A Sino-Persian Grab for the Indian Ocean?

by Jamsheed K. Choksy

China and Iran are constructing a series of strategically placed harbors – their strings of salt water pearls – partially for independent strategic reasons but equally to ensure maritime commerce in oil, gas, other licit resources, and illicit technologies between both nations can continue uninterrupted. Those ports provide facilities for the two countries’ warships as well, extending their military power into a region hitherto dominated by the U.S., Britain, and India. To ensure the Indian Ocean’s vital transportation lanes continue remaining accessible to all nations and transfer of prohibited items does not occur, the U.S. and Britain need to remain actively engaged in building political, social, and economic relations with several nations in South Asia. Diminishment in access to Indian Ocean ports will have serious long-term consequences for American and British military and commercial operations in a troubled yet important region of the world.

China and Iran as Partners

While it is not possible to access their diplomatic records, a series of developments suggest the People’s Republic of China and the Islamic Republic of Iran are finding common cause in economic and military expansions focused on the Indian Ocean. Jointly and separately, they are establishing berths which will challenge American, British, and Indian activities in the maritime crossroads of Asia. These harbors represent “a string of pearls” – a potent metaphor across Asia – safely connecting the sea lanes between China and Iran. Iran’s naval fleet is the junior partner compared with China’s blue-water juggernaut, but both nations stand to benefit from their Indian Ocean cooperation. They are getting bolder too, with submarines and battleships venturing further along important waterways.

The real value of Indian Ocean ports for China and Iran lies in ensuring their maritime interaction remains unfettered. Iran has become the largest foreign supplier of crude oil and liquefied natural gas for China’s rapidly growing industries. China has already invested heavily in a range of Iranian energy and mineral extraction projects. During recent meetings in Beijing of the Iran-China Joint Chamber of Commerce and the Chinese and Iranian foreign ministers both countries agreed to establish an oil and gas committee to extend these economic partnerships. Indian Ocean ports complement Persian Gulf ones at Abadan and Bandar Abbas by permitting vessels to load and unload cargo – worth U.S. $30 billion in 2010 and set to grow to U.S. $50 billion by 2015 – traded between Iran and China. Iranian defense sources report that China is seeking additional cooperation between the two nations’ navies too.

Among the items reaching Tehran via this maritime trade are nuclear and missile technologies, believed to originate in North Korea and pass through Chinese middlemen, despite U.N. sanctions. But China’s role may not be merely that of a conduit. Construction of the Iranian nuclear facility outside Qom, revealed to the world by the U.S. in 2009, is reported to have involved both North Korean and Chinese scientists. By sharing licit and illicit technologies directly and indirectly, opening its markets readily to items made in Iran, and undermining effective international sanctions, Beijing is ensuring Tehran remains a dedicated supplier of energy resources.

Pakistan’s Connection

In the prevailing geopolitical context Islamabad’s request that Beijing upgrade the Port of Gwadar, which the latter nation had built from 2002-2007 at a cost of U.S. $200 million, into a naval base has troubled Western politicians and policy analysts alike. One of Beijing’s state-owned corporations also has the option of taking over administration of Gwadar harbor once the current Singapore Ports Authority’s lease concludes or is terminated. Relations between the U.S. and Pakistan are at a nadir due to constant drone strikes and the recent elimination of Osama bin Laden without local involvement. Islamabad’s request to China is seen, in this context, by many Pakistanis as a much-needed show of defiance toward Washington’s imperiousness.

That display of independence is but one public act in a far less transparent growth of relations with China by a supposed U.S. ally which has netted billions of dollars in American

---

military and civilian aid. Indeed, until Beijing confirmed its technicians were held hostage by Taliban militants during a recent raid, China’s role in upgrading the Pakistan navy’s main base at Karachi was unknown to Washington. India, which has its own troubled history with both China and Pakistan, also is wary of the growing alliance between Beijing and Islamabad. Indeed Chinese access to Pakistani ports threatens India whose western shoreline with its commercial center at Mumbai lies exposed. Islamabad most probably gains satisfaction from New Delhi’s feeling of insecurity, even though China is unlikely to use its presence at Gwadar and Karachi to challenge India militarily. Islamabad’s actions indicate it views China and Iran as useful foils for keeping funds from Washington flowing and politicians in New Delhi uneasy. So it has suggested to the Maldives Islands, another Muslim nation in the Indian Ocean, that a Chinese presence there may be in order too.8

China and Iran are overtly reeling Pakistan into their networks through sale and joint construction of military hardware including fighter jets, reconnaissance aircraft, submarines, and frigates. Both countries may also have covertly assisted Islamabad’s rapid increase in nuclear capability. According to Pakistan’s former nuclear head A. Q. Khan that is exactly what Beijing did some years ago by providing technology which Pakistani scientists then passed on to Iran. Tehran in return is believed to have shared its ballistic missile plans with Islamabad.9 Iran and Pakistan also are widely suspected of having facilitated movement and training of Al-Qaida operatives in addition to providing them safe haven.10

**Sri Lanka’s Role**

Pakistan is only one stop along the seaway between Iran and China. Beijing and Tehran are cooperating in the construction of deep-water ports for petroleum tankers and naval vessels off the island of Sri Lanka. They are widening and deepening the Port of Colombo, Sri Lanka’s west coast capital city, plus harbors at Galle and Hambantota along the southern shoreline. Iran is constructing oil refineries in Sri Lanka not only for the island’s domestic use but for export to China as well. Economic aid and joint ventures are pulling Sri Lanka deeper into Iran’s orbit.

Hundreds of Chinese and Iranian merchant vessels already pass through Sri Lankan anchorages. The island’s harbors are midway transit points for shipments of Iranian energy resources to China and of Chinese technological products to Iran.11 The island’s harbors, including the eastern Port of Trincomalee which once headquartered the British Royal Navy’s

---

Indo-Pacific fleet and served as an American airbase, are now visited regularly by Iranian and Chinese warships and less frequently by British and American ones.

Military equipment and economic aid are the bait once again. Iran and China – in the latter case again from North Korea – supplied much of the heavy weapons that helped Sri Lanka’s government defeat Tamil rebels after a 26-year secessionist struggle. Some of those ordnances were shipped through Pakistan – yet another indicator of the Indian Ocean based nexus. Additionally, Iran’s Islamic Revolutionary Guard Corps is reported to be training military and intelligence officers for the island’s government.12

Bangladesh and Myanmar too

At the northern end of the Bay of Bengal, China and Iran are cultivating ties with Bangladesh. The seaport of Chittagong has benefitted from Beijing’s finances – and the government in Dhaka seeks more. As happened in Pakistan and Sir Lanka, defense cooperation is on the rise with Beijing due to the Chinese military supplying frigates and other ordnances for Bangladeshi troops. In the meantime Iran is expanding its political links to Bangladesh by promising bilateral trade, most of which is waterborne, will grow swiftly from the current level of approximately U.S. $100 million.13 Because Bangladesh sees rising value in ties with Iran and China, western military vessels although still frequent visitors to Chittagong now have to compete for docking facilities there.

In August 2010, the Chinese navy inaugurated relations with its Myanmarese counterpart. That port call by Beijing’s vessels culminated a diplomatic drive that began in 2007. Commercial ventures include Chinese construction of terminals at Kyankpyu port on the Bay of Bengal. From there, oil and gas pipelines stretch approximately 700 miles from the west coast of Myanmar (Burma) to Kunming in southwest China – ensuring that Iranian energy can bypass the congested narrow Strait of Malacca. A Sino-Burmese corporation linked to narcotics and arms smuggling already operates Yangon (Rangoon) port and safeguards shipments passing through its docks between Shanghai and Bandar Abbas.14

By adding Bangladeshi and Burmese berths to the Pakistani and Sri Lankan ones, China and Iran will eclipse the U.S. and its allies in the number of naval facilities available within South Asia. So the Indian Ocean is becoming the maritime epicenter of Sino-Persian activities.

---

Strategic Implications

Even if China does accept the Pakistani offer to upgrade the docks at Gwadar, it may not station forces there so as not to provoke the local Baloch population which is opposed to any foreign presence after the prolonged American one in neighboring Afghanistan. Moreover, despite recommendations by parts of its military, the Chinese government to date has not abrogated a policy against establishing foreign bases. But Beijing may increasingly be tempted to do so in the face of weak responses from Washington and London to its increasing interest in South Asia. The Islamic Republic has shown no such qualms for military assistance when opportunities have arisen in other regions of the world – as in Hezbollah-controlled areas of Lebanon and apparently now in Latin America. Iran is reported to have military troops and advisors in Syria too, assisting Bashar al-Assad’s regime in suppressing a popular revolt.

Washington and London may see the Sino-Persian thrust for harbors as nothing more than economic ventures and so choose not to respond. Granted, for now neither Beijing nor Tehran has the naval capacity and technology to challenge U.S. and British military might. But both nations are upgrading their capabilities rapidly. For China this includes refurbishing an aircraft carrier based at Dalian Harbor on the Yellow Sea and having direct access to the South China Sea – an important regional waterway – and then westward through the Strait of Malacca to the Indian Ocean. For Iran, the focus has been on adding submarines with longer ranges of deployment and greater offensive capabilities.

Much of Washington’s attention has focused, quite understandably owing to terrorism, on underwriting, cajoling, even threatening Islamabad – with few positive results. In the process India, Sri Lanka, and Bangladesh have been given short shrift by the West’s administrations. So Iran and China see strategic openings in the Indian Ocean region. They are presenting...
themselves as “all-weather friends” who will still be there when the U.S. loses interest. Indeed Washington’s on-again off-again attention to the region, driven by relatively short term developments like the Soviet-Russian invasion of Afghanistan and the war against terror, makes Iranian and Chinese overtures appealing to Pakistan, Sri Lanka, Bangladesh, and Myanmar.

On the other hand, years of mistrust and border clashes with India will likely ensure that China makes little headway along the Indian Ocean’s longest coastline. But Beijing may figure it can bypass and even neutralize India by using the other Subcontinental nations and leave Tehran to manage New Delhi. Indeed, Indian industry relies heavily on Iranian fuel and has been fighting U.S. attempts to restrict those fuel imports. To cover all scenarios, however, Beijing is reaching out to India as well through bilateral trade – targeted to reach U.S. $100 billion by 2015. Caution by China and Iran in the case of India is due not only to that nation’s own strategic might but also for ensuring New Delhi is given no reason to tilt politically toward Washington.

American and British Responses

So where does this power grab, as Iran and China become “reliable partners,” leave the U.S. and Britain? Using political and economic pressure to block Chinese and Iranian presence at places like Gwadar, Colombo, Chittagong, and Kyankpyu will be counterproductive. Such arm-twisting would provoke backlash from those countries’ whose citizens are already suspicious of Western intentions after having watched bloody events unfold in Afghanistan and Pakistan. Moreover, unduly restricting trade in legal commodities is not in the interest of furthering free market economies in South Asia. After all, China does business with countries all over the world including with staunch American allies. Moreover, Washington’s and London’s opposition to Iran’s trade stems from the dispute over Tehran’s nuclear program obfuscation and its support of militant organizations.

Ultimately it is not legal trade between China and Iran or even those countries use of third-party Indian Ocean ports that are problematic. It is the ongoing shift in the balance of power which could leave the U.S. and Britain playing second fiddle in a region of rising geopolitical importance that is strategically worrisome. Additionally, failure to enforce sanctions on the exchange of proscribed items diminishes American and British effectiveness upon the world stage as Iran and China demonstrate to other nations that international will can be flouted.

India is still the most powerful nation, economically and militarily, in the region. It also is a relatively stable democracy with an English-speaking technologically-savvy population. Like Washington and London, New Delhi does not care for Iranian and Chinese hegemony in the Indian Ocean. Yet, Indians still remain ambiguous toward the U.S. owing to their perception of an American bias toward Pakistan. As Pakistan proves repeatedly that it is an unstable ally, and New Delhi sees Washington’s rising frustration with Islamabad, the time is ripe for the U.S. to

extend concrete overtures of partnership with India. Indians still recall favorably U.S. support against China in the early 1960s. Now as China and Iran begin to encircle India’s waters, both London and Washington should deepen political, economic, and military ties with New Delhi. It is not an all or nothing situation for the West vis-à-vis the Subcontinent’s two main rivals – the U.S. in particular needs to build confidence and relations with both India and Pakistan.

Frayed relations with Sri Lanka, resulting from its now-concluded civil war, should be repaired so that island nation ceases to be attracted by offers from China and Iran. Additional economic aid could be extended to Bangladesh to buildup social and economic infrastructure and make it less dependent on the autocratic regimes of Asia. Furthermore, when those nations seek military technology it would be prudent not to yield the field to China and Iran. Reaching out to Myanmar is more problematic owing to its regime’s anti-western stance and Western economic sanctions against it. Yet, opportunities to normalize relations may be arising for U.S. State Department officials have met with Yangon’s country’s post-election government.23

China certainly is more cautious than Iran when it comes to international adventurism. But like Tehran, Beijing is moving into areas where Washington seems to be wavering despite U.S. forces still guarding the politically, economically, and militarily strategic maritime choke points at Hormuz and Malacca. Iran and China seem intent of changing the naval status quo. It is not in the West’s interest, or even that of the world, for one or two nations – especially those which have not demonstrated their full commitment to global order – to gain control over a strategic area. The Indian Ocean and its ports must remain freely accessible to all countries as well as cease being used to evade international prohibitions. The West cannot afford to lose this maritime Great Game.

Jamsheed K. Choksy is professor of Central Eurasian, Iranian, Indian, Islamic, and International studies, and former director of the Middle Eastern studies program at Indiana University, Bloomington. He is also a member of the National Council on the Humanities at the U.S. National Endowment for the Humanities. The views expressed are his own.