



Delhi Policy Group

Advancing India's Rise as a Leading Power



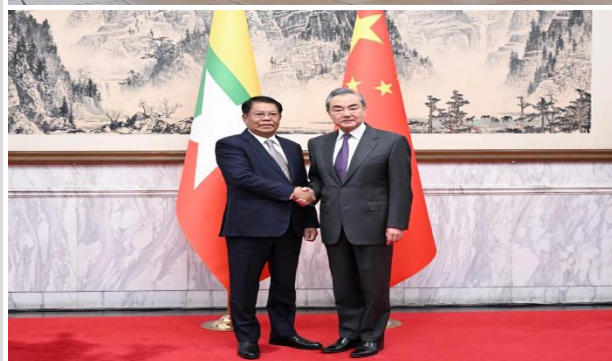
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ABOUT US

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The views expressed in this publication are those of the authors and should not be attributed to the Delhi Policy Group as an Institution.

Cover Image:

Prime Minister of Japan, Fumio Kishida, received a courtesy call from President-elect and Minister of Defense of the Republic of Indonesia, Prabowo Subianto, on April 3, 2024. (Source: [Prime Minister's Office of Japan](#))

The U.S. Secretary of Defence Lloyd Austin, Australian Deputy Prime Minister and Minister for Defence Richard Marles, Japanese Minister of Defence Kihara Minoru, and the Philippines Secretary of National Defence Gilberto Teodoro, during a meeting in Camp H. M. Smith, a U.S. Marine Corps base in Hawaii on May 2, 2024. (Source: [X/@SecDef](#))

Member of the Political Bureau of the CPC Central Committee and Foreign Minister Wang Yi met with Myanmar's Deputy Prime Minister and Union Minister for Foreign Affairs U Than Swe for eighth Lancang-Mekong Cooperation (LMC) Foreign Ministers' Meeting where they discussed promoting building of the China-Myanmar economic corridor on December 6, 2023. (Source: [Ministry of Foreign Affairs of the People's Republic of China](#))

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Contents

Indonesia's President-Elect Balancing the Boat

Jayantika Rao T.V.....1

'Squad': US, Japan, Australia, and Philippines Band Together

Anshita Shukla..... 5

Regional Integration and Connectivity between South and Southeast

Biren Nanda..... 8

Indonesia's President-Elect Balancing the Boat

by

Jayantika Rao T.V.

After the Indonesian election commission formally confirmed Defence Minister Prabowo Subianto as the next president, many Indonesians celebrated his win. However, concerns were raised, particularly by the contenders, regarding the validity of the elections. Amidst these domestic challenges, which led some Indonesians to question Prabowo's legitimacy, regional leaders extended their congratulations. China notably vied for Prabowo's attention, with President Xi specifically inviting Prabowo, as Indonesia's president-elect, to visit China, breaking tradition in Indonesia's politics. Prabowo utilised the regional support he received and embarked on a series of strategic diplomatic visits from March 31 to April 4 to bolster his standing. Following his three-day visit to China, Prabowo also visited Japan and Malaysia. As Indonesia stands on the cusp of an important political transition from Jokowi to Prabowo, the intricate domestic politics and economic concerns, the recognition of Prabowo as the next president by key global players like China and Japan has greatly benefited him.

At the invitation of President Xi Jinping¹, Prabowo visited China from March 31 to April 2, where he engaged in discussions with many high-ranking officials like President Xi, Prime Minister Li Qiang and Minister of Defence Dong Jun, who reaffirmed their commitment to strengthening Indonesia-China relations. President Xi emphasised that the two nations have rapidly developed their ties under the leadership of incumbent Indonesian President Joko 'Jokowi' Widodo and himself.² The leaders explored opportunities for cooperation in various fields, including the economy, trade, maritime security, and poverty alleviation. During his meeting with his current counterpart, Prabowo proposed an enhanced collaboration between the armed forces of both nations to strengthen security relations between Indonesia and China.³

¹ "Indonesian President-elect and Great Indonesia Movement Party General Chairman Prabowo Subianto to Visit China". Ministry of Foreign Affairs of the People's Republic of China. (March 29, 2024). Accessed from,

https://www.fmprc.gov.cn/eng/wjdt_665385/wsrc_665395/202403/t20240329_11273404.html

² "Xi Jinping Holds Talks with Indonesian President-elect Prabowo Subianto". Ministry of Foreign Affairs of the People's Republic of China, April 1, 2024.

https://www.mfa.gov.cn/eng/zxxx_662805/202404/t20240415_11281867.html

³ "Closing his visit to China, Minister of Defense Prabowo paid a working visit to the Minister of Defense of China". Ministry of Defence of the Republic of Indonesia, April 3, 2024.

<https://www.kemhan.go.id/2024/04/03/tutup-lawatan-ke-china-menhan-prabowo-melakukan-kunjungan-kerja-kepada-menhan-china.html>

However, the various discussions did not address critical issues, particularly the escalating tensions in the South China Sea. Many Indonesians believe that China's activities in the South China Sea are a direct threat to Indonesian sovereignty. Prabowo's reluctance to discuss the South China Sea could be following Jokowi's pattern of prioritising economic engagement over safeguarding the country's maritime security. It is essential to remember that until his inauguration on October 20, Jokowi remains Indonesia's leader, and his policies will continue to guide the nation's approach. At present Prabowo is Indonesia's President-elect and defence minister.

Therefore, the question remains why did Xi promptly invite Prabowo to visit China after his confirmation, when Beijing typically welcomes foreign dignitaries only after they are inaugurated? This move can be attributed to the US-China rivalry. With the US urging Indonesia to take a more assertive stance against China in the South China Sea, China wanted to use this visit to disseminate a narrative that Prabowo would continue Jokowi's policies and actively prioritize fostering a positive economic relationship with China. Xi, perhaps, sought to create an impression that China was able to sway the balance and draw Indonesia towards its side. This was emphasised in the difference in the way both sides framed the visit. The Chinese Ministry of Foreign Affairs expressed Prabowo's delight in making "China the first country he visits after being elected president"⁴, a statement not echoed in the Indonesian Ministry of Defence's press release. Additionally, the Chinese Ministry of Foreign Affairs reported Prabowo's expressed his commitment to continue Jokowi's "friendly policies towards China"⁵ as a foundation once he is officially inaugurated. At the same time, the Indonesian Ministry of Defence stated that Prabowo expressed his commitment to progressively implement "the action plan to strengthen the comprehensive strategic partnership between Indonesia and China".⁶ Furthermore, the Chinese side consistently referred to Prabowo as the president-elect, overemphasizing the significance of the visit.

After completing his meetings in China, Prabowo then travelled to Japan, where he had two important meetings with Japan's Prime Minister Kishida and Defence Minister Kihara Minoru, respectively, on April 3. Prime Minister Kishida congratulated him on his win and said that the "visit showed the

⁴ "Xi Jinping Holds Talks with Indonesian President-elect Prabowo Subianto." Ministry of Foreign Affairs of the People's Republic of China, April 1, 2024, <https://www.mfa.gov.cn/eng/>

⁵ Ibid

⁶ "Meeting With Chinese President Xi Jinping, Defense Minister Prabowo Discussed Strengthening Strategic Partnerships with China". Ministry of Defence of the Republic of Indonesia, April 1, 2024, <https://www.kemhan.go.id/2024/04/01/>

President-elect's intention to attach great importance to Japan".⁷ He also mentioned Japan's commitment to supporting Indonesia's development, particularly in infrastructure and energy, and its recent efforts to join the OECD. In response, Prabowo thanked Japan for its assistance and expressed his desire to strengthen the cooperative relations between the two countries, especially in the defence sector"⁸. The press releases issued by both sides regarding the courtesy call of Prabowo on Prime Minister Kishida were very similar; however, again, the Japanese side highlighted Prabowo's status as the 'president-elect'. On the defence front, the meeting between Prabowo and his counterpart was categorised by the Japanese government as the 'Japan-Indonesia Defence Ministerial Meeting', during which both defence ministers pledged to enhance defence ties through joint exercises and educational exchanges.⁹

Prabowo's visit to China would have sent a different signal if he had not visited Japan, a key ally of the US, afterwards. Although Japan did not formally invite Prabowo, they welcomed him in an effort to maintain a balance. Similarly, Prabowo's commitment to uphold Indonesia's foreign policy of remaining 'active and independent' and 'non-aligned' would have been compromised if he had only visited China. Additionally, it could have adversely impacted his domestic support further.

Concluding his tour, Prabowo stopped in Malaysia, an ASEAN country for a more rounded trip which Prime Minister Anwar Ibrahim described as a "special one-day visit"¹⁰. During the meeting between Prabowo and Anwar, the two leaders discussed the steps to strengthen their nations' bilateral ties and exchanged views on their political experiences. Additionally, Prabowo stated that he plans to improve Indonesia's defence capabilities, which will be a top priority, while continuing with his plan to improve good relations with friendly countries, especially with Malaysia and other ASEAN countries. After the meeting, Prime Minister Anwar's written statement posted on his personal Instagram said, "our political journeys are almost similar as we were both tested

⁷ "Courtesy Call on Prime Minister Kishida by President-elect Prabowo of Indonesia." Ministry of Foreign Affairs. April 3, 2024, https://www.mofa.go.jp/sa/sea2/id/pageite_000001_00240.html

⁸ "Minister of Defense Prabowo Meets Japanese PM in Tokyo, Discusses Increasing Collaboration." Ministry of Defence of the Republic of Indonesia, April 3, 2024, <https://www.kemhan.go.id/2024/04/03>

⁹ "Minister of Defense Prabowo Meets Minister of Defense of Japan, Discusses Additional Indonesian Cadet Education in Japan and a Number of Agendas". Ministry of Defence of the Republic of Indonesia, April 3, 2024, <https://www.kemhan.go.id/2024/04/03/>

¹⁰ Ibrahim, Anwar (@anwaribrahim_my), April 4, 2024. <https://www.instagram.com/p/C5U0yu6PLWk/?igsh=bGxmNTg5Y2Y0YXls>

with various challenges before being appointed”¹¹. While the readout of the meeting revealed that the discussions were at a superficial level, the meeting with Prime Minister Anwar held importance as it was imperative for Prabowo to visit an ASEAN ally during his first tour abroad as President-elect – especially, given the potential negative reaction if such a visit had not taken place. This significance was further heightened by the two countries’ shared strategic, cultural and economic interests.

Conclusion

In Indonesia, it is a well-established tradition for leaders to prioritise bilateral meetings with all ASEAN member states before engaging in further diplomatic endeavours, especially with Japan or China. The media attention that Prabowo’s diplomatic visit got was because not only did Prabowo break with tradition by choosing to visit China in his first visit abroad after becoming President-elect,¹² Prabowo’s trips to China and Japan became the highlight of his 3-nation tour as what they represented amidst the growing tensions in Asia Pacific. While the diplomatic visits were mutually beneficial, everyone can see that the primary winner was Prabowo. China and Japan could claim that the president-elect gave them importance by visiting them on his first foreign trip. However, other than the tour’s spectacle, the meetings’ tone and message were similar in many respects, with Prabowo promising deeper ties with both countries. Prabowo, on the other hand, was able to meet with major world leaders. This helped establish his legitimacy as the future head of a significant regional power, especially at a time when the validity of the election was being questioned. While many may overanalyse the visit by trying to understand Prabowo’s foreign policy leanings, it would be unwise as the visit would then be narrowly interpreted as many factors were at play. The main takeaway from Prabowo’s tour is not new. While Indonesia’s foreign policy will not significantly change, there will be a more active president who will focus on strengthening cooperation with countries like China and Japan, albeit in different ways. The more significant conclusion from the trip was the opportunity Xi provided with his invitation to build a rapport with Prabowo early on, which allowed Prabowo to solidify his legitimacy as Indonesia’s next president.

¹¹ Ibid

¹² Idrus, Pizaro Gozali and Koswaraputra, Dandy. “Indonesian President-Elect Prabowo Meets with Chinese Leader Xi, Discusses Deeper Strategic Ties.” *Benar New*, April 1, 2024. <https://www.benarnews.org/english/news/indonesian/china-trip-04012024160931.html>

'Squad': US, Japan, Australia, and Philippines Band Together

by

Anshita Shukla

In the era of minilaterals, a new grouping of US treaty alliances in the Indo-Pacific is emerging as China's aggressive assertions increase in the South China Sea. The group of the US, Japan, Australia, and the Philippines, unofficially termed as the 'Squad' or the 'new Quad', convened their second Defence Ministers meeting in Hawaii on May 2. As critical concerns are being raised regarding the US commitment to the Indo-Pacific, given its preoccupation with the wars in the Middle East and Europe, this is the latest effort by Washington to rally and reaffirm its hub and spoke alliance network in Asia. The preponderant theme in the quadrilateral interactions of the US, Japan, Australia, and the Philippines, including the recent meeting, remains to enhance defence interoperability and maritime cooperation.

The U.S. Secretary of Defence Lloyd Austin, Australian Deputy Prime Minister and Minister for Defence Richard Marles, Japanese Minister of Defence Kihara Minoru, and the Philippines Secretary of National Defence Gilberto Teodoro, held a meeting in Camp H. M. Smith, a U.S. Marine Corps base in Hawaii on May 2, 2024. The leaders discussed ways to 'enhance defence cooperation, through continued maritime cooperation in the South China Sea, enhancing procedures to enable coordination and information sharing arrangements, and strengthening capacity building'¹³. They reiterated their respect for international law and called on China to abide by the final ruling of the 2016 South China Sea Arbitral Tribunal Award.

This is the second-ever meeting between the four Defence Ministers, the first was held on the sidelines of the Shangri-La Dialogue, in Singapore in June 2023. During the inaugural meeting, the four leaders discussed ways to enhance cooperation in regional issues of common interest and opportunities; and reaffirmed that they share a vision for a "Free and Open Indo-Pacific"¹⁴. This was followed by the first joint maritime exercise, Multilateral Maritime Cooperative Activity, between the four countries within the Philippine Exclusive Economic Zone on April 7, 2024. The exercise aimed to "strengthen the interoperability of our defence/armed forces doctrines, tactics, techniques, and procedures", according to the joint statement¹⁵.

¹³ U.S. Department of Defense. n.d. "Joint Readout From Australia-Japan-Philippines-United States Defense M." <https://www.defense.gov/News/Releases/Release/Article/3765061/joint-readout-from-australia-japan-philippines-united-states-defense-ministers/>.

¹⁴ Japan Ministry of Defense. 2023. "Japan-Australia-Philippines-U.S. Defense Ministerial Meeting." Press release. June 3, 2023. <https://www.mod.go.jp/en/images/c1842e476ae534bb96ef9401a3548f7bc5d03c0c.pdf>.

¹⁵ U.S. Department of Defense. n.d. "JOINT STATEMENT: Australia – Japan – Philippines – United States Marit." <https://www.defense.gov/News/Releases/Release/Article/3733095/joint-statement-australia-japan-philippines-united-states-maritime-cooperative/>.

The Philippines emerges as the new entrant in the Pentagon's network of minilaterals in the region, like Quad and AUKUS. The country is of critical importance for the US-led security architecture in the Indo-Pacific for three reasons. One, is the proximity of the Philippines to Taiwan, with its coastal bases in the northern province of Cagayan less than 400km (250 miles) from the coast of Taiwan. This makes the Philippines the closest possible launch pad for the US and its allies, in case of a Taiwan contingency¹⁶. Second, the Philippines is currently at the forefront of China's growing assertive actions in the region. The ability of China to coerce the Philippines, a treaty ally of the US, could negatively impact the credibility of Washington's extended deterrence and power projection in Asia. Third, the shift from a pro-China administration of Duterte to the West-leaning administration of Marcos, renders Manila a suitable partner in the region to cooperate against a belligerent China.

China responded strongly to the growing alliance between the four countries. While no official statement was released on the meeting, the state-run media channel, Global Times, characterised the new group's aim as "containing China"¹⁷. It warned the Philippines of losing its autonomy and of potential "Ukrainization" of the Philippines, operating as a pawn of the US in the region. The piece goes on to attribute Marcos' administration's obedience to the US as a factor for instability in the Asia-Pacific region. Earlier in April 2024, the People's Liberation Army of China responded to the multi-lateral maritime exercises carried out by the 'Squad' partners by concurrently conducting "joint naval and air combat patrols in the South China Sea"¹⁸.

The latest meeting was held in the same week as the Philippine Coast Guard accused Chinese coast guard ships of firing water cannons and damaging two Philippine patrol vessels off the Scarborough Shoal¹⁹. As its security environment deteriorates, the Philippines has strengthened bilateral defence cooperation with all three 'Squad' countries- the US, Japan, and Australia. With the United States, the Philippines has the Visiting Forces Agreement (VFA) of 1998, and the 2014 Enhanced Defence Cooperation Agreement (EDCA) which was expanded in 2023²⁰. Australia, the only other country to have a Visiting Forces Agreement with the Philippines, has also signed a military

¹⁶ "The Philippines' Proximity to Taiwan Makes It Central to Western Stra...." 2023. Archive.Ph. February 22, 2023. <https://archive.ph/ybc52>.

¹⁷ Times, Global. n.d. "US Assembles 'Squad' of Allies to Counter China." Copyright 2021 by the Global Times. <https://www.globaltimes.cn/page/202405/1311678.shtml>.

¹⁸ Afp. 2024. "China Conducts Military Drills in South China Sea." The Hindu. April 7, 2024. <https://www.thehindu.com/news/international/china-conducts-military-drills-in-south-china-sea/article68038902.ece>.

¹⁹ "South China Sea: Chinese Coast Guard Fires Water Cannons at Philippine Vessels | AP News." 2024. AP News. May 1, 2024. <https://apnews.com/article/philippines-disputed-shoal-south-china-sea-scarborough-27a2ef0bda953cb6bda4f42057fb7e39>.

²⁰ U.S. Department of Defense. n.d. "FACT SHEET: U.S. -Philippines Bilateral Defense Guidelines." <https://www.defense.gov/News/Releases/Release/Article/3383607/fact-sheet-us-philippines-bilateral-defense-guidelines/>.

logistical support agreement in 2021²¹. The Philippines is currently in negotiation with Japan for a Reciprocal Access Agreement (RAA) that would allow their militaries to train and conduct exercises in each other's countries²².

Australia, Japan and the Philippines are all bilateral treaty allies of the US, with pre-existing bilateral defence arrangements. Thus, the purpose of the new arrangement as reflected in the joint statement, appears singularly to enhance defence interoperability and maritime cooperation between the partners. This is the preeminent distinguishing feature of the 'Squad' from the Quad. The Quad is driven by a multi-layered agenda ranging from maritime security, global health, climate, infrastructure, critical and emerging technologies, space, cybersecurity, etc²³. However, it has often been reiterated that Quad is not a security or a military alliance²⁴. In addition, Quad is leader-level dialogue while the Squad currently has only held dialogues at the ministerial level.

The newly formed quadrilateral between the Defence Ministers of the US, Japan, Australia, and the Philippines is currently at a nascent stage. It is yet to be seen how the partnership fares out as it evolves with escalating tensions in the region. However, even with a singular agenda, the 'Squad' does signal growing convergences between US treaty allies in the region. This partnership is driven by an alignment in threat perceptions, shared interests in the region, and a converging political will amongst the four countries to resolutely deter China. However, the partnership remains vulnerable to changes in political leadership as the US heads into its general election in 2024, The Philippines, Australia and Japan are also scheduled for elections in 2025.

²¹ Department of Foreign Affairs and Trade. n.d. "MR120726: Status of Visiting Forces Agreement With Australia Ratified by the Philippines." <https://philippines.embassy.gov.au/mnla/medrel120726.html>.

²² Inagaki, Kana, and Demetri Sevastopulo. 2024. "Tokyo in Talks With Manila Over Sending Troops to the Philippines." *Financial Times*, April 3, 2024. <https://www.ft.com/content/2bf4cb90-bc86-4db2-a0d5-21973f7b2765>.

²³ "The Quad: A Backgrounder." n.d. Asia Society. <https://asiasociety.org/policy-institute/quad-backgrounder>.

²⁴ Lakshman, Sriram. 2022. "The Quad Is Not a Security Alliance: U.S. State Department." *The Hindu*. February 9, 2022. <https://www.thehindu.com/news/international/the-quad-is-not-a-security-alliance-us-state-department/article38403799.ece>.

Regional Integration and Connectivity between South and Southeast

by
Biren Nanda

What are the prospects for regional integration in South Asia? Although the 'Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation' (BIMSTEC) was formed in 1997, the idea of BIMSTEC as a regional grouping has only been gaining traction in recent years. BIMSTEC's potential is immense, with a combined GDP of US\$3.697²⁵ trillion/per year and the region is home to 1.8 billion people covering 22 percent of the world's population. Geopolitical developments related to deteriorating India-Pakistan relations and the consequent impasse within the SAARC have given an impetus to BIMSTEC cooperation. Equally important has been the China factor. To counter China's growing footprint in the region, India feels it must step up in its engagement with its regional neighbours.

The founding objectives of the sub-regional initiative included creating an enabling environment for rapid economic development in the sub-region, encouraging the spirit of equality and partnership, promoting active collaboration and mutual assistance in the areas of common interests of the member countries, and accelerating support for each other in the fields of education, science and technology.

On a more positive note, the outcomes within BIMSTEC are being built upon the solid foundation of good bilateral relations between the seven countries and their desire to push forward with regional integration initiatives. Finally, BIMSTEC integration also owes a lot of its progress to the BBIN (Bangladesh, Bhutan, India, Nepal) initiative. So far, the seven-member grouping has identified 14 priority sectors and has signed a Free Trade Framework Agreement (2004) and a Convention on Cooperation in Combating International Terrorism, Transnational Organized Crime and Illicit Drug Trafficking (2009). A few working groups have also been formed.

BIMSTEC countries are currently engaged in pursuing cooperative frameworks in several areas, including Mutual Legal Assistance, health, agriculture, sustainable fisheries, tourism, environment, and disaster management. BIMSTEC countries are also well placed to benefit from projects in Grid Connectivity, inland water transport, coastal shipping, and improved rail

²⁵ <https://bimstec.org/agriculture-and-food-security3>

connectivity between India and Bangladesh under the BBIN framework. A regional motor vehicle agreement and a coastal shipping Agreement have been under discussion for some time.

Counterterrorism and counterinsurgency cooperation with Myanmar, Myanmar's abundant petroleum resources and China's economic and security penetration into Myanmar are vital imperatives for India to pursue better connectivity and economic integration with Myanmar within the BIMSTEC Framework. Unfortunately, the ongoing political instability in Myanmar has negatively impacted these initiatives.

This trend towards regional integration has come at a time of escalating great power rivalry and heightened geopolitical competition. The Bay of Bengal is now a critical theatre for economic and strategic competition. It has always been a connector between South and Southeast Asia, but now it is the focal point for competing connectivity initiatives.

New connectivity corridors are coming up as China seeks to link its western provinces to the Bay of Bengal and the Indian Ocean. Gas pipelines link China to Myanmar's western coast. These corridors have the potential to create growing security challenges for India, Japan, Australia and the United States in the future. There is a growing urgency for the four countries to cooperate in ensuring the security of SLOCs and vital choke points for international shipping in the Eastern Indian Ocean.

China is trying to strengthen its maritime and military ties with Myanmar, Sri Lanka and Bangladesh. The strategy is to build dependencies in these countries through the BRI. Sri Lanka's descent into a BRI induced debt trap offers a cautionary tale. In 2010, China gave Sri Lanka a US\$ 1.5 billion loan to develop the Hambantota port. Other airport and rail projects followed, and by 2015, Sri Lanka owed China US\$ 8 billion in debt. To reduce its debts, by 2017, Sri Lanka had to sell an 85% share of the port project to the China Merchant Port Holdings for US\$ 1.12 billion. Consequently, China obtained a 99-year lease on a piece of prime strategic real estate sitting astride major SLOCs connecting the Indian and Pacific Oceans.

The China-Myanmar Economic Corridor (CMEC) – a spur of the BRI - will connect Yunnan province with the Bay of Bengal. A major "pillar of the CMEC" is the US \$ 1.3 billion investment in the Kyaukphyu²⁶ Port and Special Economic

²⁶ After years of delay, the construction of the Chinese-backed Kyaukphyu deep sea port in Myanmar is likely to resume after the two countries renewed terms for the deal. Recently, Myanmar's junta and the Chinese state-owned firm CITIC signed an addendum to the concession agreement for the port project.

Zone being built with Chinese assistance. Through developing and eventually leasing ports like Hambantota and Kyaukphyu China hopes to diminish its dependence on the Malacca Straits which is dominated by the US and its allies.

The logic of history and geographical proximity dictates that China's influence will remain strong in northern Myanmar, while India and Japan can aspire to remain major influences in the South of the country. India's India-Myanmar-Thailand Trilateral Highway Project, the Kaladan Multimodal Transportation Project, and Sittwe port will merge with the East-West Economic Corridor of Japan, which is being built with the cooperation of Myanmar, Thailand, Laos and Vietnam.

Bangladesh is a key focal point of Chinese strategic interest in the near term. BRI projects in Bangladesh envisage a planned investment of roughly US \$ 26 billion²⁷. Bangladesh's total external debt of US\$ 100.6 billions²⁸ has become a cause for concern. The challenge for Bangladesh is to leverage Chinese strengths in infrastructure and port building while avoiding the pitfalls of a 'debt trap' and considering India's sensitivities in project selection. Bangladesh has also to be mindful of Indian security concerns while identifying projects under BRI.

Conclusion

The geopolitics of connectivity is all about competing visions for shaping the neighbourhood. Connectivity visions reflect national values – are they solely for the benefit of one or for the benefit of all? Competitive connectivity initiatives are indeed the "new arms race" of the 21st century. China's BRI and Tokyo's "East-West Economic Corridor" are symbolic of competing connectivity visions – the former a part of China's Grand Strategy of leveraging connectivity projects to dominate and influence China's periphery, and the latter focusing on an inclusive approach seeking to create quality infrastructure to boost economic growth in line with the development priorities of recipient countries.

²⁷ Under the BRI, Bangladesh is to receive \$26 billion and \$14 billion for joint venture projects, totaling a \$40 billion package. Bangladesh has primarily seen BRI projects in the energy and transportation sectors, with infrastructure investment needs projected to reach 1.5 per cent of GDP by 2040.

²⁸ Fahmida Khatoun. (May 26, 2024.) How can Bangladesh Manage its External Debt? The Daily Star. [https://www.thedailystar.net/opinion/views/macro-mirror/news/how-can-bangladesh-manage-its-external-debt-3575536#:~:text=In%20December%202023%2C%20external%20debt,Economic%20Relations%20Division%20\(ERD\).](https://www.thedailystar.net/opinion/views/macro-mirror/news/how-can-bangladesh-manage-its-external-debt-3575536#:~:text=In%20December%202023%2C%20external%20debt,Economic%20Relations%20Division%20(ERD).)

South Asia is currently in the midst of a turbulent phase of its development. It is possible to discern a number of trends with a direct bearing on India's security interests. **First**, China has utilised every opportunity to drive a wedge between India and its South Asian neighbours – Sri Lanka, Nepal, Bangladesh and the Maldives. **Second**, a combination of factors, including the economic impact of the pandemic, the unsustainable debt, including that from the BRI and poor governance have contributed to the spreading economic crisis in India's neighbourhood. **Third**, the inflation in food and energy prices – a consequence of western sanctions on Russia - has exacerbated the economic and social crisis in South Asian countries and **Fourth**, these developments along India's periphery have the potential to cause more political instability, which in turn will aggravate the humanitarian crisis in South Asia.

Despite impediments on its path, BIMSTEC remains an important initiative with the potential to unleash the economic growth and prosperity in the region. The significance of BIMSTEC is its role in acting as a bridge between South Asia and Southeast Asia.



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