
THE STRATEGIES OF CHINA AND INDIA IN THE BAY OF BENGAL REGION: REVISITING STRATEGIC COMPETITION

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Abstract: The geographical location and the bright economic prospects of the coastal countries of the Bay of Bengal have made the region an important center of geopolitics and economic growth. The two rising global powers—China and India—are an integral part of the forming dynamic of the region. Consequently, they have security and economic interests in the Bay of Bengal and are thus vying to maximize their respective interests. They are also suspicious of the strategies of each other in the region due to historically unresolved issues over border disputes, like Tibet and the Dalai Lama, and Pakistan. China has developed an economic and strategic partnership, and initiated overland and maritime connectivity projects in order to promote sub-regional cooperation with the coastal countries of the Bay while India is making trade agreements, military cooperation, and strategic relations of its own. The Indian government has adopted overland and shipping route policies, and formed a sub-regional cooperation forum within the region. This paper investigates the nature of the two countries' strategies and their strategic competition in three littoral countries - Bangladesh, Myanmar, and Sri Lanka. The focus is on why India and China are competing with each other and argues that the end result will be a balanced security environment in the region's near future.

Keywords: Bay of Bengal, strategies of China and India, strategic competition, connectivity initiatives, subregional cooperation, economic cooperation and strategic partnership with coastal countries

Introduction

The Bay of Bengal is an integral part of the economy and security of China and India; as a result, they are both vying for influence in the same strategic space. India has 2,000 miles of coastline on the Bay of Bengal. China, while proximate to the Bay, does not have a coastline.¹ The Bay of Bengal generally

1 David Scott, "India's Grand Strategy for the Indian Ocean: Mahanian Visions," *Asia Pacific Review* 3,

includes associated waters of the Andaman Sea, and the Straits of Malacca in the eastern Indian Ocean. It is a compact body of water enclosed from three sides: India and Sri Lanka on the west; Bangladesh, India, and Myanmar in the north and Indonesia, Thailand, Malaysia, and Singapore on the eastern side. The Straits of Malacca of the Bay are one of the main doors of the Indian Ocean, leading to the South China Sea and the Pacific Ocean. Around one third of global trade is transacted through the straits.² Thus, the Bay of Bengal is an important hub of economic activities connecting South, Southeast, and East Asia. Growing economic importance has made the region an increasingly important center of global focus. Robert Kaplan noted: "The Bay is returning to become the center of the history and no one interested in geopolitics can afford to ignore the Bay of Bengal any longer."³ China and India, the two rising powers, have, thus, tried to promote their interests and secure themselves from outside threats. Their mutual threat perception is especially acute in the region; both countries are suspicious about the strategies initiated by each other. Beijing is building infrastructure, initiating connectivity projects, promoting sub-regional cooperation, and making economic and strategic partnership with the coastal countries of the Bay in order to achieve economic and security interests, and to overcome strategic vulnerability. On the other hand, New Delhi is developing its own military infrastructure, projecting connectivity initiatives, and forming its own sub-regional cooperation in an effort to make economic, defense, and strategic relations with these countries. The roles of China and India in the Bay of Bengal region, thus, came into the fore, and have been discussed and debated. Some papers explore the strategic importance of the Bay of Bengal but do not investigate the nature of their strategies and competition in the region. David Brewster (2014) has focused on the Bay of Bengal as a strategic space made division of South and Southeast Asia, and multilateral maritime security grouping has emerged based on it.⁴ In his other article (2015), Brewster explores increasing strategic significance of the Bay of Bengal.⁵ Sidra Tariq (2016) investigates why China and India perceive a security dilemma in the Indian Ocean.⁶ Further, Pushpita Das (2011) focuses on the necessity of development of military infrastructures in the Andaman and Nicobar Islands

no.2 (2006):97-129.

2 David Brewster, "Dividing Lines: Evolving Mental Maps of the Bay of Bengal," *Asian Security* 10, no.2 (2014):151-67.

3 Robert Kaplan cited in David Brewster, "The Rise of the Bengal Tigers: The Growing Strategic Importance of the Bay of Bengal," *Journal of Defence Studies* 9, no. 2 (April-June 2015): 89.

4 Brewster, "Dividing Lines."

5 David Brewster, "The Rise of the Bengal Tigers: The Growing Strategic Importance of the Bay of Bengal," *Journal of Defence Studies* 9, no. 2 (April-June 2015): 81-104.

6 Sidra Tariq, "Sino-Indian security Dilemma in the Indian Ocean: Revisiting the String of Pearls Strategy," *Regional Studies* XXXIV, no. 3 (Summer 2016): 3-28.

and how these can give India a secure position in the Bay of Bengal.⁷ The paper will, thus, explore the nature of the strategic competition of the two countries in the Bay of Bengal region and will determine the reasons for regional cooperation. This will facilitate understanding of the nature of these two power's strategies and illuminate their strategies in the Bay of Bengal region, in particular on the causes of their regional competition.

Strategic Thinking and the Security Dilemma

In exploring strategic development and competition in the Bay of Bengal region, it is important to see this subregion as a discrete entity with its own particular dynamics and interplay of relationships. The longstanding conceptions of South and Southeast Asia as regions with their own specific strategic dynamics is traditionally divided by a line running through the middle of the Bay of Bengal. It is located at the end of South Asia and the beginning of Southeast Asia and makes a connection between the Indian and Pacific oceans. The unique pivotal position of the Bay of Bengal between South and Southeast Asia has drawn the interest of the regions' great powers: China and India. Although conceptions of where regions begin and end are relatively arbitrary, the way in which these regions are conceptualized can have a profound effect on strategic actors.⁸ Political power and aspects of geography such as the size, location, militarily important terrain, maritime choke points, and areas containing critical resources informs both objectives and the strategy used to achieve them.⁹ Geographical location may impose constraints while it may also provide opportunities that would have far-reaching implications on policy and strategy.

The classic definition of the security dilemma, as described first by John H. Herz in 1951, is a structural notion in which "the self-help attempts of states to look after their security needs tend, regardless of intention, to lead to rising insecurity for others as each interprets its own measures as defensive and the measures of others as potentially threatening."¹⁰ Major International events like WWI and WWII, and the dynamics of the Cold War have been analyzed through the lens of this notion. Further, the notion of security dilemma is linked with other theories and doctrines of international security as well; for example, constructivists and defensive realists approach the concept of

7 Pushpita Das, "Securing the Andaman and Nicobar Islands," *Strategic Analysis* 35, no. 1 (May 2011): 465-78.

8 Brewster, "The Rise of the Bengal Tigers: The Growing Strategic Importance of the Bay of Bengal," 82.

9 Robert, Harkavy, "Strategic Geography and the Greater Middle East," *Naval War College Review* 54, no.4 (Autumn 2001): 37-53.

10 Barry Buzan, *People, States and Fear: An Agenda for International Security Studies in the Post Cold War Era, Second Edition* (UK: ECPR Press, 2009), 27.

security dilemma in different contexts. Defensive realist Kenneth Waltz argued that the anarchic nature of the state system is at the heart of the security dilemma. In the absence of a “common government”, each state is in charge of its own security and survival. He opined that states are suspicious of other states’ intentions and as a result, always try to maximize their own security which leads to a security dilemma. Constructivist Alexander Wendt focuses on the subjective element, contending that security dilemmas occur due to “intersubjective understandings where states assume the worst about each other’s intentions.”¹¹ Security dilemmas occur due to states’ mutual suspicion of each other. One exists between India and China since they are suspicious about each other’s intentions. Their mutual suspicion is a product of historical experiences, border disputes, China’s close ties with Pakistan, and India’s ties with the US; this security dilemma manifests itself in the Bay of Bengal sub-region.¹² The strategic behaviors of India and China in the region are akin to “if one is taking actions that may give a strategic advantage over the rival one so as to create a threat, the rival one would seek to mitigate an existing strategic disadvantage since the end of 1990s.”¹³ While the concept of a “security dilemma” may not be a perfect framework for understanding the dynamics of strategic competition between India and China in the Bay of Bengal region, it is evident that India seeks to maintain its considerable geostrategic advantage, and China tries to mitigate its disadvantage. They have currently played out in a jostle for influence throughout the region.

The Strategies of China and India in the Bay of Bengal Region

This section will explore the strategies of China and India in the Bay of Bengal region: their economic cooperation and strategic partnership, promotion of subregional cooperation, and connectivity initiatives. In particular, the section will investigate their economic cooperation and strategic partnership of China and India with the three potential coastal countries - Bangladesh, Myanmar, and Sri Lanka - of the Bay of Bengal since they are located geographically close and are significant in strategic and security consideration to the two powers.

Economic Cooperation and Strategic Partnership

India’s long coast line with the Bay of Bengal and its Andaman and Nicobar archipelago provide it with natural advantages that have historically made the country the dominant power in the region. As a result, China is strategically

11 Alexander Wendt cited in Sidra Tariq, “Sino-Indian security Dilemma in the Indian Ocean,” 4.

12 Surjit Mansingh, “India and China Today and Tomorrow,” *The International Spectator* 46, no. 2(2011): 47-48.

13 Brewster, “The Rise of the Bengal Tigers,” 54.

vulnerable since unresolved tensions from as far back as the 1950s have continued to strain Indo-Chinese relations. Of particular importance are border disputes, issues regarding Tibet and the Dalai Lama, relations with Pakistan, the Indian fear of being boxed in as a result of the Chinese “String of Pearls” Strategy, and China’s fear of encirclement or containment by deepening Indo-US ties. More than eighty percent of China’s energy and goods are transported through the sea lines of communications (SLOCs) of the Straits of Malacca¹⁴ and the 244 Islands of India’s Andaman and Nicobar archipelagos constitute a “metal chain” that could lock tight the western exit of the Straits of Malacca.¹⁵ In addition to the Straits of Malacca, these islands are close to the Six Degree Channels through which the sea lanes of communication in the eastern Indian Ocean run.¹⁶ The archipelago has become a major amphibious warfare hub as India has set up full-fledged training facilities and based an integrated land-air-sea fighting unit there. India has also developed port facilities for operations in the Bay of Bengal and its coastal regions reportedly with the support of the United States.¹⁷ A naval blockade to the western exit of the Straits of Malacca would place China’s energy supply from the Middle East and Africa, and transportation of other goods, in a very vulnerable position. China, thus, perceives the presence of Indian threats in the SLOCs of the Bay as an urgent issue. Former Chinese President Hu Jintao considered the chokepoint of the Straits of Malacca as China’s “Malacca Dilemma.”¹⁸ Shyam Sarah pointed out that Indian control over these islands, strategically in such position as they are, help it manage China’s rise and protect its regional interests.¹⁹ In order to overcome its strategic vulnerability and the Malacca Dilemma, China is developing economic, strategic, and military cooperation and strategic partnerships with the coastal countries of Bangladesh, Myanmar, and Sri Lanka. Chinese leaders in Beijing are moving to develop an interconnected system of ports that starts with China’s Hainan Islands and transverses the deep seaports of Kyaukpyu in Myanmar, Chittagong in Bangladesh, Hambantota in southern Sri Lanka (which is already partially opened), the Marao port in the Maldives which is under construction), and Gwadar port in Pakistan, before reaching the Middle East. India claims that China is trying to develop a

14 The Straits of Malacca are only 1.5 nautical miles wide at its narrowest point, the Phillips Channel in the Singapore Straits and the main connecting link between Indian and Pacific Ocean. It forms some of the world’s significant traffic bottlenecks, and between one-fifth and one-quarter of the world’s sea trade is done through the Straits.

15 Das, “Securing the Andaman and Nicobar Islands,” 466.

16 Ibid.

17 David Scott, “India’s Aspirations and Strategy for the Indian Ocean: Securing the Waves,” *Journal of Strategic Studies* 36, no. 4 (2013):484-511.

18 Storey I, “China’s Malacca dilemma. Jamestown foundation,” *China Brief* 6, no.8 (2006).

19 Scott, “India’s Aspirations and Strategy for the Indian Ocean,” 498.

network New Delhi refers to as a “String of Pearls” that would surround India by sea.²⁰ This has caused great consternation in India as Raja Mohan argues that Delhi’s dithering in developing economic ties and connectivity means that India is in danger of “losing” the Bay of Bengal to China.²¹ Thus, in order to secure its economic and strategic interests and to reduce Chinese influence in the region, India is developing bilateral defense, economic, and strategic partnerships of its own in the Bay of Bengal.

Economic Cooperation and Strategic Partnership with Myanmar

Myanmar is important for China as a land bridge because it is part of its attempt to revive its southwest “Silk Road” both westward towards Bangladesh and India, and southeastward from Yunnan Province. Myanmar can provide southwestern China access to the Bay of Bengal and the Andaman Sea. The two countries have, consequently, maintained close bilateral relations for centuries. In particular, their relations improved substantially when the military junta known as Tatmadaw in Myanmar took over the power in the name of the State Law and Order Restoration Council (SLORC) by staging an organized military coup on September 18 1988. The SLORC put down mass democracy protests that aimed to institute regime change and developed “a political agenda to retain complete authority for itself and to close off the options for political leadership.”²² However, under mounting international pressure the military regime of Myanmar developed close relations with China to survive.²³ Even as the pressure from the rest of the international community grew, Beijing supported the military regime with a full spectrum of political, strategic, and economic ties. China has offered interest free loans, provided arms and military assistance, and granted credit to the military regime, as well as other economic aid and investments for the construction of Myanmar’s basic infrastructure and industrial projects.²⁴ Significantly, during the Wu-Wen era of Myanmar government (2002–2011), the China-Myanmar relationship deepened further. China became involved in the construction of airfields, roads, railways, pipelines, and seaports in Myanmar in an effort aimed at better connecting China with the Bay of Bengal, both by sea and directly overland. In July 2005, the National Development and Reform Commission

20 Takenori Horimoto, “Ambivalent Relations of India and China: Cooperation and Caution,” *Journal of Contemporary East Asia Studies* 3, no. 2 (2014): 61-92.

21 Brewster, “The Rise of the Bengal Tigers,” 93.

22 Xiaobo Su, “Repositioning Yunnan: Security and China’s Geo-economic Engagement with Myanmar,” *Area Development and Policy* 1, no. 2, (2016): 178-94.

23 Geng Lixin, “Sino-Myanmar Relations: Analysis and Prospects,” *The Culture Mandala* 7, no.2 (January 2007): 1-15.

24 *Ibid*, 6.

of China and Myanmar's Ministry of Energy formally signed a memorandum of understanding to promote the Sino-Myanmar oil and gas pipelines.²⁵ The pipelines start at Kyaukryu port on Myanmar's west coast with the Bay of Bengal and enter China at Yunnan's border city of Ruili.²⁶ The 2380 km long oil pipeline is supposed to carry 22 million tons of crude oil per year from the Middle East and Africa to China.²⁷ China has also assisted Myanmar in developing naval facilities on the offshore islands of Myanmar, including St. Mathews near the mouth of the Straits of Malacca, and the Coco Islands which lie barely 18 km north of India's Andaman Islands.²⁸ Additionally, Beijing is constructing a river route from Kunming to Yangon, and highways and railways to connect the sea port of Kyaukpyu in Myanmar to Kunming. The new route will ease China's dependence on energy coming through the Straits of Malacca and offer an alternative way to overcome its Malacca Dilemma. Moreover, it will reduce time and cost of transportation of energy and other goods supply to southwestern China.

The former military regime adopted an extreme nationalization policy that has proved to be a great failure and led to the dire poverty of the people of Myanmar.²⁹ The retardation of economic development in Myanmar is partly attributed to sanctions imposed by western countries. As a result, in order to overcome the overall domestic and international situation, the military government arranged the presidential election in 2010. However, after assuming power in the 2010 election, it has been said that the change of regime might have led to the redirection of its foreign policy - especially its relations with China. The challenges of the armed minority forces and the opposition parties, plus the unfriendly international environment, had driven Myanmar's government to make political security the imperative for their foreign policy. Thus, the current trend in Myanmar's foreign relations has also led to the rapid restoration of its relations with India, Japan, and the western world. Myanmar and India would expand cooperation in oil and gas exploration and trade, joint military exercises, and developing infrastructure. In particular, former US Secretary of State Hillary Clinton's visit in late 2011, and then-US President Barack Obama's official visit in November 2012, marked the beginnings of the US pivot to the Pacific.³⁰ The Chinese government officially expressed its

25 Xiaobo, "Repositioning Yunnan," 188.

26 Yue Ricky Wai-Kay, "Sino-Myanmar Relations: Is Pauk-Phaw Pragmatic or Rhetoric?," *Journal of Comparative Asian Development* 13, no. 2 (2014): 264-89.

27 Ibid.

28 Cdr. Gurpreet Khurana, "China and India Maritime Rivalry," *Indian Defence Review* 23, no. 4 (2009): 1-8.

29 Holliday Ian, "National unity struggles in Myanmar: a degenerate case of governance for harmony in Asia," *Asian Survey* 47, no. 3 (2007): 374-92.

30 Chiung Chiu Huang, "Balance of Relationship: the Essence of Myanmar's China Policy," *The Pacific*

positive attitude toward the strengthening relationship between Myanmar and the US, though Chinese media, and attacked Clinton's visit as inciting antipathy between China and its allies.³¹ However, there are signs that Myanmar is making an effort to build a military alliance with the western countries to target China. China is the largest trading partner and investor in Myanmar. 47 percent of foreign direct investment utilized in the country is provided by China.³² In 2013, Chinese Premier Li Keqiang and the President of Myanmar, Thein Sein, indicated in their talks held in Nanning that the acceleration of the development of the southwest region of China and the progress of economic reforms in Myanmar both provided space for cooperation on major projects between the two nations.³³ China-Myanmar bilateral relations will, therefore, continue to secure their mutual benefit and serve China's strategic interest in the Bay of Bengal.

The Indian fear of being boxed in is intensified by strong China-Myanmar strategic partnership. Indian think tanks understand that robust China-Myanmar relations have made Indian access to the Greater Mekong Region and Southeast Asia more of a challenge. In the early 1990s, India began to engage with Myanmar. They had spent many years vocally condemning military rulers of Myanmar but were willing to change strategies in order to reduce China's leverage in the country and make the Indian "Look East" policy successful.³⁴ The Indian Look East policy was adopted in the early 1990s for rebuilding Indian economic links and strategic partnerships with the rising economies of Southeast Asian countries along the bay, and Myanmar is seen as a land bridge toward the region. The country's natural resources, and particularly its gas and oil reserves, make it an important prospective trading partner of India.³⁵ Myanmar's strategic position in the Bay of Bengal is also of key importance, as India aims for regional leadership and to protect its dominance in the bay, and the former generally reducing Chinese influence in the region is specifically important to that aim. In March 1993, India's Foreign Secretary J.N. Dixit visited Myanmar, and discussed Indian concerns with Myanmar's military cooperation with China. In January 1994, Myanmar's Deputy Foreign Minister visited India, and the two countries signed a memorandum of understanding

Review 28, no. 2 (2015): 189-210.

31 Ibid

32 Liu Wu, "Sino-Myanmar Bilateral Relations in 2013: Develop Steadily and Challenges Existed," in *Annual Report on the Development of International Relations in the Indian Ocean Region, 2014*, eds. Wang R. and Zhu, C., (Verlag Berlin Heidelberg: Social Sciences Academic Press and Springer, 2015), 175.

33 Ibid, 176.

34 Engh Sunniva, "India's Myanmar Policy and the 'Sino-Indian Great Game,'" *Asian Affairs* 47, no.1 (2016): 32-58.

35 Ibid, 40.

aimed at expanding border trade by increasing co-operation and preventing “illegal and insurgent activities.”³⁶ India began to boost economic ties with Myanmar pushing back against Chinese influence and stepping up links with an important Bay of Bengal country that could serve to project Indian interests in Southeast Asia.

Bilateral trade between India and Myanmar gradually increased from \$87 million in 1990–1991 to \$577 million in 2004–2005, and reached \$2.2 billion in 2016–2017.³⁷ In 2001, India’s Foreign Minister Singh opened the 160 km “India-Myanmar Friendship Road” connecting Tamu with Kalewa and Kalembo (all in the Sagaing region of Myanmar) which further connects to Mandalay by road.³⁸ In May 2012 efforts were made to improve the road as India agreed to repave it, build and reconstruct 71 bridges along the route, and extend the road to Yargyi. Myanmar would then extend the road up to Monywa, close to Mandalay.³⁹ Additionally, India has become involved in oil and gas exploration in Myanmar. Indian public and private companies have bought stakes in block A-1 of the Shwe gas field, two on and offshore blocks of the Rakhine state, and another two-A-3 and A-7- offshore blocks of Myanmar.⁴⁰ Further to the strategic and economic interests previously mentioned, India has also sought to acquire intelligence on alleged Chinese bases on Myanmar’s islands, gain access to its seaports, and cooperate closely with Myanmar’s naval forces.⁴¹ In the case of Indian concern of Chinese influence, Myanmar has balanced its relationship with both countries by adopting their requests for cooperation. Myanmar responded to India’s invitation of military cooperation and allowed the Indian Navy flotilla to berth in the Burmese port Thilawa from 2002 onwards. Moreover, whereas China’s military has not yet done any joint operations with Myanmar, India has successfully conducted Indo-Burmese joint naval exercises in 2003, 2005, and 2006.⁴² More importantly, during Thein Sein’s government, the close co-operation between the two countries intensified and Myanmar’s naval vessels in 2013 made their first port calls to mainland India.⁴³ After taking office in 2011, President Thein Sein visited India and China in succession to balance the relationship with the two countries. After assuming power, Narendra Modi’s government expanded engagement with Myanmar as part of its efforts to transform the Look East policy into a more vigorous Act East policy. In particular, his visit to Myanmar on September 6-7, 2017,

36 Ibid, 38

37 *Policy Brief*, 2014; *New Age*, September, 07, 2017.

38 *Forbes Magazine*, March 26, 2013.

39 *The Times of India*, March 26, 2013.

40 Sunniva, “India’s Myanmar Policy and the ‘Sino-Indian Great Game,’” 44.

41 Ibid, 45.

42 Huang, “Balance of Relationship: the Essence of Myanmar’s China Policy,” 202.

43 Raja Mohan, “India-Myanmar Naval Diplomacy,” *The Indian Express*, March 11, 2013.

expanded commercial and strategic ties between the two countries. During the visit, both countries agreed that they would look at strengthening cooperation security and counterterrorism, trade and investment, infrastructure, energy, and culture.⁴⁴ It may be said that the objectives of Indian and Chinese relations with Myanmar are not only to secure their economic and strategic interests, but also a strategic competition to expand their respective spheres of influence through connectivity, economic and military engagement rather than direct confrontation.

Economic Cooperation and Strategic Partnership with Bangladesh

Bangladesh is a nation of strategic importance not only to the South Asian sub-region but to the larger geo-political dynamics of Asia as a whole.⁴⁵ In particular, Bangladesh, like Myanmar, is in a position which can provide China access to the Bay of Bengal, and subsequently to the Indian Ocean. The proposed deep seaport at Sonadia in Chittagong has the potential to develop as a regional hub and serve the interests of Bangladesh and China. A road link is supposed to be constructed from the seaport of Chittagong in Bangladesh to Kunming, via Myanmar that will be suitable strategically to China, and a shorter land route than that from Sittwe seaport to Kunming.⁴⁶ Further, Bangladesh has a border with India in the west, north, and the larger part of its eastern side. It offers an important position for Chinese moves and motivations in shaping South Asian politics.⁴⁷ In November 2011, then US Secretary of State Hillary Clinton declared "America's Pacific Century" and its "pivot to Asia", conveying the message that the US would maintain a "strategy to contain China" and considered the interest of the US in Asia greatly threatened by China.⁴⁸ In particular, in South Asia, the US strengthened its strategic alliance with India and encouraged it to play a more active role in the region. The main objective of China was to prevent the domination of any ambitious power from gaining regional hegemony by strengthening ties with small South Asian countries. The rising influence of a global superpower in the region posed a new strategic threat to China as it well remembers the lessons learned from British influence in the region. During the British colonial rule of India, the British East India

44 *The Hindu*, September 07, 2017.

45 Vaughn Bruce, "Bangladesh: Political and Strategic Developments and US Interests," *CRS Report for Congress* 13, Congressional Research Service (2010) see at Online: www.crs.gov.

46 Md. Safiqul Islam, "Sino-Bangladesh Relations: Geo-strategic and Geo-political Implications," in *Sino-South Asian Relations: Continuity and Change*, ed., Md. Monoar Kabir (Chittagong, Bangladesh: Department of Political Science, University of Chittagong, 2013), 204.

47 Zaglul Haider, *The Changing Pattern of Bangladesh Foreign Policy: A Comparative Study of the Mujib and Zia Regimes* (Dhaka: The University Press Limited, 2006), 166.

48 Rumi Aoyama, "One Belt, One Road: China's New Global Strategy," *Journal of Contemporary East Asian Studies* 5, no. 2 (2016): 3-22.

Company supplied opium from Bengal (Bangladesh) to China, providing huge profits to British merchants and simultaneously causing a health crisis and social upheaval in China. This resulted in two opium wars and China's humiliation.

Bangladesh has its own interest in countering Indian hegemony, and seeks to enhance its strategic value and gain economic benefits. In pursuit of this, Bangladesh has developed friendly relations with China.⁴⁹ Significantly, Bangladesh seeks to not excessively depend on India in order to ensure a degree of autonomy in its foreign policy, that has prompted the country to inch closer to China.⁵⁰ Likewise, China has gradually become the development partner of Bangladesh and one of the main sources of its military hardware. They have been instrumental in providing aid in the fields of communications, power and energy, technology, and infrastructure. As a result, China overtook India as Bangladesh's largest trading partner in 2005.⁵¹ In addition to trade, China is developing the Chittagong port and establishing a Special Economic Zone on 774 acres of land at Anawara in Chittagong.⁵² The two countries have agreed to construct rail connections between Kunming in Yunnan Province and the strategically important port of Chittagong in Bangladesh via Myanmar, and build container port facilities there. These will be used for commercial access.⁵³ Bangladeshi Prime Minister, Sheikh Hasina requested greater developmental assistance from China for a deep seaport at Sonadia Island of Cox's Bazar district in south eastern Bangladesh, which could be used by all the neighboring countries. The Chinese government responded very positively to her proposal with an interest of developing a deep seaport at Sonadia Island; and within a short time, then-vice president of China Xi Jinping came to Bangladesh to forward the discussions. The two countries agreed to sign a memorandum of understanding during the visit of Prime Minister Sheikh Hasina to China in 2014. However, India put diplomatic pressure on Bangladesh to call-off the memorandum signing, causing it to be shelved at the last minute.⁵⁴

49 Gurudas Das, "Indo-Bangladesh Relations: Issues in Trade, Transit and Security," *Himalayan and Central Asian Studies* 13, no. 4 (October-December 2009): 4-34.

50 Shelly Barbhuiya, "India-Bangladesh Relations: Issues and Challenges," *Himalayan and Central Asian Studies* 13, no.4 (October-December 2009): 35-61. Maini Tribivesh Singh, "India-Bangladesh Relations: The Bigger Picture," *The Diplomat*, June 05, 2015.

51 Sreeradha Datta, "Bangladesh's Relations with China and India: A Comparative Study," *Strategic Analysis* 32, no. 5 (2008): 755-72.

52 The Inqilab, 1 October 2015 in Md. Safiqul Islam and Tange Qingye, "China's "Belt and Road" Initiative: Implications for Bangladesh," *Regional Studies* xxxiv, no. 3 (2016): 54-74.

53 Gurudas Das; Ujjwal K. Paul; and Tanuj Mathur, "Sub-regional Cooperation for the Development of Land-locked Peripheral Areas: The Case of BCIM," *South Asian Survey* 20, no. 1 (2013): 74-93.

54 Muinul Islam, "Regional Connectivity: Current Challenges for Bangladesh," Paper prepared for presentation in the regional seminar of the *Bangladesh Economic Association* - Chittagong Chapter (19 March 2016):25.

India's geopolitical rivalry with China regarding the latter's access to the Bay of Bengal sabotaged the deep sea port of Sonadia. However, through Xi Jinping's visit to Bangladesh on October 14th 2016, this time as the leader of China, strategic partnerships between the two countries in international relations went beyond simply strengthening cooperation. During that visit, China inked 27 deals worth \$24 billion in soft loans for various key development projects.⁵⁵ Thirteen Bangladeshi and thirteen Chinese companies signed joint venture agreements involving \$13 billion to increase bilateral trade between the two.⁵⁶ They also signed important agreements on sharing intelligence information to combat terrorism and on the procurement of six military vessels and military hardware from China. According to the agreement, China has already provided Bangladesh with four submarines for its navy. Bangladesh and China have agreed to go forward with constructing the Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC) and China's Maritime Road.

India is apprehensive of China's pursuit of friendly ties with India's eastern and western neighbors—Bangladesh and Pakistan respectively—as an attempt to frame the country and subvert its leadership in South Asia.⁵⁷ Further, New Delhi considers South Asia as its backyard, exerting influence over it, and so a growing relationship between China and Bangladesh could disrupt Indian interests in this region.⁵⁸ Many international relations experts in Bangladesh believe that it was under serious pressure because of the Indo-US effort to contain China. The Khaleda Zia government (2001-2006) was more engaged in various aspects with China than the previous government. As a result, the Indo-US alliance has made the Khaleda led Bangladesh Nationalist Party (BNP) expendable.⁵⁹ Indo-US alliance supported Awami League (the present ruling party of Bangladesh) to win in the 2008 election by pushing the military backed government of Bangladesh that was in power. However, Indians were concerned that “Chinese leaders have encouraged Bangladesh to pursue an independent foreign policy and move away from India's sphere of influence”.⁶⁰ Nonetheless, due to geography, the two countries have remained important for each other in terms of security and economic dependence.⁶¹ During that time

55 *The Daily Star*, October 15, 2016

56 *New Age*, October 15, 2016

57 Horimoto, “Ambivalent Relations of India and China,” 75.

58 Piyali Dutta, “India-Bangladesh Relations: Issues, Problems and Recent Development,” *Special Report 97*, Institute of Peace and Conflict Studies, New Delhi, (September 2010).

59 Anwara Begum, *Sino-South Asian Relations: Missed Opportunities?* (Dhaka: A H Development Publishing House, 2015), 360.

60 M. Jashim Uddin and Mahbubur Rashid Bhuiyan, “Sino-Bangladesh Relations: An Appraisal,” *BISS Journal* 32, no.1 (2011):1-24.

61 Smruti S Pattanaik, *Four Decades of India and Bangladesh Relations: Historical Imperative and Future Direction* (New Delhi: Gyan Publishing House, 2012), 20.

Sheikh Hasina led the Awami League government, and their relations reached a new height. In the last five years during this regime, the trade between the two countries has grown by more than seventeen percent with bilateral trade at \$6.8 billion in 2015-16.⁶² In facilitating bilateral economic and security relations, the two countries have signed a good number of agreements and memoranda that include trade, uses of seaports in Bangladesh, and power plants.⁶³ Similar to China, India and Bangladesh also have signed an agreement on sharing intelligence to prevent terrorism and religious extremism.⁶⁴ Bangladesh has also provided India with naval and land corridors for transporting their goods from the mainland to its northeastern region. India has already started to transport their goods to the region through the land and river routes of Bangladesh.⁶⁵ Moreover, during Bangladeshi Prime Minister, Sheikh Hasina's visit to India on April 7-10 2017, Bangladesh and India signed six agreements and 16 memoranda of understanding which include cooperation on nuclear power, border trade, cooperation in the field of information technology and electronics, cooperation in outer space research and strategic studies, cyber security, etc.⁶⁶ Significantly, a major aspect of the visit has been defense cooperation which includes a memorandum of understanding on a defense framework, and a \$500 million line of credit for defense procurement for the Bangladeshi military forces. Despite the pressure from India and Indian criticism of Chinese President Xi Jinping's visit to Bangladesh in October 2016, the agreements were nonetheless signed between China and Bangladesh. Bangladeshi newspapers reported that the government was under tremendous diplomatic pressure from India, especially after they received four submarines for the Bangladeshi Navy from China. Consequently, Bangladesh has signed a MoU on defense frameworks in order to balance its relations with China and India. It can therefore be noted that India has tried to influence domestic politics and international affairs of Bangladesh in order to exclude Chinese influence on the country.

Economic Cooperation and Strategic Partnership with Sri Lanka

Sri Lanka is India's immediate neighbor, just 30 nautical miles away from its southern coastline. Indians have long interpreted the Chinese engagement with Sri Lanka as a part of China's "String of Pearls" strategy. In order to reduce Chinese influence in Sri Lanka and to secure strategic and economic

62 *The Times of India*, April 4, 2017.

63 Md. Abul Kashem and Md. Shariful Islam, "Narendra Modi's Bangladesh Policy and India-Bangladesh Relations: Challenges and Possible Policy Responses," *India Quarterly* 72, no.3 (2016):250-267.

64 *The New Age*, April 10, 2017.

65 Kashem and Islam, "Narendra Modi's Bangladesh Policy and India-Bangladesh Relations," 257.

66 *The Daily Star*, April 09, 2017.

interests, New Delhi has made a strong engagement with the country in the field of growing trade and investment, development, education, infrastructure, and defense. India is the largest trading partner of Sri Lanka.⁶⁷ In particular, trade between the two countries has grown rapidly after the enforcement of the India-Sri Lanka Free Trade Agreement in March 2000.⁶⁸ New Delhi has also developed close relations with the Sri Lankan Navy and made a trilateral maritime security agreement with Sri Lanka and Maldives.⁶⁹ In the coming years, India wants to make multilateral maritime security groupings with other coastal countries of the Bay modeled on its existing agreement.⁷⁰ Sri Lanka and the Maldives signed a memorandum of understanding for Indian assistance in reconstructing the Paley airstrip on the Jaffna peninsula in northern Sri Lanka.⁷¹

Under the Rajapaksa regime, there were indications that Beijing may have sought to develop a small-scale military presence in Sri Lanka. A Chinese submarine visit to the Chinese-built port in Colombo was taken by Indians as a sign of China's intent to develop a regular submarine presence in the area.⁷² To pull Sri Lanka back into the Indian orbit, India put rings of engagement around its elites. The Modi government influenced the elections held in January 2015 to change existing Rajapaksa government by deploying its foreign intelligence agency, The Research and Analysis Wing (RAW).⁷³ International media reported how RAW orchestrated the defeat of former President Mahinda Rajapaksa who is credited for the defeat of the Liberation Tigers of Tamil Eelam (LTTE) guerrilla organization, that sought to establish an independent Tamil state ending the decades of bloody civil war in 2009.⁷⁴ China contends however that it pokes its nose into domestic politics of Sri Lanka, unlike India. The change of regime in Sri Lanka has, therefore, taken Indian-Sri Lankan bilateral relations to a new height. The two neighbors are moving steadily toward a comprehensive economic partnership agreement. Under the agreement, Indian investment will flow into Sri Lanka and make the island's production facilities part of the international value chain that runs through India. Additionally, the Sri Lankan government provides India resources to build roads and highways from Jaffna

67 Balachandran P. K, "New dawn for India-Sri Lanka relations," *The New Indian Express*, October 11, 2016.

68 Ibid.

69 Brewster, "The Rise of the Bengal Tigers," 92.

70 Ibid, 92

71 Amit Kumar, "Sri Lanka's Lion in Dragon's Arms," *South Asia Monitor*, March 2012. See at <http://www.southasia.monitor.Org/Mar/17wsa3.shtml> (Accessed on June 15, 2016).

72 Ibid.

73 *The Holiday*, December 23, 2016.

74 Ibid.

to Mannar, Mannar to Colombo, and Mannar to Trincomalee, that will facilitate the trade between the two countries.⁷⁵

Sri Lanka is an island state located in the western exit of the Bay and close to the busiest sea lanes of communications in the southern Indian Ocean. China is transporting about 80 percent of its energy and other goods in the sea lanes of communications near the coastline of Sri Lanka.⁷⁶ Thus, China also has strategic and economic interests in Sri Lanka and has provided military and technical assistance to create an enduring, deep-rooted relationship. Chinese assistance has grown fivefold in 2014 to nearly \$1 billion, overtaking Sri Lanka's, and its long time largest donor at that time, Japan.⁷⁷ The most striking cooperation between China and Sri Lanka has been the construction of the strategically significant deep seaport at Hambantota and the Colombo International Container Terminal with Chinese assistance and funding. The total cost of the Hambantota project is expected to be 1.5 billion and China has agreed to provide 85 percent of the cost.⁷⁸ China also financed a second international airport near Hambantota, a \$248 million expressway connecting the capital of Colombo with the airport at Katunayake, and an \$855 million coal power plant.⁷⁹ Under the present Maithripala Sirisena led-government, the two countries have signed a deal recently to hand over the Hambantota deep seaport to China along with the nearby Mattala International Airport and 12,500 acres of land to develop into a Special Economic Zone. This is in part due to the balance of Sri Lanka's relationships with India and China and in part due to significant debt.⁸⁰

Indian experts have argued that many of the development projects in Hambantota, which originally began during the Rajapaksa-led government as Sri Lankan national projects financed by Chinese companies, have gradually turned into de facto Chinese enclaves. If this continues Hambantota will undoubtedly become a hub of China's Maritime Silk Road in the Indian Ocean. The location of the port on the southern tip of Sri Lanka, about six hundred nautical miles north from the international sea lines of communications in the Indian Ocean, makes it a strategic prize.⁸¹ It is 1300 km away from each of India's two strategic naval bases at Visakhapatnam and Andaman and

75 Balachandran, New dawn for India-Sri Lanka relations.

76 Eryan Ramadhani, "China in the Indian ocean Region: The Confined Far-Seas Operations," *India Quarterly* 71, no. 2 (2015): 146-159.

77 Begum, *Sino-South Asian Relations*, 103.

78 *Iftifak*, June 24, 2013

79 Copper, J. F., "China's Foreign aid and Investment Diplomacy in South Asia" *China's Foreign Aid and Investment Diplomacy II*, ed. Copper, J. F (2016), 49-91.

80 *The Holiday*, December 23, 2016.

81 Kumar, "Sri Lanka's Lion in Dragon's Arms."

Nicobar Islands in the Bay of Bengal.⁸² Hambantota is also just 500 km to the south of Sri Lanka, India's spaceport, from where it conducts sensitive launches of military satellites and missile tests.⁸³ In a nutshell, China's presence in the Hambantota deep seaport will reduce the influence of India in the Bay of Bengal and presents a potential strategic threat to India in its own backyard.

Connectivity Initiatives

China seeks to cement its influence in the Bay of Bengal, and thereby reduce its strategic vulnerability through connectivity initiatives. Its strategic vulnerability is, in particular, reinforced by the scarcity of overland transport connections between China and the Bay of Bengal. The ancient Silk Road linked the southwestern region of China to the bay through Bengal (Bangladesh) and Burma (Myanmar) but until the twentieth century, there were no major transport routes (roads, railways, and rivers) connecting the region with the Bay. A lack of consensus on connectivity projects between India and China has made the construction of a land route difficult. Its geographical position, therefore, puts limits and narrows China's options.⁸⁴ Formidable geographical barriers caused by the mountain ranges, deserts and jungles along the southwestern region of China have made the development of such links difficult. In contrast, India's geographical location has given it a natural advantage in the bay. New Delhi can control the Bay of Bengal as well as look southward into the deep Indian Ocean and its sea lanes of communications from its bases and resources within Indian territory.⁸⁵ Its eastern naval command is able to oversee and conduct operations into the Bay at any time from its naval bases at Paradip in Orissa and Tulicorin in Tamil Nadu. Its naval air station—INS Parundu—further to the south at Uchipuli was upgraded in 2009 to accommodate larger aircraft that can operate in the Bay.⁸⁶ If China could develop a series of overland pathways to the Bay, using Yunnan Province as a base facing South Asia and Southeast Asia, it could effectively counter India's strategic advantage. Significantly, the BCIM-EC will run from Kunming of Yunnan Province in China to Kolkata of West Bengal in India through Bangladesh, Northeast India, and Myanmar that will link the Bay of Bengal and subsequently the Indian Ocean. The corridor that was the road map of the Bangladesh-China-India-Myanmar (BCIM) Forum was included as one of the six economic belts of China's "Belt and Road" initiative

82 Copper, "China's Foreign aid and Investment Diplomacy in South Asia," 55.

83 Kumar, "Sri Lanka's Lion in Dragon's Arms".

84 David Brewster, "An Indian Ocean Dilemma: Sino-Indian Rivalry and China's Strategic Vulnerability in the Indian Ocean," *Journal of the Indian Ocean Region* 11, no.1, (2015):48-59.

85 Scott, "India's Grand Strategy for the Indian Ocean," 100.

86 Scott, "India's Aspirations and Strategy for the Indian Ocean," 493.

presented by Chinese President Xi Jinping in September 2013.⁸⁷ However, two routes of the BCIM-EC will link seaports at Chittagong in Bangladesh and Sittwe in Myanmar located to the Bay of Bengal. Moreover, China-Indochina Peninsula Economic Corridor will follow the same route up to Myanmar and then will go to the countries of Southeast Asia along the Bay. They would involve the creation of a transport and manufacturing corridor.

Figure1. China’s Proposed BCIM and Indo-China Peninsula Economic Corridors



Source: www.asiabriefing.com.

China’s twenty-first century maritime Silk Road will touch major sea ports of coastal countries in the Bay as it enters the region from the South China Sea. The Maritime Road will comprise 29 coastal counties from the South China Sea to Indian Ocean.⁸⁸ Among them, there are eight coastal countries of the Bay - Bangladesh, India, Indonesia, Malaysia, Myanmar, Singapore, Sri Lanka, and Thailand. China is going to develop seaports, other infrastructure, and establish

87 Zaara Zain Hussain, “The BCIM Regional Cooperation: An Emerging Multilateral Framework in Asia,” *Geopolitics, History, and International Relations* 7, no. 2 (2015): 173–189.

88 Md. Safiqul Islam and Tange Qingye, “China’s “Belt and Road” Initiative: Implications for Bangladesh,” *Regional Studies, Institute of Regional Studies* xxxiv, no. 3, (2016): 54-74.

Special Economic Zones (SEZ).⁸⁹ China envisages that it will link together all the countries in the northeastern Indian Ocean. Most importantly, in the Bay region there are already Chinese industrial parks in Myanmar, Thailand, Malaysia, Indonesia, Sri Lanka, and Bangladesh. The overland and maritime connectivity projects and engagement with the littoral countries of the Bay will work as a response to the changing geopolitical situation marked by the US as a rebalance to Asia, and erase China's historic vulnerability to India in the Bay of Bengal region. This will allow Beijing to ensure its security there.

Figure 2. China's Maritime Silk Road



Source: <http://www.spsnavalforces.com>

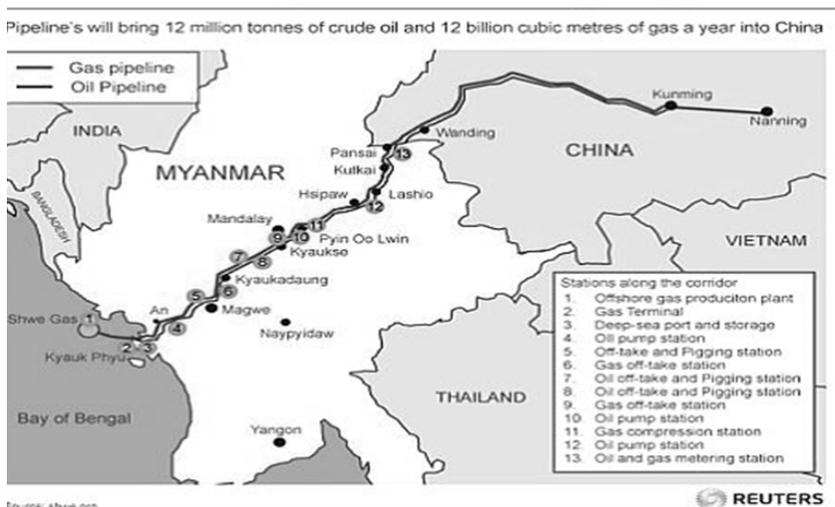
As for mutual cooperation and mutual development, the economic corridors and the maritime Silk Road' may enable the creation of a growth triangle of these countries and will facilitate China's Western Development Strategy.⁹⁰ For

⁸⁹ Ibid, 60.

⁹⁰ In order to mitigate the long-standing domestic imbalance of regional development, a drive was launched by Beijing in 1999 to promote social and economic progress in the central and western parts of the country by injecting financial aid and offering favorable policies. Yunnan Province formulated the "Western Development" scheme and formally adopted the program in constructing an international passage connecting China to Southeast and South Asia at the Ninth Plenary Session of the Sixth Yun-

a long time, the communication system and infrastructure of the region have been weak, and the economy developed slowly since the region is landlocked and far from the center of growth in China.⁹¹ China will be able to transport energy and goods to and from its southwestern region easily, on time, and at a minimum transport cost. These would bind the Bay of Bengal much closer to the Chinese economy. Moreover, Beijing has been successful in developing connections through Myanmar, including the recently completed oil and gas pipelines between the new deep seaport of Kyaukpyu in Myanmar and its Yunnan province. The natural gas pipeline project started to transport gas to China on July 28 2013.⁹² The 2,806 km long gas pipeline runs from Ruili to Kunming and reaches southwestern provinces such as Guizhou and Guangxi.⁹³ The Kyaukpyu project was also included in the 1200 km railway and highway at the cost of \$20 billion.⁹⁴ The new Sino-Myanmar pipelines, railway and highway Kyaukpyu projects can reduce China's reliance on the Straits of Malacca and diversify China's oil and gas supply. It will lessen risks and strengthen China's ability to cope with the complex and volatile international situation.

Figure 3.China's Trans-Myanmar Oil and Gas Pipelines



Source: www.oilseedcrop.org

nan Provincial committee of the Chinese Communist Party in December, 1999.

91 Hongwei Fan, "China's 'Look South': China-Myanmar Transport Corridor," *Ritsumeikan International Affairs* 10, (2011): 43-66.

92 Liu, "Sino-Myanmar Bilateral Relations in 2013," 176.

93 Ibid.

94 Kostecka, D.J., "The Chinese Navy's Emerging Support Network in the Indian Ocean," *China Brief* 10, no. 15 (2010) :3-5.

New Delhi fears that Beijing's connectivity initiatives will challenge India's interests in the region and that the proposed BCIM Economic Corridor could even threaten India's national cohesion by integrating India's estranged northeastern states into the Chinese economy.⁹⁵ India, by contrast, promotes the Trilateral Highway Project that would build road connections from Delhi to Thailand via Bangladesh, India's north-eastern states, and Myanmar.⁹⁶ At the meeting among representatives of India, Myanmar, and Thailand in Naypyidaw in April 2012, the three countries formally agreed on the construction of an India-Myanmar-Thailand trilateral highway.⁹⁷ The project aims to connect the three countries through the construction of a highway from Moreh in Manipur state via Mandalay and Yangon in Myanmar to Mae Sot in Thailand. While the project was announced nearly ready in late 2013, recent projections estimate its completion by 2016.⁹⁸ But in summer 2014, several newspapers reported that 2017 may be a more realistic timeframe for completion.⁹⁹ However, it was unclear about the progress towards constructing the trilateral highway project between the three countries. New Delhi's overland connection project with Southeast Asia through the Bay of Bengal region is challenging to build due to the impoverished condition of its eastern neighbors, ethnic insurgencies and political problems over transit rights. It will, however, enhance India's focus on balancing its interests to protect its strategic position in the region.

Figure 4. India's Proposed Trilateral Highway Project



Source: <http://swarajyamag.com/world/india-myanmar-thailand-highway-strategic-dimensions>

95 Patricia Uberoi, "Problems and Prospects of BCIM Economic Corridor," *China Report* 52, no.1 (2016):19-44.

96 Brewster, "The Rise of the Bengal Tigers," 92.

97 *The Economic Times*, October 22, 2013.

98 *The Hindu*, May 30, 2013.

99 *The Hindustan Times*, June 24, 2014.

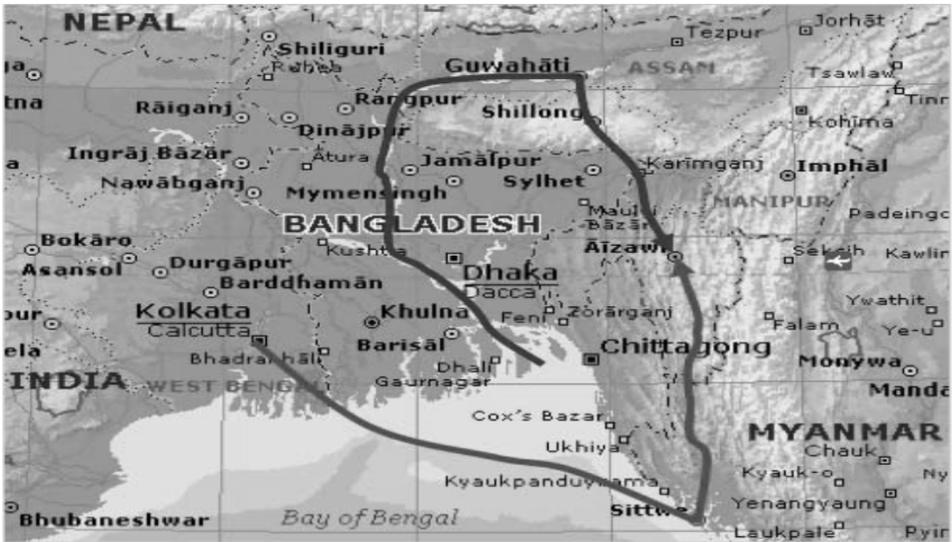
India is also sponsoring the renewal of shipping connections across the Bay of Bengal. Until the 1940s, Calcutta was the hub for a dense intra-regional shipping network connecting India and the territories around the Bay, and linking rivers such as the Ganges, Brahmaputra, and Irrawaddy to provide direct connections with more remote areas.¹⁰⁰ These connections withered away in the decades following the independence of India, Pakistan, and Myanmar from the colonial rule. Following the demarcation of borders of these sovereign states, and a lack of agreement among them on the shipping route made barriers continue. However, India is reviving the old oceanic and river shipping routes as they are much more simple and cost-effective for intra-regional connection. In October 2014, the Indian state-owned shipping line restarted direct connections between Chennai, Colombo and Rangoon, initiating connections between ports in India and Bangladesh on a trial basis. India has long been transporting goods and energy to its northeastern region through the river routes of Bangladesh. It has also developed the Kaladan multimodal transport projects with Myanmar. The project will link the ports of Kolkata (India) and Sittwe (Myanmar) by shipping route, and link Sittwe with Lashio further up to the Kaladan River by boat.¹⁰¹ A road will then link Lashio with the Mizoram province of India. An agreement was signed between the two countries in 2008 to implement the project.¹⁰² The main rationale has been to improve connectivity between mainland India and the northeastern states by creating an alternative to the Siliguri corridor which is at present the only route¹⁰³.

100 Brewster, "The Rise of the Bengal Tigers," 93.

101 *Indian Express*, June 17, 2006.

102 K. W. Htun, N. N. Lwin, T. H. Naing and K. Tun, "ASEAN-India Connectivity: A Myanmar Perspective" in *ASEAN-India Connectivity: The Comprehensive Asia Development Plan, Phase II*, ERIA Research Project Report 2010-7, eds., Kimura, F. and S. Umezaki (Jakarta: ERIA, 2011):151-203.

103 *Ibid*, 184.

Figure 5. India's Kaladan Multimodal Transport Project

Source: Myanmar Port Authority (2010)

India is also keen for its companies to participate in the proposed new port project near Chittagong in Bangladesh that would help to connect its northeastern Tripura state via road and allow it to transport goods to the region at minimum cost and time.¹⁰⁴ The Indian connectivity initiative will provide access to Southeast Asia and the greater Mekong region, while also reducing China's influence in the region.

Subregional Cooperation

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) comprising Bangladesh, Bhutan, India, Myanmar, Nepal, Thailand, and Sri Lanka is a viable option for India to forge an effective regional group to promote broader economic and strategic integration. Its objective is to create an environment that enables rapid economic development, accelerates social progress, and maintains close and beneficial cooperation with the existing international and regional organizations.¹⁰⁵ BIMSTEC can act as a bridge between South Asia and Southeast Asia, and the signing of the framework agreement for this free trade area in 2004 was a major step forward in its creation. In signing the agreement, India acquired

104 Ibid

105 Aparna Sharma and Chetna K Rathore, "BIMSTEC and BCIM Initiatives and their Importance for India," This Discussion Paper was researched and written for Centre for International Trade, Economics & Environment (CUTS CITEE) D-217, (2015): 04, see at www.cuts-international.org

an opportunity to revive its past relations with its old colonial-era partners. The BIMSTEC framework agreement was initiated as part of the Indian “Look East” policy, and India is a leading member of the organization. Recently, New Delhi has renewed its focus on the BIMSTEC grouping due to the need to develop improved transport connectivity across the Bay of Bengal. Indian Prime Minister, Manmohan Singh stated at the BIMSTEC summit held in Myanmar in March 2014 that: “Connectivity— physical and digital—is the key to (BIMSTEC’s) vision and can be a driver of cooperation and integration in our region.”¹⁰⁶ BIMSTEC may contribute to enhance India’s focus on balancing its interests to protect its strategic position and reduce Chinese influence in the region. Moreover, India’s subregional cooperation across the Bay of Bengal has been accompanied by an expansion of its primary area of strategic interest. India has long aspired to be recognized as the predominant power in the Bay of Bengal and it now also aspires to assume a greater strategic role in Southeast Asia and the Pacific. The idea of the Indo-Pacific has emerged on the basis of strategic space of the Bay of Bengal. The idea is being promoted by strategic thinkers and political leaders in the United States, Japan, India, and Australia.¹⁰⁷ The US especially is encouraging an expansion of India’s security role eastwards into Southeast Asia and the Pacific, largely driven by concerns about China.¹⁰⁸ India is now going to make Indo-Pacific cooperation a goal in order to form an anti-China coalition of maritime power which may include nations such as the US, Japan, India, and Australia, although at this point it does not have any organizational structure.

China has, in contrast, promoted subregional cooperation to make collective effort in the development of infrastructure, fostered economic development, and minimized its geographical vulnerability. Significantly, Beijing initiated the BCIM forum for subregional cooperation as the Kunming Initiative in August 1999, comprising Bangladesh, Southwestern China, Northeastern India, and Myanmar. The forum has become an important subregional cooperation mechanism in the region, aiming at greater infrastructural development, building connectivity and enhancing economic integration. It will link the Bay of Bengal with northeastern India and southwestern China, and promote contact among these four countries at both the public and private sector level.¹⁰⁹ Likewise, the Greater Mekong subregion, started in 1992, has incorporated the six littoral countries of the Bay of Bengal consisting of Cambodia, Laos, Myanmar, Thailand, Vietnam, and Yunnan and Guangxi provinces of China. The

106 Brewster, “Dividing Lines,” 163.

107 Annpurna Nautiyal, “US Security Strategy of Asian Rebalance: India’s Role and Concerns,” *Strategic Analysis* 41, no. 1, (2017): 14-33.

108 Ibid.

109 Hussain, “The BCIM Regional Cooperation,” 175.

countries of the Greater Mekong region emphasized interregional connectivity and 'regional integration' rather than competitiveness and community.¹¹⁰ The transport links established within the region, for example, the North-South Corridor, and East-West Corridor, link different parts of Vietnam to Laos, Cambodia, Thailand, and Myanmar, and Yunnan and Gaungxi province of China.¹¹¹ The subregional zones are therefore the meeting point of the three markets of China, Southeast, and South Asia. There are abundant natural resources, labor, and established international sea routes. Some Indian experts argue that the sub-regional cooperation zones will be a growing assertion of Chinese economic-cum-political power. It will facilitate China's ability to make explicit alignment by the countries with its "neighborhood", in particular, the coastal countries of the Bay of Bengal. Moreover, it will contribute to balancing China's strategic position with India and other rival powers to protect its interests in the region.

Conclusion

The strategic competition between China and India is evident in the Bay of Bengal region; they perceive a security dilemma due to their suspicion about the strategies of the other. The bilateral relations of the two countries continue to be marked by distrust and suspicion in part due to unresolved issues between them, some of which have existed since the 1950s and some of which are more recent developments. Significantly, India fears losing its dominant position in the Bay of Bengal to China. China wants to prevent the domination of any ambitious regional or global power over the coastal countries of the Bay, as a regional hegemonic power poses a strategic threat. China's main strategy is to strengthen ties with the coastal countries in the Bay. Given its geographical location and lack of physical connectivity with the Bay, China seeks to overcome its geostrategic and security vulnerability, while India wants to protect its dominant position in the Bay of Bengal region. Most importantly, China is developing links from its southwestern region to the Bay of Bengal in order to open up the region as part of its Western Development Strategy. Similarly, India is trying to implement its "Look East" policy through the Bay of Bengal region to Southeast Asia. Both China and India are seeking to maximize their economic and strategic interests.

China and India are developing economic, defense, and strategic partnerships with Bangladesh, Myanmar, and Sri Lanka. China is constructing land routes, railway, gas and oil pipelines, seaports, and airfields in Myanmar in order to secure its connection to the Bay. It has also developed economic,

110 Das, et al., "Sub-regional Cooperation for the Development of Land-locked Peripheral Areas," 76.

111 Htun et al., "ASEAN-India Connectivity," 170.

strategic, and defense relations with Bangladesh and Sri Lanka, and is constructing highways, railways, and bridges, establishing Special Economic Zones, providing military hardware to these countries, and developing seaports in Chittagong (Bangladesh) and Hambantota (Sri Lanka). India has also developed bilateral defense, economic, and strategic relationships with some of the littoral countries of the Bay of Bengal and is strengthening its already close relations with Myanmar in security and counterterrorism, trade and investment, infrastructure, and energy. It has built strong relationships with its immediate neighbors, Bangladesh and Sri Lanka, by signing several economic and defense agreements. In addition, both China and India have initiated subregional cooperation and connectivity initiatives to protect economic and strategic interests and to minimize security vulnerability in the Bay region. China's proposed BCIM and Indo-China economic corridors could provide the land-locked western region of China access to the Bay and stimulate subregional economic development. Moreover, the Maritime Road will touch the major sea ports of littoral countries of the Bay. These projects will work as a response to the new geopolitical situation created by the US and India, and move to ease its vulnerability in the region. India too has promoted a sub-regional cooperation forum, BIMSTEC, comprising coastal countries of the Bay and proposed the Trilateral Highway Project that will build road connections from Delhi to Thailand through Bangladesh, Northeastern India, and Myanmar. Delhi is also reviving the old oceanic and river shipping routes which were operational until the 1940s. These initiatives will contribute to balancing the position of India in the region.

The nature of Indian strategies in the Bay of Bengal region is hegemonic and the country is always critical of the coastal countries' economic, strategic, and defense engagement with China. India has also, at times, put diplomatic pressure on these countries to call off their bilateral deals with the Chinese government. India's attempt to influence the foreign affairs of these countries is an effort to exclude Chinese influence from the region. Moreover, India interferes in internal political affairs of neighboring countries in order to ensure that a favorable government is in power. On the other hand, China is not critical of Indian deals with the coastal countries of the Bay of Bengal. There is no evidence that China interferes in internal politics of these countries. However, China has encouraged the littoral countries to follow an independent foreign policy and move away from India's sphere of influence. Moreover, China's economic engagement and strategic partnership with the coastal countries is stronger than Indian engagement and strategic relations. China's development and uses of seaports in Myanmar and Sri Lanka can advance China's strategic position, vulnerable due to China's geographic distance. Further, China's connectivity initiatives are more acceptable and the country is

successful in completing oil and gas pipelines to link its southwestern region to the Bay through Myanmar. Therefore, considering the success of connectivity initiatives and subregional cooperation, the depth of economic engagement, and the strategic partnership of China and India with the coastal countries of the Bay, for the time being the geostrategic situation of the Bay of Bengal is precariously balanced between the two powers.