20 million tons annually and Russia could supply a similar amount; overland supplies from Kazakhstan, Russia, Myanmar, and Pakistan could then provide a total around 160 million tons annually, equal to China's net oil imports of crude oil in 2007. By 2010, however, China's demand for oil imports is expected to rise to 203 million tons resulting in a shortfall.⁵ Unless China's growth slows down appreciably and energy efficiency is increased these overland routes will not keep pace with demand and a sizable percentage of China's oil imports will continue to be shipped through the Malacca Straits. At most the Pakistan and Myanmar pipelines would shift China's concern with its

⁴ Ching Cheong, 'China Pipeline to Secure Oil Imports', *The Straits Times*, 31 July 2004; see also Ian Storey, 'China's Malacca Dilemma', *China Brief*, vol. 6, no. 8 (12 April 2006); Tarique Niazi, 'Gwadar: China's Naval Outpost on the Indian Ocean', *China Brief*, vol. 5, no. 4 (February 2005).

⁵ 'China's Oil Consumption to Hit 536 Million Tons in 2020', *China Daily*, 4 August 2008.

vulnerability from the Malacca Straits to the Indian Ocean, since oil would still be shipped from the Middle East or Africa to the Gwador and Sittwe terminals. China's obsession with energy security would then extend to the Indian Ocean, far beyond the protective range of its navy at present in an area where the Indian navy holds the advantage by reason of proximity. One way or another China's concern about its energy security pushes it towards naval expansion programs that would protect its sea lanes against anticipated threats from competitors.

China's navy, however, is currently inadequate for this long range task. The first naval priority for China is Taiwan which has required the development of a surface and submarine capability to blockade the island should its leaders declare independence, and to interdict an American fleet moving to support the Taiwanese.⁶ China's navy expanded over the 1990s as new capabilities were obtained for this purpose.⁷ China has acquired four Russian *Sovremenny* destroyers while another eight are on order; these vessels deploy the SS-N-22 *Sunburn* Anti Ship Cruise Missile (ASCM) which could target US carriers. Indigenous destroyers include two modernised *Luhu* class destroyers, and seventeen *Luda* class destroyers. In terms of a submarine capability China has purchased nine Russian *Kilo* class submarines which can deploy the *Klub* S ASCM or the *Novator* Alpha ASCM; China has also been developing its own submarines including two *Shang* nuclear attack submarines (SSNs), ten *Song* diesel electric submarines and two *Yuan* class diesel electric submarines. To deal with the threat of Taiwan's secession as well as to plan for extended sea lanes of communication (SLOC) protection China would have to expand the navy well beyond current levels and acquire long range capabilities. As the US Defence Department notes China would not be able to project military power far beyond its borders before 2015, and would not be able to sustain large forces in long range combat operations until the 2020s. The Defence Department estimates that it would take China several years or longer to develop a modern force capable of defeating a moderate sized adversary.⁸

China has, nonetheless, indicated an intention to develop a power projection capability for SLOC protection. Liu Huaqing, who was navy commander over 1982-88 and Vice Chairman of the Central Military Commission over 1992-97, was the most vocal proponent of naval expansion to defend

⁶ Andrew R. Wilson and Andrew S. Erickson, 'China's Aircraft Carrier Dilemma', *Naval War College Review*, vol. 59, no. 4 (Autumn 2006).

⁷ The list includes, four *Sovremenny* destroyers, four *Kilo* class submarines, one Han class nuclear attack submarine (SSN), seven *Mings*, one *Song* conventional submarine, two *Luhu* destroyers, one *Luda* 3 destroyer, four *Jiangwei* class frigates: Duk-Ki Kim, *Naval Strategy in Northeast Asia, Geo-strategic Goals, Policies and Prospects* (London: Frank Cass, 2000).

⁸ Office of the Secretary of Defence, 'Military Power of the People's Republic of China, 2008', Annual Report to Congress, A Report to Congress Pursuant to the National Defense Authorization Act Fiscal Year 2000, pp. 21-3, <<http://www.globalsecurity.org/military/library/report/2008/2008-prc-military-power.htm>> [Accessed 22 May 2009].

China's claims to the South China Sea as well as its sea lanes. Liu promoted the shift from coastal defence to "off shore active defence" which meant control over China's territorial waters and protection of China's Economic Exclusion Zone (EEZ), including the South China Sea.⁹ Since Liu's time the desire for a more extensive role for the navy, one that would include SLOC protection, has been often expressed. Hu Jintao on 27 December 2006 declared that China required a "powerful navy" which would fulfil the People's Liberation Army's "historical mission" which was understood to mean the protection of China's energy supplies and sea borne trade.¹⁰ An appropriate capability for this purpose would involve surface vessels that could travel as far as the Indian Ocean and aircraft carriers to provide necessary air support together with escort vessels. Liu Huaqing strongly advocated carrier development and in 1985 China purchased the decommissioned *Melbourne* from Australia. Since 1992 there have been recurring reports of Chinese plans to develop an aircraft carrier. Over 1998-2000 China purchased the old Soviet carriers the *Minsk*, the *Kiev* and the *Varyag* which indicated a keen interest in carrier design.¹¹ In 2007 there were again reports of preparations for carrier construction over the long term, up to ten years.¹² The US Defence Department claimed that China has an "active aircraft carrier research and design program" and that if the leadership decided it could rapidly build one.¹³ No doubt, China is moving in the direction of carrier construction but it is unclear as to what is being envisaged. Offshore missions in the South China Sea and sea lane protection in the Malacca Straits would demand a carrier with at least a vertical take-off and landing (VTOL) capacity in which case the lead time for its development would be at least ten years. More ambitious SLOC protection in the Indian Ocean would require large deck carriers and an accompanying escort fleet for which at least fifteen to twenty years would be required. This would demand a massive commitment of resources not only for the carriers themselves but to develop an accompanying escort fleet including supply vessels, tankers and air defence systems. China would also have to overcome current problems of coordinating naval fleets including C4ISR, or command control, computers, intelligence, surveillance

⁹ Duk-Ki Kim, *Naval Strategy in Northeast Asia, Geo-strategic Goals, Policies and Prospects*, see p. 140.

¹⁰ Hu Jintao said that "we should strive to build a powerful navy that adapts to the needs of our military's historical mission in this new century and at this stage", Mark Magnier and Mitchell Landsberg, 'Chinese Focus on Navy Leaves Big Political Wake', *Los Angeles Times*, 31 December 2006; 'China's Hu Calls for Powerful, Combat-Ready Navy', *Washington Post*, 27 December 2006; David Lague, 'China Aims Ambitions to Beef up Naval Power', *International Herald Tribune*, 28 December 2006.

¹¹ Lee Jae-Hyung, 'China's Expanding Maritime Ambitions in the Western Pacific and the Indian Ocean', *Contemporary Southeast Asia*, vol. 24, no. 3 (December 2002), pp. 549-65.

¹² 'China to Build Aircraft Carrier', *Japan Today*, 23 August 2007.

¹³ Office of the Secretary of Defence, 'Military Power of the People's Republic of China, 2008', Annual Report to Congress, p.4.

and reconnaissance, in which it is still deficient.¹⁴ Moreover, Beijing's planning would be shaped by its anticipation of the long term plans of both Japan and India as they develop their own naval capabilities for similar purposes.

Japan is the most dependent upon oil imports of all the major economies and 87 percent of its oil imports originate from the Middle East. Net energy imports accounted for 81.2 percent of primary energy consumption in 2005 which had not changed much since 1990. Japan's energy consumption has remained stable while Gross Domestic Product (GDP) has increased because it has significantly enhanced energy efficiency and developed alternative sources of energy, nuclear power, coal and natural gas.¹⁵ Japan's oil dependence has demanded wholehearted support for the US alliance and a reliance on an American-sponsored international order. This reliance has limits, however, and there are contingencies where Japan may not expect American support, or where interests diverge. One such contingency is the Middle East; Japan's oil dependence made it much more responsive to the oil shocks of 1973 when Tokyo broke with America's policy towards the Arab-Israeli conflict and supported the Arab side. Another more troubling contingency relates to China. Japan's alliance with the United States was based on the assumption of convergent interests which made sense during the Cold War era, but since then the Japanese have since feared a possible US-China accommodation either over Taiwan or in relation to global issues in general which could undermine their position and leave them high and dry. Japanese recall Clinton's visit to Shanghai in June 1998 when the American President sought to defuse tensions with China over Taiwan on the basis of concessions to Beijing's position.¹⁶ The Bush Administration relied on Chinese mediation to bring North Korea to negotiations over its nuclear program in the Six Party Talks. Fred Bergston has argued that the United States should forge a "partnership of equals" with China to manage the current financial crisis, and claimed that Beijing is

¹⁴ China has already developed the 9500 ton *Shichang* which takes Harbin Zhi-9A helicopters, this is a training ship and a step towards a real helicopter carrier, Edward Lanfranco, 'China's Aircraft Carrier Gamble', *UPI International Intelligence*, 17 June 2005; Andrew F. Diamond, 'Dying with Eyes Open or Closed: The Debate over a Chinese Aircraft Carrier', *The Korean Journal of Defense Analysis*, vol. 18, no. 1 (Spring 2006).

¹⁵ Japan's oil consumption has declined from 77 percent of total energy use in 1973 to 45 percent in 2006, and is predicted to drop further to 37 percent in 2030. Japan has been developing alternative sources of energy including nuclear power which is expected to increase to 20 percent of total energy needs, see Pablo Bustelo, *Energy Security with a High External Dependence: The Strategies of Japan and South Korea*, WP 16/2008, (Madrid: Real Instituto Elcano, June 2008).

¹⁶ President Clinton affirmed the "three noes" during this visit to Shanghai which was viewed as an unnecessary concession to Beijing, he said that the United States does not support an independent Taiwan, will oppose Taiwan's entry into international organisation, and does not support a policy of "one China, one Taiwan", see John Pomfret, 'Clinton Gets Up Close to New China', *International Herald Tribune*, 2 July 1998.

Washington's "true partner in steering global economic affairs".¹⁷ Indeed, a future US Administration may move to engage China over the full range of global issues, nuclear proliferation as well as financial stability, which may make Washington hesitant to support its Japanese ally in the event of any conflict with China. A US accommodation with China would not only undermine the alliance with Japan but it would be likely to compel Tokyo to develop its own naval power to protect its oil lifelines. Japan would then be prompted to become a 'normal country' with a corresponding military capability.

Japan's naval capability has been limited by its constitution to a defensive role, but it has developed over time in response to American demands for burden-sharing. In this connection Japan accepted the American demand to defend the sea lanes to 1000 nautical miles from Honshu when Prime Minister Zenko Suzuki visited Washington in May 1982; this commitment was then included in the Defence White paper of 1983.¹⁸ Japan has since developed an impressive capability to defend the SLOCs in Northeast Asia with forty guided missile destroyers (DDG) and fifty-three surface combatants with Anti-Submarine Warfare (ASW) and mine countermeasures functions. Since 1988 Japan has been upgrading the anti aircraft and ASW capability of its fleet by introducing powerful Aegis-equipped destroyers which could extend the range of naval operations well into Southeast Asia and beyond. Aegis destroyers have integrated fleet air defence systems with phased array radar and the capacity for simultaneously tracking targets. They use a vertical launch system (VLS) with the SM-2 (RIM-66/67) standard anti aircraft missile and the ASROC ASW missile. Six Aegis destroyers have been deployed, the last in March 2008 with a target set at eight. The Aegis destroyers can also provide sea-based defence against North Korean ballistic missiles by deploying the SM-3 missile in an integrated Anti-Ballistic Missile system which employs land-based radar and Patriot PAC-3s.¹⁹ Since the late 1980s Japan's Maritime Defence Force has pressed for an aircraft carrier, and in February 2007 Japan's first helicopter-carrying destroyer, the 13,500 ton *Hyuga*, was launched. This is an ASW vessel with four to six ASW SH-60 helicopters, and a capacity to house a total of eleven ASW helicopters.²⁰

Japan's contribution to sea lane defence was a product of the Cold War but since the demise of the Soviet Union its concerns have widened rendering

¹⁷ C. Fred Bergsten, 'A Partnership of Equals: How Washington Should Respond to China's Economic Challenge', *Foreign Affairs*, vol. 87, no. 4 (July/August 2008), pp. 57-68.

¹⁸ Duk-Ki Kim, *Naval Strategy in Northeast Asia, Geo-strategic Goals, Policies and Prospects*, p. 174.

¹⁹ 'DDG Kongo Class', Global Security.org, <www.globalsecurity.org/military/world/japan/kongo.htm> [Accessed 22 May 2009].

²⁰ 'After 40 Years, Japan Achieves Warship Dream', *The Chosun Ilbo*, 27 August 2007; also 'DDH Hyuga/16DDH "13,500 ton" Ton Class', Globalsecurity.org, <<http://www.globalsecurity.org/military/world/japan/ddh-x.htm>> [Accessed 22 May 2009].

the previous 1000 nautical miles restriction irrelevant. In September 1997 new defence guidelines were negotiated with the United States which obliged Japan to provide support for US forces in “situations in areas surrounding Japan”, shifting the focus from geographical areas to contingencies. Japan agreed to support the Bush Administration’s counter terrorism operation by dispatching a maritime refuelling and logistics naval squadron to the Indian Ocean on 29 October 2001. This was the first time a Japanese naval mission had been sent abroad since the Pacific War and it required special legislation from the Diet for the first two years, which was renewed on an annual basis since then. Moreover, Japan has been concerned about China’s force modernisation plans, and the strengthening of its naval capability in particular. Japan’s 2008 Defence White Paper noted the absence of transparency about China’s force modernisation and surmised that “China is trying to build capabilities to perform operations in sea areas more distant from the country”.²¹ Should China’s naval reach be extended to the Malacca Straits or further to the Indian Ocean, Japan would be compelled to respond out of concern that China would have a stranglehold over its oil lifeline.

Japan’s nightmare is that a powerful Chinese naval capability would place it at Beijing’s mercy leaving it with few options. This would be particularly the case if a weakened and chastened America felt obliged to accommodate a rising China and to solicit its cooperation to manage global and regional security. Japan’s problem is that it cannot plan for this scenario by developing a long range naval capability to fend off the Chinese challenge as it would be an explosive issue domestically, and within East Asia. Rather than face an uncertain future impotently Japan has promoted cooperative relations with potential allies who may share its concerns about China’s naval expansion. Japan has cultivated relations with India for this reason which motivated Prime Minister Junichiro Koizumi’s visit to New Delhi in January 2005, and that of his successor Shinzo Abe in August 2007. The then Foreign Minister Taro Aso invoked the China threat when he visited New Delhi in January 2006 and proposed bilateral security talks.²² India was particularly receptive to these Japanese moves and it seemed that both would find common ground in relation to China. When Indian Defence Minister Pranab Mukherjee visited Tokyo in May 2006 he called for cooperation with Japan over the Malacca Straits and the Indian Ocean, he mentioned combined anti piracy naval exercises, disaster relief and mutual rescue operations.²³ The first Japan-Indian joint naval exercise was

²¹ See Japan Ministry of Defence, ‘Defence of Japan 2008’, p. 57,

<http://www.mod.go.jp/e/publ/w_paper/index.html> [Accessed 22 May 2009].

²² The Ministry of Foreign Affairs of Japan, ‘Press Conference by Foreign Minister Taro Aso’, 22 December 2005, <www.mofa.go.jp/announce/fm_press/2005/12/1222.html> [Accessed 22 May 2009]; ‘Japanese Foreign Minister Arrives on a Two-Day Visit’, *India Defence*, 3 January 2006; ‘Abe’s Grand Plan: An Asian Democracy Club’, *Reuters*, 23 August 2007; ‘Abe, Singh Adopt Road Map for Ties, Differ On Climate, Nukes’, *Nikkei*, 23 August 2007.

²³ ‘India, Japan to cooperate in Malacca Straits Security’, *India Defence*, 26 May 2006.

conducted in Japanese waters on 16 April 2007; this involved four Japanese destroyers and three Indian vessels. Nonetheless, naval cooperation was hindered by different policies as Japan was ready to give transit facilities to Indian warships in the Pacific Ocean, but India resisted the same for Japanese vessels in the Indian Ocean.

India and the Indian Ocean

More of China's oil will be transported through the Indian Ocean at a time when India is gaining confidence as a great power and when its navy will be expanding. India's strategic calculations have been strongly influenced by the December 1971 war with Pakistan when the American carrier the USS *Enterprise* moved into the Bay of Bengal. Since that time India has been highly sensitive to great power penetration of the Indian Ocean. The United States was then the main concern but India has since revealed strong suspicions of China that have been magnified by several factors: one was the humiliation of the 1962 defeat by China that still rankles in India; another was China's past support for Pakistan's nuclear program while outstanding territorial disputes with Beijing continue to stimulate Indian concerns. Indian security analysts regularly stress that India sits astride the three most important choke points in the Indian Ocean, the Straits of Hormuz, the Bab al Mandab (at the end of the Red Sea) and the Straits of Malacca, which could become areas of contention and conflict in the future.²⁴ Indeed, some Indian security analysts claim that India's security demands naval domination over the Indian Ocean with a sufficient capability to blockade Pakistan in time of conflict, and also to keep China at bay.²⁵ In view of its sea lane vulnerability there is also the suspicion that China would oppose India's efforts to achieve a dominant position in the Indian Ocean posing problems for the future. China may not have the capacity for maritime intervention into the Indian Ocean at present but it would be obliged to protect the oil terminals for its pipelines in both Pakistan and Myanmar. India's concern is that China would resort to a "creeping strategy" by slowly building up a presence to extend its influence from these positions in Pakistan and Myanmar, which would in time present a direct challenge to India.

The Indian navy at present lacks a power projection capability to fulfill its ambitions though plans have been made to develop a blue water naval capability by 2022. As the then Defence Minister George Fernandes put it, it was India's responsibility to protect the sea lanes West to East and East to West.²⁶ Navy Chief Admiral Suresh Mehta declared that the aim was a blue water navy that would operate from the Malacca Straits to Africa's Eastern coastline.²⁷ Mehta added that the navy was to "protect India's energy and

²⁴ Rear Admiral Rakesh Chopra, 'The Maritime Dimension of Energy Security', *United Service Institution of India*, (USI Journal) (July/September 2004).

²⁵ Ayesha Siddiqi-Agha, 'Nuclear Navies?', *Bulletin of the Atomic Scientists*, 1 September 2000.

²⁶ Editorial, 'Indian Navy Being Revamped', *The Times of India*, 6 February 2002.

²⁷ Rajat Pandit, 'Blue-Water Navy is the Aim', *The Times of India*, 1 November 2006.

economic interests”, its EEZ in the Indian Ocean, as well as its off shore oil blocks which he called India’s “secondary area of maritime interest”.²⁸ There was a considerable discrepancy between these ambitions and the navy’s ability to fulfil them as naval force levels have been declining and vessels were decommissioned and not replaced.²⁹ The Navy Chief wanted a force of 160 vessels by 2022 which would include three aircraft carriers, sixty major combatants and twenty-two submarines, with a satellite linked maritime surveillance capability to monitor the entire Indian Ocean; currently the navy has 126 vessels and sixteen submarines including ten Russian *Kilo* class diesel submarines.³⁰

India published its first naval doctrine on 28 April 2004 entitled *The Indian Maritime Doctrine* which outlined the navy’s future directions. Chief of Naval Staff Admiral Madhvendra Singh stressed that the first major function of the navy was a strategic nuclear one, he called for “credible minimum nuclear deterrence” and the development of the sea leg of the nuclear triad. Current plans are to build at least five ballistic missile carrying submarines or SSBNs which could be equipped with the indigenous *Agni-III* Sea-Launched Ballistic Missiles. In terms of the navy’s conventional role the Indian Ocean was described as India’s “extended neighbourhood”, its SLOCs were regarded as critical for India’s imports from the Gulf, and its trade with Southeast Asia. The doctrine stressed the need to control the vital choke points as well as the trade routes; it declared that the “Indian maritime vision for the first quarter of the 21st century must look at the arc from the Persian Gulf to the Straits of Malacca as an area of legitimate interest.”³¹ The Indian Defence Ministry’s publication of 2007 entitled *India’s Maritime Military Strategy* similarly noted India’s growing dependence upon sea borne trade and the importance of its energy imports; in this context the primary task of the Indian navy was to “provide insulation from external interference, so that economic growth can take place in a secure environment”. The publication

²⁸ This area of “secondary” maritime interest included energy investments in distant places and obtained by Indian companies in Sakhalin and off the Venezuelan coast, ‘Indian Navy Gears for Energy Security Role’, *The Times of India*, 2 December 2006.

²⁹ The Navy’s target was a 120 vessel fleet with twelve submarines to be constructed over the next thirteen years, the current number was 145 vessels but seventy will be decommissioned over the next ten to fifteen years. Very few new vessels were built over 1985 to 1995 which explains the navy’s concern over the expected decline in force levels. Rajat Pandit, ‘Navy Desperate for More Ships’, *The Times of India*, 23 October 2004.

³⁰ ‘Indian Navy Chief Admiral Sureesh Mehta Spells out Vision 2022’, *India Defence*, 10 August 2008; India faced cost overruns and refused to take delivery of the *Kilo* class submarine INS *Sinduvijay* when the Klub-S cruise missiles failed to work in six consecutive test firings over September-November 2007. The Indians accused the Russians of not keeping to delivery dates, failing to supply spare parts on time, and suddenly increasing the costs. Rajat Pandit, ‘After Gorshkov, Moscow-Delhi Spar Over Submarine’, *The Times of India*, 18 January 2008.

³¹ David Scott, ‘India’s Drive for a “Blue Water” Navy’, *Journal of Military and Strategic Studies*, vol. 10, no. 2 (Winter 2007-08), pp. 9-42; Rahul Bedi, ‘A new Doctrine for the Navy’, *Frontline*, vol. 21, no. 14 (3-16 July 2004).

identified nine sea passages of which five were key SLOCs considered critical for India's future.³²

This dual stress on the strategic nuclear role and the conventional sea control role of the navy demanded an ambitious expansion of capabilities. India's plans for naval expansion were drafted under the nationalist Bharatiya Janata government of Atai Behari Vajpayee (1998-2004) which also produced the naval doctrine of 2004. Manmohan Singh's Congress government similarly supported India's naval development revealing a bipartisan consensus sufficient, perhaps, to support the heavy expenditure involved. Included in the navy's plan was the addition of new major surface vessels including six indigenous *Kolkata* class stealth destroyers with BrahMos ASCMs; six Russian *Talwar* class frigates also equipped with BrahMos ASCMs and the vertically launched Russian *Klub* ASCM; twelve indigenous *Shivalik* stealth frigates, six French Scorpene submarines with SM-39 Exocet anti ship missiles; the long term plan was to construct a total of twenty-four submarines over fifteen to twenty years; India has also leased two *Akula* II SSNs or nuclear attack submarines from Russia in 2007 for a term of seven years.³³ The intention was to provide time for the development of its own nuclear attack submarine which has been plagued by problems. India has plans to develop a carrier fleet; the Second World War era vintage British carrier the *Vikrant* (ex HMS *Hercules*) was decommissioned in January 1997; the *Viraat* (ex HMS *Hermes*) which takes twenty-eight Sea Harriers with a ski jump went through a major overhaul in 1999-2000.

The navy has demanded three carriers, one for both eastern and western seaboard and one as a reserve; India purchased the *Admiral Gorshkov* carrier from Russia in January 2004 and under the terms of the \$750 million contract the hull was given free and India agreed to a modernisation package that included the purchase of 25-28 MIG-29K aircraft and Kamov-31 Airborne Early Warning (AEW) helicopters; it also included the conversion of the carrier from a VTOL vessel which accommodated YAK-38 forgers to a regular take off and landing carrier with the construction of a bow ski jump; restraining stands to allow aircraft to reach full power well before takeoff were also part of the deal as well as larger elevators.³⁴ Cost overruns delayed the project as the Russians demanded an additional \$1.2 billion to complete the job, creating a furore in India. After much negotiation in February 2008 India and Russia agreed upon a \$800 million price tag; the

³²The five key energy SLOCs were the Straits of Hormuz, the Malacca, Lombok and Sunda Straits, and Six Degree Channel or the Great Channel which was the main passage from the Andaman and Nicobar Islands to the Malacca Straits. Ministry of Defence (Navy), *Freedom to Use the Seas: India's Maritime Military Strategy*, Integrated Headquarters, Ministry of Defence (Navy), 2007, pp. 25-8, <http://indiannavy.nic.in/maritime_strat.pdf> [Accessed 22 May 2009].

³³'India Russia to Sign Akula Submarine Deal: To be Leased for Seven Years', *India Defence*, 9 November 2007.

³⁴Rajat Pandit, 'After Army, Navy too Wants New Air Wing', *The Times of India*, 24 June 2008.

Gorshkov has been renamed the *Vikramaditya* and will be delivered to India in 2012.³⁵ India is also constructing its own 37,500 ton carrier in the Cochin shipyard which is expected to be commissioned in 2010, it will carry twenty-five MIG-29Ks, as well as Kamov-31 helicopters.³⁶ India's naval program appears impressive and if fully implemented would place it in a dominant position in the Indian Ocean, but there are numerous problems which would have to be resolved first. One problem is funding and though the Indian economy has been growing remarkably there are clashing priorities and future governments may be compelled to reduce allocations for the navy. Effective sea control would demand a balance of capabilities with a capable submarine arm, that balance may be lost if the prestige carrier projects are preserved while other programs are cut back in the face of budget reshuffling. Moreover, India has relied upon Russian weapons for its navy and airforce but as it moves to local production delays and funding difficulties may be experienced. Another problem is the navy's lack of surveillance capabilities which should be developed concurrently to ensure the effectiveness of the program.

India has been developing its naval diplomacy in East Asia to counter distant emerging threats in what Defence Minister A. K. Antony called its "look east" policy.³⁷ The 2007 Defence Ministry publication stressed that the Indian navy would "catalyze partnerships through our maritime capability" to promote foreign policy objectives.³⁸ The "look east" policy calls for closer relations with individual East Asian countries to create a welcoming environment for an Indian naval presence. India was particularly concerned about sea piracy in the Malacca Straits which if unchecked could affect its trade with East Asia. In April 2002 India proposed joint patrols with the United States which envisioned a key role for the Indian navy in escort operations there.³⁹ Needless to say the proposal was rejected by the littoral states—Indonesia and Malaysia. In June 2006 India called for joint patrols with the littoral states in a proposal which was similarly rejected, though Singapore saw possibilities in the Indian offer.⁴⁰ India in September 2004 agreed with Indonesia on joint patrols in the area, Indian vessels would patrol up to the end of Six Degree Channel leading up to the Malacca Straits

³⁵ 'Russia to Deliver Modernized Admiral Gorshkov Aircraft Carrier to India after 2011', *The Deccan Herald*, 5 September 2008.

³⁶ 'India to Manufacture its Own Heavy Aircraft Carrier', *The Press Trust of India Ltd*, 22 March 2005; 'Indian Navy: Three Aircraft Carrier Force By 2017; INS Vikramaditya Delayed Till 2010', *India Defence*, 17 May 2005.

³⁷ Rahul Bedi, 'A New Doctrine for the Navy', *Frontline*, vol. 21, no. 14 (3-16 July 2004).

³⁸ Ministry of Defence (Navy), *Freedom to Use the Seas: India's Maritime Military Strategy*, p.11.

³⁹ Sudha Ramachandran, 'India Signs on as Southeast Asia Watchdog', *Asia Times*, 5 April 2002.

⁴⁰ Vijay Joshi, 'Singapore Welcomes India's Offer to Help Protect Malacca Straits, But Within Limits', *India Defence*, 3 June 2006; 'Indian Navy Awaits Regional Nod for Patrolling Malacca Straits', *India Defence*, 7 June 2006.

while Indonesia would patrol the area within the Straits.⁴¹ India continued to give attention to Indonesia declaring its readiness to provide security in the Malacca Straits, which Jakarta resisted.⁴² Indian external affairs Minister Pranab Mukherjee met his Indonesian counterpart Hassan Wirayuda in June 2007 and agreed to enhance defence cooperation, and to implement the “new strategic partnership” which was declared by both in November 2005; under this partnership the First India-Indonesia Defence Cooperation Committee met in Jakarta in June 2007.⁴³ Nonetheless, Indonesia continued to be wary of India’s overtures revealing a long standing suspicion of naval powers which could intrude upon its territorial waters.

To demonstrate India’s strategic reach and to show the flag six naval vessels including one submarine and a tanker entered the South China Sea in December 2000. This naval group visited ports in Shanghai, Singapore, South Korea, Vietnam, Japan and Indonesia.⁴⁴ Indian naval vessels continued to visit the South China Sea in May and October 2004, over February-March 2006, and in April 2007 when they participated in exercises with Vietnam and the Philippines.⁴⁵ India reached an agreement with Malaysia in December 2007 for the training of Malaysian air force pilots for the Russian *Sukhoi-30* MKMs purchased earlier by Malaysia.⁴⁶ Defence cooperation with Malaysia was promising as India had provided training for Malaysian personnel to service the MIG 29s that had been purchased in 1994; Malaysia also requested training in submarine operations for its naval personnel and was also interested in purchasing the BrahMos ASCM from India.⁴⁷ Indian defence cooperation with Singapore has similarly expanded, India-Singapore bilateral naval exercises called SIMBEX have been conducted annually since 1993; a regular India-Singapore Defence Policy Dialogue has been held since 2004, in the fourth dialogue in 2007 an agreement was reached which allowed Singapore air force personnel to train at Kalaikunda in West Bengal.⁴⁸ Singapore, however, balanced its relationship with India by concluding an agreement on security cooperation and defence exchanges with China in January 2008.⁴⁹ India has also

⁴¹ Sandeep Dikshit, ‘Malacca Straits Security; Role Seen for Indian Navy’, *The Hindu*, 8 September 2004.

⁴² ‘India Ready to Provide Security in Malacca Strait: Natwar’, *PTI-The Press Trust of India, Ltd*, 1 July 2004.

⁴³ ‘India Ready to Play Role in Protecting Malacca Straits’, *PTI-The Press Trust of India, Ltd*, 18 June 2007.

⁴⁴ ‘India’s National Interest had been Made Co Terminus with Maritime Security’, *rediff.com* 4, December 2000, <www.rediff.com/news/2000/dec/04ashok.html> [Accessed 22 May 2009].

⁴⁵ Scott, ‘India’s Drive for a “Blue Water” Navy’, pp.34-5.

⁴⁶ ‘India not “Countering” China in Southeast Asia: Defence Minister’, *India Defence*, 6 January 2008; thirteen soldiers from Cambodia’s special forces were trained in counterinsurgency and jungle warfare school in India at Mizoram, *India Defence*, 1 January 2008.

⁴⁷ Vivek Raghuvanshi, ‘India, Malaysia Strengthen Defense Relations’, *DefenseNews*, 18 August 2008, <<http://www.defensenews.com/story.php?i=3679852>> [Accessed 22 May 2009].

⁴⁸ ‘Singapore Leases Military Base in Eastern Mainland India for Five Years’, *India Defence*, 10 October 2007.

⁴⁹ ‘China and Singapore Sign Defence Pact’, *India Defence*, 13 January 2008.

attempted to strengthen relations with Vietnam and the Philippines. A regular security dialogue with Vietnam was inaugurated in 2005 and when Vietnamese Prime Minister Nguyen Tan Dung visited New Delhi in July 2007 a “strategic partnership” was declared with India. This partnership included a dialogue mechanism at the deputy foreign minister level, the sharing of information and joint training.⁵⁰ Indian President Abdul Kalam visited Manila in February 2006 and agreed to a program of military training, information sharing and maritime cooperation with Philippine President Gloria Macapagal Arroyo but little progress has been made.⁵¹

India has expressed apprehension that Myanmar would become a channel of influence for Beijing in the Indian Ocean. Not only does China’s plan for an oil pipeline from Sittwe disturb New Delhi but China’s involvement in the Irrawaddy corridor project, which envisaged road and rail links between Burmese ports and China’s Yunnan province, was another problem. The fear is that Beijing would be able to meddle in India’s restive North East area and that India may be squeezed by China, especially if China develops its Indian Ocean naval presence in both Myanmar and Pakistan.⁵² India unveiled a counter strategy which entailed boosting military assistance to the Myanmar military despite the international community’s efforts to isolate and punish the regime for its abuse of human rights. In this context India’s President Abdul Kalam became the first Indian head of state to visit Myanmar in March 2006. The military assistance proffered was small, three British naval Iskandar aircraft were sold at friendship prices and one was given free; when Navy chief Admiral Sureesh Mehta visited Yangon in May 2007 a deal was arranged to give more of these aircraft to the regime as well as other military equipment.⁵³ India at one stage was alarmed by reports that the Chinese had been establishing radar and signals listening posts in the Cocos, Hangyii and Kyakpu islands to monitor the activities of the Indian navy. The proximity of the Cocos Islands to India’s Far Eastern Naval Command based in the Andaman and Nicobar Islands fuelled alarmist reports in the Indian press about Chinese activities. Indian naval delegations were invited to visit these islands in 2006 and found little to justify these suspicions; the radar they found was rudimentary and there was no evidence of a Chinese presence.⁵⁴ In a similar vein much publicity in India has been given to Chinese activity in the Sri Lankan port of Hambantota because of its

⁵⁰ ‘India, Nation Plan to Boost Strong Strategic Partnership’, *Viet Nam News*, 7 July 2007; Indian Defence Minister A. K. Antony visited Vietnam in December 2007, ‘Viet Nam, India Issue Joint Declaration’, *Viet Nam News*, 7 July 2007.

⁵¹ ‘Philippines to Sign Defence Pact with India’, *India Defence*, 1 February 2006.

⁵² Brahma Chellaney, ‘Counter China’s Designs’, *The Times of India*, 16 January 2008.

⁵³ Other military equipment included artillery, T-55 tanks, naval gun boats, mortars, rifles and radar, Rajat Pandit, ‘India Boosts Military Aid to Myanmar’, *The Times of India*, 20 May 2007; ‘Indian Navy Chief Visiting Myanmar; Defense Deals Top Agenda’, *India Defence*, 9 May 2007.

⁵⁴ Indrani Bagchi, ‘China Eyeing Base in Bay of Bengal?’, *The Times of India*, 9 August 2008; see also Andrew Selth, *Chinese Military Bases in Burma: The Explosion of a Myth*, Griffith Asia Institute, Regional Outlook Paper No. 10 (2007).

proximity to the main shipping lines in the Indian Ocean. So far, however, it has been a strictly commercial venture.

Quadrilateralism

Japan has pressed for the formation of a quadrilateral grouping of democracies which would embrace India together with the United States and Australia as a means of hedging against China's rise. It was unusual for Japan to launch initiatives of this kind which go beyond the US alliance, and it revealed Tokyo's concern about the limitations of the alliance in a situation where the United States may be tempted to seek an accommodation with a rising China. Indeed, this initiative demanded that Japan ignore India's nuclear tests of May 1998 and its breach of non-proliferation norms which the Japanese had previously criticised. Japanese Prime Minister Shinzo Abe addressed both houses of Indian Parliament on 22 August 2007 and called for an "arc of freedom and prosperity" which would link the "strategic global partnership between Japan and India" with the United States and Australia.⁵⁵ From this linkage a quadrilateral security arrangement might be created as an extension of existing trilateral security cooperation between the United States, Japan and Australia, which was first proposed by Deputy Secretary of State Richard Armitage in August 2001.⁵⁶ The first ministerial-level trilateral security dialogue was conducted in Sydney in March 2006 when the contentious issue of China's rise was discussed. US Secretary of State Condoleezza Rice stressed the "responsibility and obligation" to produce those conditions in which the rise of China would be a positive force in international politics. Australian Foreign Minister Alexander Downer, however, was quick to dispel any notion of containment and stressed the importance of engaging China. Differences with Washington were revealed that diluted the value of trilateralism for Japan.⁵⁷

Nonetheless, Japan had the satisfaction of including India in the joint statement from this meeting which "recognized the importance of reinforcing their global partnership with India".⁵⁸ The trilateral defence and foreign ministers meeting in Washington in May 2007 stressed that security cooperation between United States, Japan and Australia, was based on "shared democratic values and interests", and mentioned the need to "build partnerships with India".⁵⁹ Trilateralism could be extended to quadrilateralism by including India but its purpose remained troubling for

⁵⁵ See "Confluence of the Two Seas", Speech by H. E. Mr. Shinzo Abe, Prime Minister of Japan at the Parliament of the Republic of India', *The Ministry of Foreign Affairs of Japan*, 22 August 2007, <www.mofa.go.jp/region/asia-paci/pmv0708/speech-2.html> [Accessed 22 May 2009].

⁵⁶ 'US, Australia, Japan Security Talks', *The Japan Times*, 18 August 2001.

⁵⁷ 'US, Australia, Japan Focus On China's Growing Might In Defense Talks', *India Defence*, 15 March 2006; Steven R. Weisman, 'Rice and Australian Counterpart Differ About China', *The New York Times*, 17 March 2006.

⁵⁸ 'Highlights of Japan-US-Australia Joint Statement', *Nikkei*, 18 March 2006.

⁵⁹ 'Text of Japan-US Joint Security Statement', *Nikkei*, 2 May 2007.

Australia which had sought to avoid any appearance of confronting China. China had become Australia's major trading partner and second export market after Japan so Prime Minister Howard's Liberal government and its successor Labor government were naturally wary of spoiling the relationship. The problem of purpose arose when the first quadrilateral meeting was held on the sidelines of the ASEAN Regional Forum (ARF) in Manila on 25 May 2007.⁶⁰ Chinese officials were prompted to seek more information about the meeting but India and Australia both denied that it had any security purpose. Indian security analyst Brahma Chellaney heralded the meeting as a step towards a concert of democracies which would be directed against China by definition.⁶¹ Others saw it as an emerging but yet still informal defence pact based on democratic values and existing security relations.⁶²

In September 2007 India expanded the normally bilateral US-Indian Malabar maritime exercise to include Japan, Australia and Singapore. The Malabar series of US-India maritime exercises was initiated in 1993; conducted in the Bay of Bengal they were suspended in 1998 because of India's nuclear tests but were revived in 2002. Their expansion in 2007 raised the possibility of a wider grouping beyond quadrilateralism involving other Asian navies, which prompted PACCOM vice Admiral William Douglas Crowder to declare that no strategic alliance against China was intended.⁶³ Nonetheless, wary of containment urges within the Bush Administration, both India and Australia were quick to repudiate these interpretations; India's Foreign Secretary stressed that his country would not take part in any containment of China.⁶⁴ In February 2008 Australia's Foreign Minister Stephen Smith advised his Chinese counterpart Yang Jiechi that Australia would not participate in any further quadrilateral meetings.⁶⁵ Australia moved to dispel any notion that it was targeting its major trading partner China, particularly after John Howard had signed a security agreement with Japan in March 2007.⁶⁶ Kevin Rudd

⁶⁰ Brahma Chellaney, "Quad initiative": An Inharmonious Concert of Democracies', *The Japan Times*, 19 July 2007.

⁶¹ Brahma Chellaney, 'A Concert of Democracies', *Asian Age*, 3 July 2007, <<http://chellaney.spaces.live.com/blog/cns!4913C7C8A2EA4A30!369.entry>> [Accessed 22 May 2009].

⁶² Richard Halloran, 'A Pacific Defensive Pact is Emerging', *Real Clear Politics*, 9 September 2007, <www.realclearpolitics.com/articles/2007/09/a_pacific_defensive_pact_is_em.html> [Accessed 22 May 2009].

⁶³ The declared purpose of Malabar 2007 was to enhance maritime cooperation interoperability, and common understanding of procedures for naval operations among the five countries; 'Malabar 2007: India, United States, Japan, Australia, Singapore Begin Massive 5-Day Naval Exercises', *India Defence*, 3 September 2007; 'Wargames in Bay of Bengal not Against China: US Navy Official', *The Press Trust of India*, 7 September 2007.

⁶⁴ 'India not Party to US-China Geopolitics: Foreign Secretary Saran', *India Defence*, 29 August 2008.

⁶⁵ Frank Ching, "Asian Arc" Doomed Without Australia', *The Japan Times*, 23 February 2008.

⁶⁶ The security agreement made provision for disaster relief training and peacekeeping missions 'Australia and Japan Sign Agreement on Security', *International Herald Tribune*, 13 March 2007. Japan's Vice foreign Minister Masayoshi Hamada noted it would be Japan's first security

sought to redirect attention to the more inclusive concept of an “Asia Pacific Community” which he unveiled on 4 June 2008. The reiteration of this old idea would serve the convenient purpose of engaging China with all other regional powers while consigning quadrilateralism to the diplomatic dustbin. Rudd stressed the need for a

regional institution which is able to engage in the full spectrum of dialogue, cooperation and action on economic and political matters and future challenges related to security.⁶⁷

Quadrilateralism was rapidly aborted and the Malabar 2008 naval exercise reverted to its original US-India bilateral format, this time Japan and Australia were not involved. The notion of an overarching regional grouping of likeminded democracies may have been repudiated by Australia and downplayed by India but the various security relationships which gave it substance still continue. The pattern of bilateral US, Japan, Australian and Indian security relationships took the shape of an uneven quadrilateral arrangement, with different levels of intensity and commitment. Trilateralism between the United States, Australia and Japan is the most enduring feature and Australia had no intention of discontinuing; the third trilateral strategic dialogue between the United States, Australia and Japan was held in Kyoto on 27 June 2008 in advance of the G-8 meeting in Hokkaido in July.⁶⁸ The Japan-Australia relationship, however, did not match the strong relationship that the United States has forged with Australia. Japan has viewed Australia as an important security partner in relation SLOC defence and anti terrorism as well as a stable source of food, energy and mineral resources for the Japanese economy.⁶⁹ Nonetheless, within Australia’s security circles there was the complaint that the Japanese have been dragging their heels and have not responded to practical proposals for security cooperation. The habitual ministerial coordination difficulties in Tokyo and Japan’s constitutional prohibition on collective defence have acted as obstacles to cooperation, and have confused its partners about its intentions. In any case, an Australia-Japan Memorandum of Understanding on defence cooperation was eventually signed on 18 December 2008 which covered a range of activities within trilateralism.⁷⁰ New Delhi also was hesitant about

agreement with a country other than the United States, see Hideo Hoshi and Kirk Spitzer, ‘Japan May Expand Australia Ties, Including Security’, *The Japan Times*, 14 January 2007.

⁶⁷ See Prime Minister of Australia, ‘Address to the Asia Society AustralAsia Centre, Sydney: It’s Time to Build an Asia Pacific Community’, 4 June 2008, <www.pm.gov.au/media/speech/2008/speech_0286.cfm> [Accessed 22 May 2009].

⁶⁸ The Hon Stephen Smith MP, Australian Minister for Foreign Affairs, ‘Trilateral Strategic Dialogue: Joint Statement’, 27 June 2008, <<http://www.foreignminister.gov.au/releases/2008/fa-s080627.html>> [Accessed 22 May 2009].

⁶⁹ Editorial: ‘Australia Important Strategic Partner for Japan’, *Nikkei*, 17 June 2008.

⁷⁰ See Japan Ministry of Defence, ‘Memorandum on defence Cooperation between Ministry of Defense, Japan and Department of Defence, Australia’, 18 December 2008, <<http://www.mod.go.jp/e/publ/lastest/20081218b.html>> [Accessed 22 May 2009].

an overly anti China grouping and associating with the United States is still a contentious issue for Indian domestic politics. Nonetheless, both Australia and the United States have attempted to extend security cooperation with India which is seen as an important partner in counter terrorism, despite its reservations at being regarded as a counterweight to China.

India's strategic importance to the United States was noted when the Bush Administration overlooked India's nuclear tests of May 1998 and concluded an agreement to share civilian nuclear technology with New Delhi in July 2005. US Defense Secretary Robert Gates visited New Delhi in February 2008 to strengthen the security relationship in terms of joint naval exercises, anti terrorism cooperation, and also to promote US arms sales.⁷¹ A short naval exercise involving the United States, Japan and India was conducted off the coast of Japan in April 2007, which may be a harbinger of things to come.⁷² John Howard visited New Delhi in March 2006 and Defence Minister Brendan Nelson followed in July 2007 to promote naval exercises, maritime cooperation and security cooperation in general which would involve regular meetings of the bilateral Maritime Security Operations Working Group.⁷³ During that visit Nelson reiterated that a quadrilateral strategic dialogue was not required but he stressed the value of a "separate bilateral arrangement" with India.⁷⁴ Kevin Rudd's Labor government, however, has departed from his predecessor revealing less enthusiasm for bilateral security cooperation with India or with Japan. Rudd overturned John Howard's decision to sell uranium to India on the basis that it had not signed the Nuclear Non-Proliferation Treaty, and also postponed his trip to New Delhi in January 2009.

Implications for Australia

Increased East Asian energy vulnerability has stimulated plans for naval expansion and brings with it the unsettling prospect of naval rivalry over access through the Malacca Straits and Indian Ocean. This rivalry may also involve South Korea which has announced an intention to develop a naval capability to protect its oil imports and sea borne trade.⁷⁵ The danger is that

⁷¹ 'India, United States to Enhance Defense, Strategic Ties', *India Defence*, 28 February 2008; Fred W. Baker III, 'Gates' India Visit Aimed at Long-Term Relationship', *GlobalSecurity.org*, <<http://www.globalsecurity.org/military/library/news/2008/02/mil-080227-afps03.htm>> [Accessed 22 May 2009].

⁷² The one day exercise involved one Indian destroyer, two US destroyers and three Japanese escort vessels, see 'US, Japan and India in First Joint Naval Drill', *Associated Press*, 17 April 2007.

⁷³ See 'Australia to Upgrade Military Ties With India', *India Defence*, 9 January 2006; 'Australia Eager to Update Defense Ties with India: Times of India', *India Defence*, 9 July 2007, <http://www.domain-b.com/aero/july/2007/20070712_defence.htm> [Accessed 22 May 2009].

⁷⁴ 'India, Australia Sign Up for a Defence and Security "Arrangement"', *Aviation & Aerospace, Domain-b.com*, 12 July 2007, <http://www.domain-b.com/aero/july/2007/20070712_defence.htm> [Accessed 22 May 2009].

⁷⁵ Jin Dae-wong, 'South Korea Eyes High-Tech Navy', *The Korea Herald*, 6 April 2007.

an action-reaction cycle may result as Asian actors respond to the naval plans of each other thus stimulating an escalation into an arms race. As China, which is already concerned about the security of its energy supplies, engages in naval expansion for the above reasons it justifies and triggers similar responses from Japan, and also from India. Chinese interest in the Indian Ocean comes at a time when the Indian Navy is expanding, and while Japan is troubled by Chinese naval expansion and the possibility that China may threaten its own oil imports. Australia, indeed, faces the prospect of unsettling naval rivalry involving major Asian actors in its northern security environment over which it has little influence. This rivalry could threaten Australia's trade with major trading partners as well as its energy security as it becomes increasingly dependent upon oil imports from key suppliers in the Middle East, Malaysia, Vietnam and Papua New Guinea. Australia's latest Defence White Paper of May 2009 identifies the problem as a matter of great concern without explaining the causes. It notes that "we might have to contend with major power adversaries operating in our approaches" and for this reason Australia has an "enduring strategic interest in the stability of the wider Asia-Pacific region" which includes North Asia and the Eastern Indian Ocean.⁷⁶

The May 2009 Defence White Paper has stressed the need to develop Australia's maritime capabilities to meet the new challenges of its strategic environment and to avert a deterioration of its naval strength. Australia's naval force of four Adelaide class guided missile frigates, eight ANZAC frigates and six Collins class patrol submarines falls short of what is required for the future in view of the vastness of its northern strategic environment, the operating distances involved, and the modernisation of naval capabilities currently being undertaken within the region. The White Paper announced that the Collins class submarines will be replaced by twelve new submarines over the next fifteen to twenty years, though details and specifications were not mentioned, this submarine would be capable of a range of tasks including anti-ship and anti-submarine warfare as well as strategic strike. Similarly, the ANZAC frigates will be replaced by a larger and "more capable future frigate optimized for ASW"; the White Paper endorsed the previous decision made in 2007 to acquire three Air Warfare Destroyers (AWD) with Aegis air defence systems which would extend the range of the navy and allow it to undertake long distance escort duties as well as air defence; the White Paper mentioned that a fourth AWD would be an option for the future.⁷⁷ Additional capabilities envisaged in the White Paper included twenty-four new naval combat helicopters with advanced ASW abilities; forty-six MRH-90 troop carrying helicopters to be shared with the Army;

⁷⁶ Department of Defence, *Defending Australia in the Asia Pacific Century: Force 2030*, Department of Defence, Commonwealth of Australia, 2009, <www.defence.gov.au> [Accessed 22 May 2009], p. 65.

⁷⁷ *Ibid.*, p. 61, 63, 71.

some twenty offshore combatant vessels and a strategic sealift ship to move stores, equipment and personnel.

The White Paper revealed a troubling mismatch between its major strategic objectives and the capabilities envisaged. For the goal of enhancing maritime security in its northern approaches Australia would require at least five AWDs and there should be a shift from smaller frigates to larger and more capable vessels which would extend Australia's strategic reach farther into East Asia and the Indian Ocean. One major constraint upon the whole enterprise was cost which perhaps explains why the White Paper could not be more ambitious. Critics have raised doubts as to whether the entire program, which includes modernisation plans for the other services as well, could be adequately funded over the time frame envisaged (up to 2030).⁷⁸ Secondly, the recruitment problem imposes a limit on naval deployments and until this is resolved Australia's naval capabilities would not be fully utilised.⁷⁹ With a force of 12,000 the navy admitted a resignation rate of 16 percent in 2005 and 11 percent in 2008 and because of insufficient manpower it could only put three of its six Collins class submarines to sea at any one time; Defence Minister Joel Fitzgibbon in November 2008 announced an unprecedented two month Christmas break for naval personnel from 3 December to 3 February.⁸⁰ The recruitment crisis may be temporary, however, and as economic conditions tighten the problem may ease.

Securing Australia's strategic environment obviously cannot be a matter of capabilities alone and efforts at coalition building should be made which would involve likeminded partners in the region. Though not a diplomatic document the White Paper does mention the importance of the network of US alliances and security partnerships in the Asia Pacific region, including those with Japan, Korea and India.⁸¹ It would be important for Australia to strengthen trilateralism as a basis for maritime cooperation between the United States, Australia and Japan without necessarily invoking quadrilateralism, India could be included on a bilateral basis. Maritime security cooperation with the United States, Japan and India could be extended to include piracy control, anti terrorist measures and avoidance of incidents at sea, which could at some stage be extended to include Korea and China as well. Beyond trilateralism a mechanism is required to bring affected governments together, India as well as China, Japan and Korea where dialogue over maritime security could be initiated. As a means of engaging the region Kevin Rudd's "Asia Pacific Community" proposal may have broad appeal as it builds on existing approaches but it is simply too

⁷⁸ Daniel Lewis and Kerry Anne Walsh, 'Defence Funding: How Will We Pay?', *Sydney Morning Herald*, 3 May 2009.

⁷⁹ 'Navy has Hard Time Recruiting Sailors', *The Australian*, 14 April 2008.

⁸⁰ Cynthia Banham, 'Navy Closes for Christmas, Families First in New year', *Sydney Morning Herald*, 18 November 2008.

⁸¹ *Defending Australia in the Asia Pacific Century*, p. 45.

amorphous and vague to address the critical issue of defence transparency which would be required to enhance security.

The effort to bring governments together to focus specifically upon maritime security should be done before they commit themselves to long term programs of naval expansion which would then lock them into non negotiable positions based on fifteen to twenty year scenarios. To prevent this Australia could devise proposals to affirm the principle of free use of the sea lanes and equal maritime access to sources of energy. Involving a confident China, which feels assured of the inevitability of its rise, together with an ambitious India and an uneasy Japan would demand considerable diplomatic skill and sober realism. The ARF habitually raises the issue of maritime security but mainly limited to piracy and related issues in the Malacca Straits. The Chairman's report of the 15th ARF in July 2008 did declare the convening of an inter-sessional meeting on maritime security but the issue was relegated to the workshop level. Moreover, neither India nor the Indian Ocean has been effectively integrated in the deliberations of the ARF which focuses more on Southeast Asian security issues. Indeed, to come to terms with the full extent of maritime security the ARF would have to widen its terms of reference to embrace both the Indian Ocean and East Asia, and to extend the range of issues to include SLOC protection, as well as transparency over naval expansion, naval exercises and theatre deployments. Institutionalised and broadened dialogue at this level should awaken Beijing to the effects of its naval expansion upon others, and to the realisation that unconstrained naval ambitions would simply stimulate similar reactions from others. It should also remind India that all have equal right of access to the Indian Ocean which should not be regarded as an exclusive preserve, and that a Chinese presence there need not be threatening. If sustained over the long term a focused multilateral dialogue of this nature could remove some of the worst suspicions in relation to the growth of naval capabilities and, hopefully, would bring about greater cooperation over maritime access to energy.

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