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China's Military Rise

and the Implications for European Security

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Chapter Four

Chapter Four. **China Outside the Western Pacific: Resources to Sustain Power Projection**

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Key Takeaways

- Though China faces severe hurdles in its efforts to sustain power projection beyond the Western Pacific, it commands enormous resources and is following a long-term strategy designed to support long-term power projection capabilities outside its region.
- Efforts to overcome shortcomings in its ability to sustain power projection are boosted by China's enormous industrial resources, including by far the largest ship-building capacity in the world giving the PLA a distinct advantage in a protracted conflict. It also has a large and modern defense industry, is the world's fifth-largest arms exporter, and has a quasi-monopoly on critical raw materials. The relatively small number of supply ships it has to support military operations abroad could be, when necessary, supplemented by a massive reserve fleet of vessels controlled by Chinese SOEs.
- China lacks (in)formal alliances but instead has initiated a large number of business-first strategic partnerships. The deep and broad apolitical commercial relationships it has created, which are attractive to many non-democratic regimes in Africa, the Middle East, and the Indian Ocean region, may challenge European and American alliances and serve as the foundation upon which a future alliance system can be built.
- China is in the process of supplementing its strategically located base in Djibouti – in East Africa, near the Middle East – with access to and influence over sites in Pakistan, Bangladesh, Myanmar, and Sri Lanka that may, in the long run, be used for military purposes.
- China has sought to limit the downsides of its dependence on oil supplies from the Middle East by forming constructive relationships with Iran, Saudi Arabia and other oil-producing states; over which it wields influence through its mass procurement of energy whilst avoiding entanglement in the region's political problems and military conflicts.

This chapter examines the resources that underpin power projection outside of China's own region in the Western Pacific, including defense spending, concrete capabilities and procurement. It also analyzes the diplomatic and defense activities that support extra-regional military engagement.

Recalling the theoretical and historical foundations articulated in the first chapter, the supply and replenishment of troops and access to fuel for military capabilities lie at the heart of deploying and sustaining extra-regional power projection capabilities. This, in turn, depends on access to overseas and overland bases, replenishment ships and natural resources such as oil via inland routes and infrastructure such as railways, pipelines, waterways, and protected sea lines of communication (SLOCs). Ports of access such as overland and overseas military bases serve as hubs to project extra-regional power, as these fortified strongpoints away from the homeland can shelter, resupply, and refuel defense capabilities. Replenishment ships can use the SLOCs to resupply forward-deployed forces over water. China needs forward-deployed assets to escape its "claustrophobic nautical setting",¹ as China lacks unfettered access – especially in a scenario of conflict or naval blockade – to the Indian Ocean.

A large economic surplus to produce military capabilities, such as shipyards and a defense industry with access to critical raw materials, are pivotal in expanding China's far seas military capabilities over time or to repair and expand capabilities deployed in the case of protracted conflict. In the 21st century, the military-industrial base is deeply intertwined with the nation's high-tech sector through Military-Civil Fusion (MCF) initiatives.

This chapter finds that the resources that China has to sustain power projection beyond the Western Pacific, and specifically in the Indian Ocean, remain limited. However, China can already draw upon an enormous collection of assets and is following a long-term strategy that, on current trends, may soon allow it to sustain power projection capabilities outside its region.

The chapter starts off with a survey of the material resources tied to the power projection capabilities described in the previous chapter. This includes not only the ports China currently has access to but also China's broader military-industrial production and shipbuilding potential. Second, it looks at aspects of Chinese diplomacy such as alliances and strategic partnerships, its defense diplomacy, and arms transfers that can strengthen its influence and lever (further) facilitation of extra-regional projection. Third, the chapter examines China's current regional activities and the extent to which China has employed its defense capabilities.

4.1 Overseas bases and port investments

China has made incremental steps in facilitating power projection. There is Hainan Island, China's furthest southern point that holds a naval base where, satellite images reveal, a dry dock is being constructed large enough to accommodate China's soon to be launched third, and much larger, aircraft carrier.² Then there are China's artificial islands in the SCS that ostensibly aid PLAN power projection toward the Malacca Strait, its entrance to the Indian Ocean,

¹ Yoshihara and Bianchi, "Seizing on Weakness," 62.

² H. I. Sutton, "Chinese Navy Expanding Bases Near South China Sea," *USNI News*, December 29, 2020, sec. News & Analysis, <https://www.navalnews.com/naval-news/2020/12/beijing-upgrading-naval-bases-to-strengthen-grip-on-south-china-sea/>.

This chapter finds that the resources that China has to sustain power projection beyond the Western Pacific, and specifically in the Indian Ocean, remain limited.

China would need to establish additional bases to be able to project power outside its own region. There are four potential sites: Ream Naval Base in Cambodia, the Port of Gwadar in Pakistan, Kyauk Phyu in Myanmar, and Hambantota Port in Sri Lanka

and its adjacent waters, as its ships and aircraft can respond much more rapidly operating from basing on the Spratly Islands.³ In addition, it is reported that China has deployed YJ-12B anti-ship cruise missiles (AShCMs) and HQ-9B surface-to-air missiles (SAMs) on Fiery Cross Reef, Mischief Reef and Subi Reef.⁴

To date, China's only base beyond the First Island Chain is located in Djibouti. From Djibouti, the PLAN can support "counter-piracy, intelligence collection, non-combat evacuation operations (NEOs), peacekeeping operations, and counterterrorism operations." Its base there is strategically located near the Gulf Region and Strait of Hormuz, and the Suez Canal, through which 20% of the transport in global commercial goods travels, and 10% of the world's oil exports.⁵ Building three of Djibouti's largest infrastructure projects around 2017,⁶ China is expanding the capabilities at the Djibouti port through the completion of a pier in April 2021 that can host an aircraft carrier.⁷

China would need to establish additional bases to be able to project power outside its own region. There are four potential sites, all of which are linked to the Belt and Road Initiative: Ream Naval Base in Cambodia, the Port of Gwadar in Pakistan, Kyauk Phyu in Myanmar, and Hambantota Port in Sri Lanka.⁸ The geostrategic relevance of an expanded Chinese presence at the Ream Naval Base is not fully clear, as the waters there are too shallow and therefore not adequate to facilitate major naval assets, though Chinese companies have begun what appears to be extensive work on the port.⁹ Moreover, these limited resupply opportunities, and perhaps prestige, ought to be weighed against the heightened regional fears that a Chinese base would elicit in, for example, Vietnam and Thailand that as a result could be drawn to rival US. The only reason why such a base would benefit China is because of the potential construction of the Kra canal, a costly project that is unlikely to be continued.¹⁰

Potentially "cracking" China's Malacca Dilemma, China has eyed neighbor Pakistan's Port of Gwadar long before the rhetorical launch of the BRI. Strategically located on the Arabian Sea and adjacent to the Indian Ocean, it is part of the 15-year 62 billion USD China-Pakistan

3 Becker, "China Maritime Report No. 11: Securing China's Lifelines across the Indian Ocean," 10. These islands have been dubbed "permanent aircraft carriers".

4 Joseph Trevithick, "SAMs And Anti-Ship Missiles Are Now Guarding China's Man-Made South China Sea Islands," *The Drive*, May 3, 2018, <https://www.thedrive.com/the-war-zone/20616/sams-and-anti-ship-missiles-are-now-guarding-chinas-man-made-south-china-sea-islands>.

5 Jeong-Ho Lee, "How Tiny Djibouti Became the Linchpin in China's Belt and Road Plan," *South China Morning Post*, April 28, 2019, sec. News, <https://www.scmp.com/news/china/diplomacy/article/3007924/how-tiny-african-nation-djibouti-became-linchpin-chinas-belt>.

6 E. Downs, Jeffrey J. Becker, and Patrick deGateno, "China's Military Support Facility in Djibouti: The Economic and Security Dimensions of China's First Overseas Base," *Undefined*, 2017, vi, [/paper/China%27s-Military-Support-Facility-in-Djibouti%3A-The-Downs-Becker/2d772ff15b26bd20d4edff-d15d61523c56d94209](https://paperkit.net/paper/China%27s-Military-Support-Facility-in-Djibouti%3A-The-Downs-Becker/2d772ff15b26bd20d4edff-d15d61523c56d94209).

7 Tsukasa Hadano, "China Adds Carrier Pier to Djibouti Base, Extending Indian Ocean Reach," *Nikkei Asia*, April 27, 2021, <https://asia.nikkei.com/Politics/International-relations/Indo-Pacific/China-adds-carrier-pier-to-Djibouti-base-extending-Indian-Ocean-reach>.

8 The US DoD says China has likely considered establishing military logistics facilities in "Myanmar, Thailand, Singapore, Indonesia, Pakistan, Sri Lanka, United Arab Emirates, Kenya, Seychelles, Tanzania, Angola, and Tajikistan." Office of the Secretary of Defense, "Military and Security Developments Involving the People's Republic of China 2020," x. Other experts have mentioned the following countries as most likely to host China's second overseas naval base: Pakistan, Sri Lanka, Maldives, Seychelles, Kenya and Tanzania. Jeffery Becker et al., "China's Presence in the Middle East and Western Indian Ocean: Beyond Belt and Road" (Center for Naval Analysis, February 1, 2019), vi, <https://apps.dtic.mil/sti/citations/AD1069216>.

9 Shaun Turton and Mech Dara, "Cambodia Naval Base Set to Undergo China-Led Expansion," *Nikkei Asia*, October 3, 2020, <https://asia.nikkei.com/Politics/International-relations/Cambodia-naval-base-set-to-undergo-China-led-expansion>.

10 Chen Heang, "Would Access to Cambodia's Ream Naval Base Really Benefit China?," *The Diplomat*, April 7, 2021, <https://thediplomat.com/2021/04/would-access-to-cambodias-ream-naval-base-really-benefit-china/>.

Economic Corridor (CPEC).¹¹ Giving credence to speculations over the port's dual-use potential, China recently built a "high-security compound" in Gwadar.¹² Today, Gwadar serves China's ends as a strong point and multi-purpose commercial center enabling direct transport over land to the Chinese mainland from the Indian Ocean and by extension the resource-rich Persian Gulf, albeit still relatively underutilized and underdeveloped.¹³

A naval facility complementing a deep-sea port in another one of China's direct neighbors, Myanmar, would connect China over land to the Bay of Bengal, reducing its economies dependence on trade via the Malacca Strait and its military and industry's dependence on oil through there. Myanmar's military junta, facing isolation by Western nations following its coup against the democratically elected government in January 2021,¹⁴ may now also be more receptive to Chinese efforts to strengthen military ties. In fact, even before the coup, the construction of a deep-water port in Kyauk Phyu was announced.¹⁵ Finally, China has held a "controlling equity stake" in the Hambantota Port in Sri Lanka, in the form of a 99-year lease, since December 2017 in spite of the port's lack of economic rationale for investment.¹⁶

The site in Sri Lanka provides obvious strategic advantages, given its proximity to India and various SLOCs. After the Hambantota project proved to be commercially unviable and Sri Lanka could not make payments to the state-owned China Harbor Engineering Company, in 2017, the Sri Lankan government ceded control to the Chinese government for 99 years. Though the lease prohibits military activity without Sri Lanka's permission, Chinese submarines docked at the port in 2014 and there have been reports of Chinese military personnel at the port.¹⁷

France, the UK and especially the US, can make use of an extensive network of overseas military bases around the Indian Ocean and its adjacent waters (see Appendix 5). This enables a far greater ability to sustain power projection in the region than China currently has.

The commercial activities of China's SOEs play an indirect role at present and possibly a more overt, expansive one in the future. They are investing in Middle Eastern and Indian Ocean ports and are "required to have a CCP committee [...] ensuring that commercial strategies are aligned with party directives". China's SOEs have "concessions to develop and operate [...] shared with local partners, and foreign companies" in the Doraleh Port in Djibouti, Port Said in Egypt, Colombo Port, Hambantota Port in Sri Lanka, Khalifa port in the United Arab Emirates,

11 Madiha Afzal, "At All Costs: How Pakistan and China Control the Narrative on the China-Pakistan Economic Corridor," Brookings, June 15, 2020, 1, <https://www.brookings.edu/research/at-all-costs-how-pakistan-and-china-control-the-narrative-on-the-china-pakistan-economic-corridor/>.

12 H. I. Sutton, "China's New High-Security Compound In Pakistan May Indicate Naval Plans," Forbes, June 2, 2020, <https://www.forbes.com/sites/hisutton/2020/06/02/chinas-new-high-security-compound-in-pakistan-may-indicate-naval-plans/>.

13 A report argues that Gwadar will "not necessarily have utility as a base in a wartime scenario", citing a lack of political commitment on both China's and Pakistan's side to "provide mutual military support during times of crisis or conflict". See Isaac Kardon, Conor Kennedy, and Peter Dutton, "China Maritime Report No. 7: Gwadar: China's Potential Strategic Strongpoint in Pakistan," *CMSI China Maritime Reports*, August 1, 2020, 2, <https://digital-commons.usnwc.edu/cmsi-maritime-reports/7>.

14 "West Condemns Myanmar Coup, China's Response Is More Muted," *Reuters*, February 1, 2021, <https://www.reuters.com/article/us-myanmar-politics-reaction-idUSKBN2A11B0>.

15 Keith Johnson, "China Leaps Into Breach Between Myanmar and West," *Foreign Policy*, January 29, 2020, <https://foreignpolicy.com/2020/01/29/china-leaps-between-myanmar-west-india-xi-visit/>.

16 Jonathan E. Hillman, "Game of Loans: How China Bought Hambantota," April 2, 2018, <https://www.csis.org/analysis/game-loans-how-china-bought-hambantota>.

17 Maria Abi-Habib, 'How China Got Sri Lanka to Cough Up a Port', *The New York Times*, 25 June 2018, sec. World, <https://www.nytimes.com/2018/06/25/world/asia/china-sri-lanka-port.html>; 'Concern Over "Chinese Men In Military Uniform" At Sri Lanka Dredging Site', NDTV.com, accessed 1 September 2021, <https://www.ndtv.com/world-news/concern-over-chinese-men-in-military-uniform-at-sri-lanka-dredging-site-2479210>.

and Gwadar in Pakistan, the latter being the only port where China is the sole operator.¹⁸ Saliently, “important backbone SOEs” among them, such as the shipping companies COSCO and China Merchants, often have an in-house paramilitary capability.”¹⁹

4.2. Sealines of communication and supply

Struggling to sustain SLOC protection activities in a scenario of conflict,²⁰ China has only twelve replenishment ships.²¹ The two newest type 901 ships²² are 240 meters in length and can hold more than 45,000 tons, which is twice as much as the older Type-903A that was extensively used in the Gulf of Aden anti-piracy mission. The new type has multiple cargo delivery stations able to transfer, for instance, food and spare parts, and includes five fueling stations enabling the ship to refuel a carrier ship, a carrier escort ship, and a frigate or destroyer on its starboard side at the same time.²³ The type 901 remains limited, however, in its capacity to transfer ordnance. The development of replenishment ships equipped with more dry transfer stations suggests that China seeks to enhance their long-distance power projection capacity.²⁴ Also important to mention is the enormous commercial fleet of China's SOEs, that is likely to “augment China's limited far seas auxiliary fleet” to support PLAN operations when the Party-state calls upon them.²⁵

4.3 Access to vital resources

China lacks key infrastructure to maintain access to the resources that sustain deployed defense capabilities in a scenario of conflict, especially oil. As Kelanic observes, “because mobility in the age of mechanized warfare depends almost completely on oil, disruptions can also coerce by denial, which compels by destroying an adversary's physical capacity to resist.”²⁶ With regard to economic pain, China has a large strategic dependence on the Persian Gulf oil quantities that its BRI infrastructure investments cannot mitigate.

The BRI land routes do not offset the conundrum of US supremacy at sea because options to transport large bulk of goods and resources over land are unavailable. Relying on a 'continent

18 Becker et al., “China's Presence in the Middle East and Western Indian Ocean,” v.

19 Charlie Lyons Jones and Raphael Veit, “Leaping across the Ocean: The Port Operators behind China's Naval Expansion” (ASPI - Australian Strategic Policy Institute, February 2021), 4, <https://s3-ap-southeast-2.amazonaws.com/ad-aspi/2021-02/Leaping%20across%20the%20Ocean.pdf?mrEJH8QwypEHHxT0jxjtm-l8ucEeiZJfz>.

20 Becker, “China Maritime Report No. 11: Securing China's Lifelines across the Indian Ocean,” 11.

21 Hackett and International Institute for Strategic Studies, *The Military Balance 2021*, 253.

22 DefenseWorld.net, “Chinese PLA Navy Commissions First Fast Combat Supply Ship,” September 6, 2017, https://www.defenseworld.net/news/20520/Chinese_PLA_Navy_Commissions_First_Fast_Combat_Supply_Ship#.YLov-4VxdPZ.

23 Naval Technology, “Type 901 Class Fleet Replenishment Ship,” Naval-Technology, accessed June 4, 2021, <https://www.naval-technology.com/projects/type-901-class-fleet-replenishment-ship/>.

24 Andrew S. Erickson, “The Chinese Naval Shipbuilding Bookshelf,” February 11, 2021, <https://www.andrewerickson.com/2021/02/the-chinese-naval-shipbuilding-bookshelf/>.

25 Becker, “China Maritime Report No. 11: Securing China's Lifelines across the Indian Ocean,” 11.

26 Rosemary A. Kelanic, “The Petroleum Paradox: Oil, Coercive Vulnerability, and Great Power Behavior,” *Security Studies* 25, no. 2 (April 2, 2016): 187, <https://doi.org/10.1080/09636412.2016.1171966>.

Also important to mention is the enormous commercial fleet of China's SOEs, that is likely to “augment China's limited far seas auxiliary fleet” to support PLAN operations when the Party-state calls upon them.

first strategy' will – barring a revolution in overland transport – not enable China to safeguard its access to Eurasian supplies and markets in a comparable way as its connections over sea can.²⁷

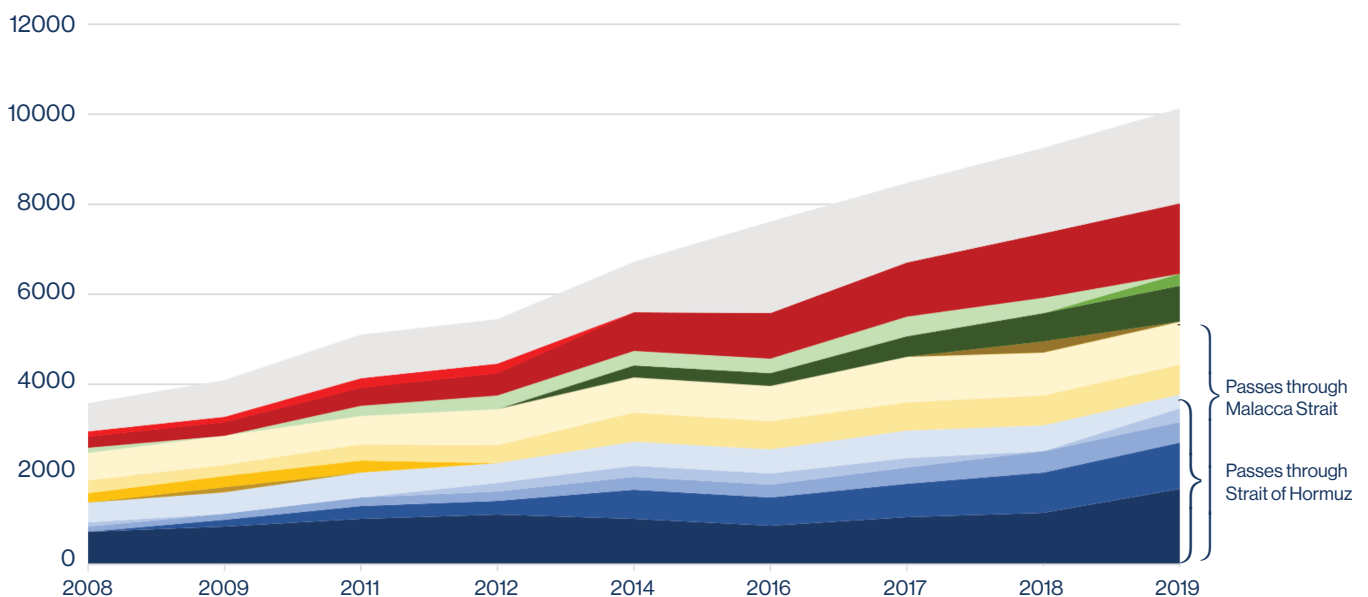
The numbers speak volumes. In 2018, China was the largest single-country importer of crude oil ever, importing roughly 9.3 million barrels of crude per day, about half being imported from the Middle East via the Indian Ocean and the Persian Gulf (see Figure 5 and Figure 6). An even larger share of China's oil imports passes through the Malacca Strait, where China is highly vulnerable to a blockade of the Strait itself and/or additional waterways in Southeast Asia (see Figure 5 and Figure 6).²⁸

Chinese oil imports per country, 2008-2019

Barrels/day (x1000)



■ Saudi Arabia ■ Iraq ■ Kuwait ■ UAE ■ Iran* ■ Libya ■ Sudan ■ Oman ■ Angola
■ Congo (Brazzaville) ■ Brazil ■ Colombia ■ Venezuela ■ Russia ■ Kazakhstan ■ Others



Source Annual Report to Congress: Military Power of the People's Republic of China (2009-2020)

Figure 5: China oil imports per country³²¹

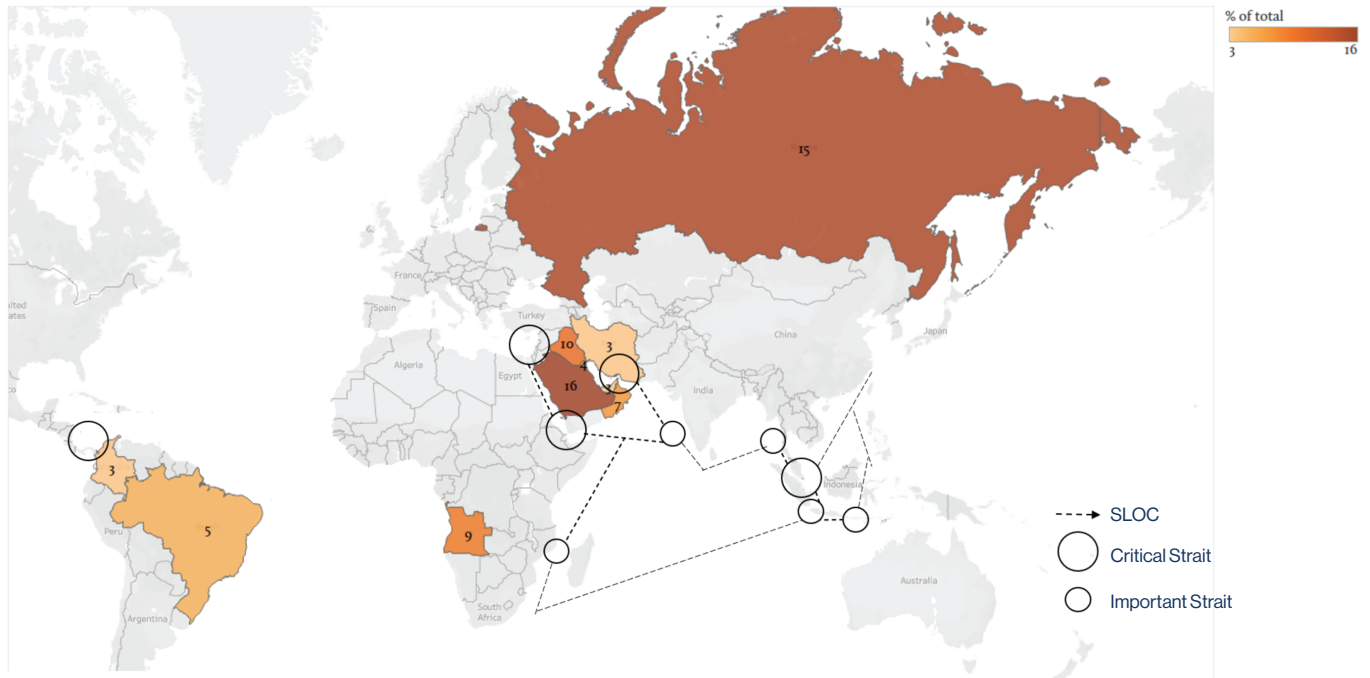
²⁷ Shipping remains king. See Yoshihara and Bianchi, "Seizing on Weakness," 55.

²⁸ In fact, military coercion in the form of an "interception-style blockade" specifically focused on minimizing the risk of escalation risks would be one military scenario the U.S. could employ that is least likely to end in nuclear threats or even a nuclear confrontation. Fiona S. Cunningham, "The Maritime Rung on the Escalation Ladder: Naval Blockades in a US-China Conflict," *Security Studies* 29, no. 4 (August 7, 2020): 730–68, <https://doi.org/10.1080/09636412.2020.1811462>.

²⁹ In reality, an even larger part of China's crude may pass through the Strait of Hormuz and the Malacca Strait than is indicated on the graph with "Passes through Strait of Hormuz" and "Passes through Malacca Strait", as more oil supplied to China, for instance by some countries listed in the category "other", depend on Malacca and Hormuz.

Top 10 sources of Chinese crude oil imports in 2019

Share of total (%)



Source Annual Report to Congress: Military Power of the People's Republic of China, 2020

Figure 6: Chinese oil imports per country.

In 2020, China built 40% of all ships in the world whereas the United States and the three European lead-nations built less than 1%. The US, grouped together with potential additional Allied challengers in the Indian Ocean, collectively built 22.5 percent of total ships in 2020, as Japan is a major shipbuilder

4.4 Industrial resources

4.4.1 Shipbuilding and repair

China has the largest shipbuilding capacity in the world, which not only means that it can greatly expand the number of ships it produces in times of conflict in a relatively short time span, but also has a large capacity to repair ships. That numbers matter in a protracted conflict is perhaps best shown by the growth in the total size of the American navy from 394 in 1939 when Hitler invaded Poland, to 6,768 ships in 1945, when the Second World War ended.³⁰ In 2020, China built 40% of all ships in the world whereas the United States and the three European lead-nations built less than 1%. The US, grouped together with potential additional Allied challengers in the Indian Ocean, collectively built 22.5 percent of total ships in 2020, as Japan is a major shipbuilder (see Table 30). Put in military terms, the US and its allies ought to contemplate a China that is “willing to lose half or more of its surface fleet to secure its strategic goals”, as it has more shipbuilding capacity in Shanghai than the US has in its entirety.³¹

30 Naval History and Heritage Command, “US Ship Force Levels - 1886-Present,” November 17, 2017, <http://public1.nhhcaws.local/research/histories/ship-histories/us-ship-force-levels.html>.

31 Caldwell, Freda, and Goldstein, “China Maritime Report No. 5,” 24.

Rank ³²	Location	Output (Million Gross Tons)			Share of Total (%)
		2016	2018	2020	2020
	Total	66.8	58.0	57.7	100%
	In Asia	63.6	55.6	56.0	97.1%
	CN potential adversaries: India & United States	0.4	0.2	0.1	0.17%
	CN additional potential adversaries: Australia, Japan, UK, France	13.6	14.6	12.9	22.3%
	Country				
1	China	22.3	23.3	23.2	40.0%
2	South Korea	25.5	14.6	18.2	31.1%
3	Japan	13.4	14.4	12.8	22.1%
4	Philippines	1.2	2.0	0.6	1.1%
5	Vietnam	0.4	0.5	0.5	0.9%
8	Germany	0.43	0.48	0.28	0.5%
11	France	0.2	0.17	0.132	0.23%
16	United States	0.35	0.2	0.07	0.03%
22	India	0.04	0.02	0.02	0%
24	Australia	0.0017	0.000.3	0.011	0%
30	United Kingdom	0.001.452	0.000.5	0.002	0%

Table 30: Top shipbuilders around the world in 2016, 2018 and 2020. Source: United Nations Conference on Trade and Development.

Military-Civil Fusion strengthens China's shipbuilding, extends beyond EDTs, and – in a globalized and economically interconnected world – is possibly making use of Western investments to do so. China is expanding Shanghai's Jiangnan shipyard in a three-year upgrade scheme.³³ Between 2018 and 2020 Jiangnan Shipyard received at least 24 orders to build commercial vessels for companies outside of China. Satellite images show, for instance, that an LNG-powered container ship, constructed for France's shipping giant CMA CGM, was constructed in the same dry dock where pre-manufactured parts of China's new carrier were assembled. CMA CGM ordered nine in total. Innovation achieved through synergies in the construction of foreign civil vessels may be applied to China's military modernization, and revenue generated from building China's commercial vessels may bolster China's naval modernization.³⁴

4.4.2 Defense industry

In addition to its shipbuilding industry, China built up a domestic defense industry consisting primarily of nine SOEs that partly absorb technologies from other states, "although questions persist over quality and reliability".³⁵ A 2019 PLA white paper phrases this uneven progress as "China's military security [being] confronted by [a] growing technological generation gap [...] the PLA still lags far behind the world's leading militaries."³⁶ Today, China is the second-largest

³² Global rank as of 2020.

³³ See Minnie Chan, "China's Hi-Tech Warships Are Coming. Will Its Navy Be Ready?" South China Morning Post, January 5, 2021, <https://www.scmp.com/news/china/military/article/3116402/china-speeds-building-aircraft-carriers-will-pla-sailors-be>.

³⁴ Matthew P. Funaiole, Joseph S. Bermudez Jr., and Brian Hart, "China's Opaque Shipyards Should Raise Red Flags for Foreign Companies," February 26, 2021, <https://www.csis.org/analysis/chinas-opaque-shipyards-should-raise-red-flags-foreign-companies>.

³⁵ Hackett and International Institute for Strategic Studies, *The Military Balance 2021*, 249.

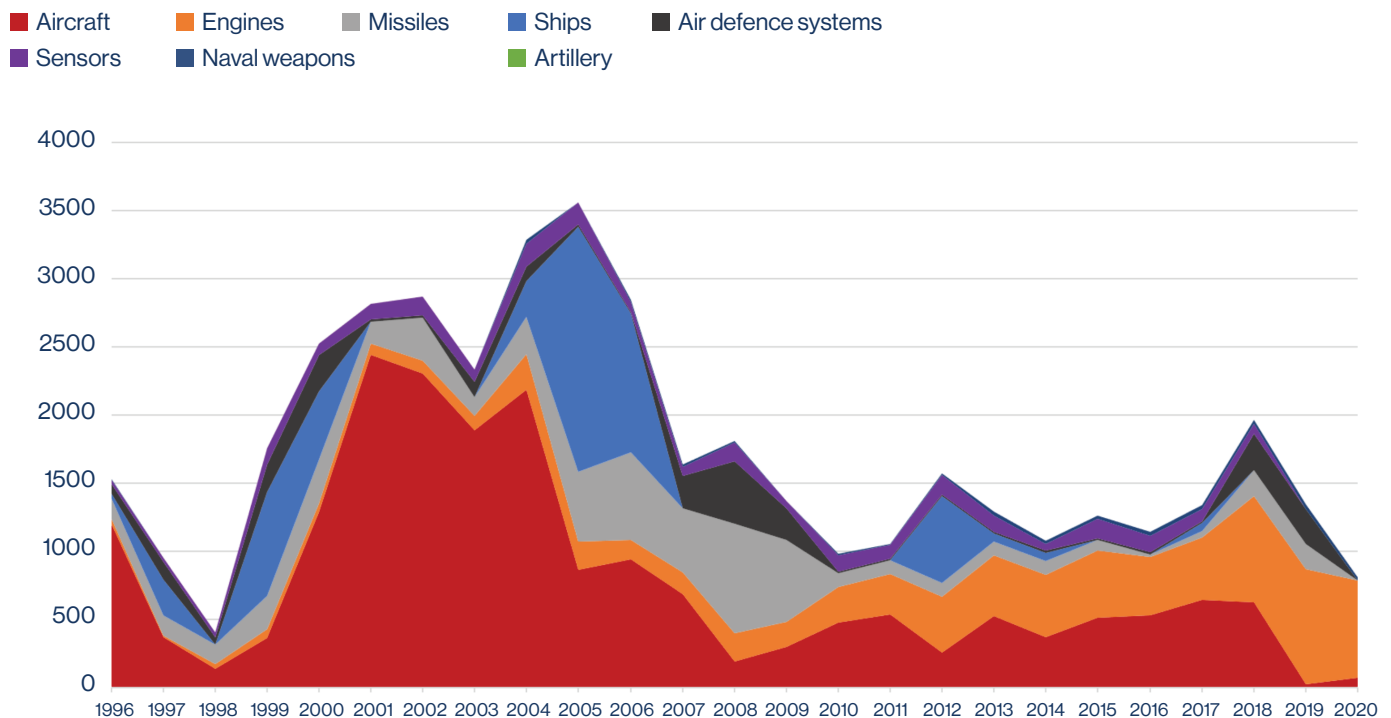
³⁶ "Full Text: China's National Defense in the New Era," Xinhuanet, July 24, 2019, 6, http://www.xinhuanet.com/english/2019-07/24/c_138253389.htm.

arms producer after the US:³⁷ annual spending on military equipment rose from 33.3% of total military spending in 2010 to 41.1% in 2017.³⁸

Evincing the industry's advances is the fact that while China imported (mostly from Russia) 22 billion USD worth of arms from 1996 to 2005, this number fell to 14.9 billion in the period 2006–2015 and to 6.6 billion between 2016 and 2020. Step by step, Beijing has shifted from low-cost mass production to developing expensive, high-quality weapons.³⁹ Having successfully indigenized shipbuilding and missile technologies by absorbing Russian models, China's remaining technological reliance on Russia pertains to its inability to produce engines and various other aerial features (see Figure 7). China's progress in developing its defense industry is perhaps best measured against the other rising power in Asia, India – a country with a similar population size and one of China's main challengers in the Indian Ocean. Long non-aligned, internally focused India has not developed a modern domestic defense industry, and instead continues its heavy reliance on across-the-board Russian defense imports (see Figure 8).⁴⁰

China defense import per category, 1996–2020

In USD (x1 million)



Source SIPRI Arms Transfers Database

Figure 7: Arms transfers to China per weapon category.

37 Nan Tian and Fei Su, "Estimating the Arms Sales of Chinese Companies," *SIPRI*, January 2020, 11.

38 ChinaPower, "How Developed Is China's Arms Industry?"

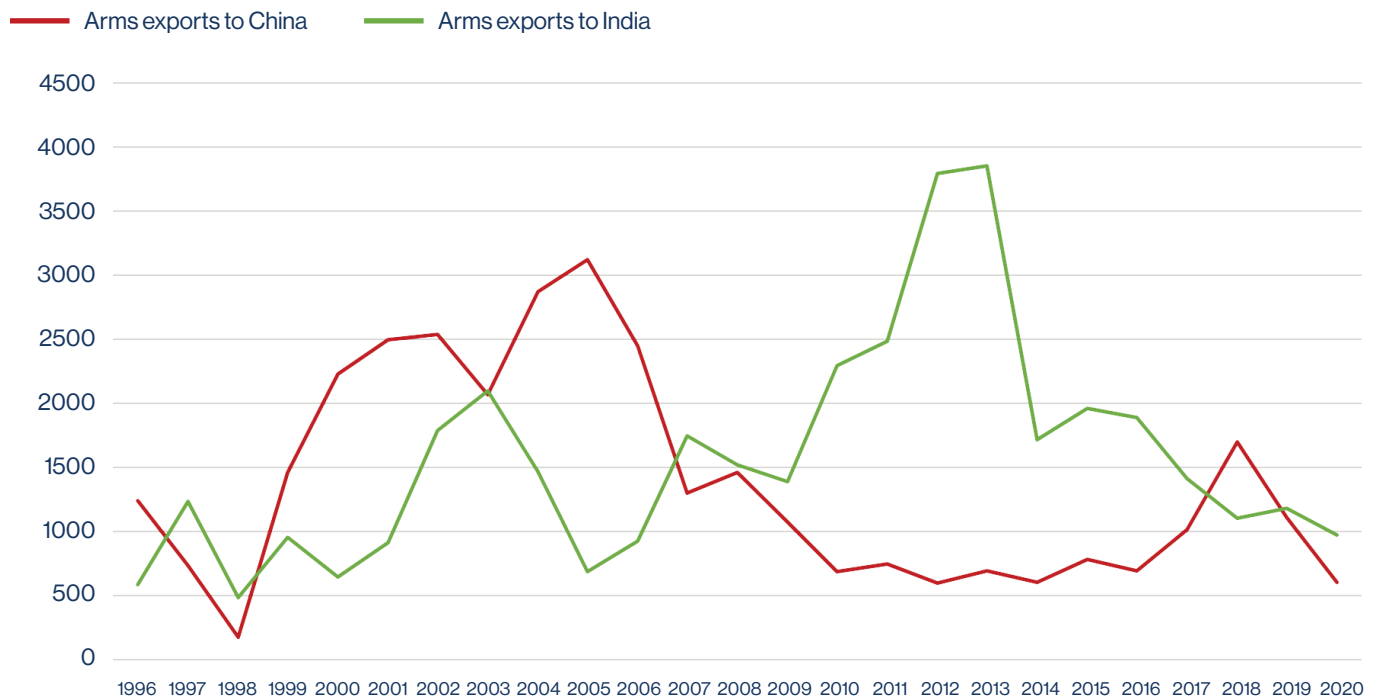
39 In fact, "In the 1990s, China purchased Russian Su-27 fighter jets and S-300 missile systems and reverse-engineered them to assist with designing its J-11 fighter jets and HQ-9 surface-to-air missiles. In 2019, Russia's Rostec accused China of illegally copying various equipment and technologies, including aircraft engines, planes, air defense systems, and missiles." See appendixes 3 and 4.

40 See appendixes 3 and 4.

Finally, China has guaranteed mostly domestic access to critical raw materials on which the manufacturing of high-tech weapons depends.⁴¹ It holds a quasi-monopoly in the production of critical raw materials and has identified “standard-setting” as a central national policy objective, highlighted in its China Standards 2035 initiative.

Russian arms transfers to China and India, 1996-2020

In USD (x1 million)



Source SIPRI Arms Transfers Database

Figure 8: China and Indian arms import from Russia

4.5 Strategic partnerships

For a great power, allying with smaller countries serves as a ‘force multiplier’, and can help project power over greater distances and in different regions. An alliance is generally considered to be “a formal agreement among independent states to cooperate militarily in the face of potential or realized military conflict.”⁴² Too stringent guarantees to allies can lead to irresponsible behavior by the weaker partner and the patron feeling “entrapped” by its clients’ disputes. If alliances are too loose, however, the client state might seek alternative security arrangements with a patron’s rival, as it fears being abandoned.⁴³ Formal and informal alliances often come with arms transfers from the great power’s defense industry.

41 Irina Patrahau et al., “Securing Critical Materials for Critical Sectors - Policy Options for the Netherlands and the European Union,” December 2020, <https://mk0hc5snlsb22xc4fhr7.kinstacdn.com/wp-content/uploads/2021/01/Securing-Critical-Materials-for-Critical-Sectors.pdf>.

42 Brett Ashley Leeds, “Alliance Treaty Obligations and Provisions (ATOP) - Codebook,” August 28, 2018, 6, <http://www.atopdata.org/uploads/6/9/1/3/69134503/atopcodebookv4.pdf>.

43 Glenn H. Snyder, “The Security Dilemma in Alliance Politics,” *World Politics* 36, no. 4 (1984): 466, <https://doi.org/10.2307/2010183>.

One of the greatest questions of the next decade-and-a-half is whether China will opt to become involved in the conflicts of the world by establishing alliances, or whether it will stick to its policy of merely closing “strategic partnerships”. At present, China does not have any formal alliances with (overseas) countries. Instead, it has built “strategic partnerships” around its narrow self-interest on various levels of ambition with a wide variety of nations (see and Table 31 and Table 32). These are different from alliances, says Beijing, as alliances are a hegemonic construct designed against third countries. Instead, China asserts that it does not form blocs against others and believes in a “Community of Shared Future Mankind.” China’s pragmatic commercial relations and aid schemes⁴⁴ paired with a non-interference policy⁴⁵ that exempts any normative stipulations like human rights and good governance forms a natural boon to autocratic states around the Indian Ocean and its adjacent waters. China’s explosive economic growth and its ‘go-out’ policy of the last 20 years have, however, laid a strong economic and diplomatic foundation on the basis of which an alliance network of alliances among the 30 states around the Indian Oceans, and its adjacent waters, may be constructed later on.

One of the greatest questions of the next decade-and-a-half is whether China will opt to become involved in the conflicts of the world by establishing alliances, or whether it will stick to its policy of merely closing “strategic partnerships”.

	Country	Partnership	Year
1	Australia	Comprehensive strategic partnership	2014
2	Indonesia	Comprehensive Strategic Partnership	2013
3	Singapore	“All-Round Cooperative Partnership Progressing with the Times”	2015
4	Malaysia	Comprehensive Strategic Partnership	2013
5	Thailand	Comprehensive Strategic Cooperative Partnership	2012
6	Myanmar	Comprehensive Strategic Cooperative Partnership	2013
8	Pakistan	“All-weather strategic partnership”	
9	Sri Lanka	Comprehensive Partnership, Strategic Cooperative Partnership	2005; 2013
9	Iran	Comprehensive Strategic Partnership	2016
10	Iraq	Strategic Partnership	2015
11	Kuwait	Strategic Partnership	2018
12	Saudi Arabia	Comprehensive Strategic Partnership	2016
13	Qatar	Strategic Partnership	2014
14	UAE	Comprehensive Strategic Partnership	2018
15	Oman	Strategic Partnership	2014
16	Egypt	Comprehensive Strategic Partnership	2014
17	Sudan	Strategic Partnership	2015
18	Djibouti	Strategic Partnership	2017

Table 31: China's loyalty ranking – A sample of partnerships around the Indian Ocean and adjacent waters.⁴⁶

44 See e.g. Georg Strüver, “China’s Partnership Diplomacy: International Alignment Based on Interests or Ideology,” *The Chinese Journal of International Politics* 10, no. 1 (March 1, 2017): 31, <https://doi.org/10.1093/cjip/pow015>.

45 As per Enlai Zhou, “Main Speech by Premier Zhou Enlai, Head of the Delegation of the People’s Republic of China, Distributed at the Plenary Session of the Asian-African Conference” (Wilson Center, April 19, 1955), <https://digitalarchive.wilsoncenter.org/document/121623.pdf?v=e1cd06384e2e67bdf11f809ead78849>. China, unlike the US and European countries, does not have domestic pressure groups advocating policy changes in the Middle East for human rights abuses and undemocratic government. Instead, it emphasizes a particularistic definition of human rights, arguing that these are different depending on culture and level of development.

46 The colors represent regions around the Indian Ocean and its adjacent waters. Green is Southeast Asia and Oceania, red is South Asia, Orange is the Middle East, blue is East-Africa.

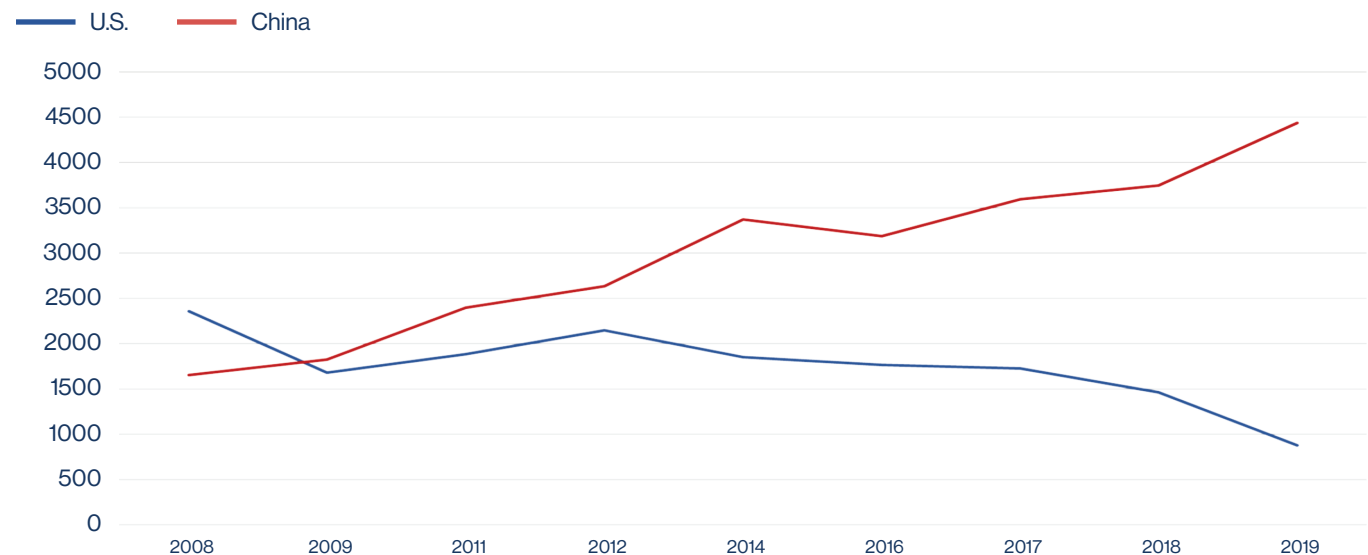
Partnership	Content
1. Comprehensive strategic co-operative partnership	Highest level of partnership with Pakistan having a status apart as an “all-weather” partner, likely due to proven, unbroken loyalty from the start of relations.
2. Comprehensive Strategic Partnership	Full pursuit of cooperation and development on regional and international affairs.
3. Strategic Partnership	Co-ordinate more closely on regional and international affairs, including military ones.
4. Comprehensive Cooperative Partnership	Maintain sound momentum of high-level exchanges, enhanced contacts at various levels, and increased mutual understanding.
5. Cooperative Partnership	Strengthen cooperation on bilateral issues, based on mutual respect and mutual benefit.

Table 32: Not “allies” but “partners” – an overview of China’s levels in diplomatic relations.⁴⁷

China’s preference for open-ended strategic partnerships instead of alliances is perhaps best exemplified by China’s relations with the Gulf Cooperation Council (GCC) on the one hand and Iran on the other. China is deeply integrated with the GCC economically as China-GCC trade grew from 10 billion USD in 2000 to 123 billion USD in 2016. China’s approach to the Persian Gulf is best described as “amoral commercialism,”⁴⁸ as exemplified by its deep economic relationships with all of its states, especially the United Arab Emirates (UAE) and Saudi Arabia, but also with Iran, their rival. China has become an indispensable source of revenue for both Saudi Arabia and Iran, at a time when the US has become *de facto* energy independent (see Figure 9), and global oil markets since the last decade – due to a technological revolution – have favored buyers over sellers.⁴⁹ China’s BRI investments in states bordering the Indian Ocean and adjacent waters more broadly means that Beijing will be further and further weaved in with the politico-economic regional system.⁵⁰

China and U.S. oil imports from selected Persian Gulf countries*, 2008-2019

Barrels/day (x1000)



*Iran, Iraq, Kuwait, Oman, Saudi Arabia and United Arab Emirates

Sources Annual Report to Congress: Military Power of the People's Republic of China, 2009-2020
U.S. Energy Information Administration

Figure 9: Gulf oil imports.

- 47 SCMP Reporter, “Quick Guide to China’s Diplomatic Levels,” South China Morning Post, January 20, 2016, <https://www.scmp.com/news/china/diplomacy-defence/article/1903455/quick-guide-chinas-diplomatic-levels>; cited by Jonathan Fulton, “Friends with Benefits: China’s Partnership Diplomacy in the Gulf,” 2019. For a
- 48 Chaguan, “China Thinks It Can Avoid Middle Eastern Traps That Caught America,” *The Economist*, April 8, 2021, <https://www.economist.com/china/2021/04/08/china-thinks-it-can-avoid-middle-eastern-traps-that-caught-america>.
- 49 Meghan L. O’Sullivan, *Windfall: How the New Energy Abundance Upends Global Politics and Strengthens America’s Power*, 1st edition (New York ; London: Simon & Schuster, 2017).
- 50 Benn Steil and Della Rocca, “Belt and Road Tracker | Council on Foreign Relations,” Council on Foreign Relations (CFR), May 8, 2019, <https://www.cfr.org/article/belt-and-road-tracker>.

However, China has sought to maintain a balance in its relations with Saudi Arabia and Iran, as it elevated its relationship with both regional powers to the level of “Comprehensive Strategic Partnership” in 2016 and conducted naval exercises with both in 2019.⁵¹ Iran, as a result, is asymmetrically dependent on China.⁵² China has also sought to maintain stable relations with the regional security guarantor, the US, over issues in the Persian Gulf and avoid too close of an alignment with Iran. To adversarial moves enacted between the US or its allies and Teheran – including a hijacked British-flagged tanker in the summer of 2019, a drone strike against Saudi oil production facilities in September 2019,⁵³ and President Trump's killing of Qassam Suleimani in early 2020 – Beijing's response was mild, calling for “restraint” and “calm.”⁵⁴ After the second confrontation, China had much reason to complain as oil prices skyrocketed by nearly 20 percent with China reportedly paying nearly 100 million more USD per day for its energy imports.⁵⁵ Strikingly, Chinese restraint on Middle Eastern issues occurred during a period of heightened tensions in Sino-American relations over issues such as COVID-19, the trade war, and high-tech competition. A stable and prosperous Middle East with vital supply lines safeguarded by the US – i.e., Chinese “power and influence” in the region without becoming “entrapped” – is thus also decidedly in China's interest.⁵⁶

There are signs that the US seeks to influence GCC relations with China, as one US official was reported to have said that the establishment of a Chinese military base in the UAE would “kill” the sale of the F-35 – its most advanced fighter jet – to the UAE.⁵⁷ The developments in China's relations with Middle Eastern states on security and defense in the near future, particularly whether it will intensify ties with Iran, a logical first ally, at the cost of its relations with Saudi Arabia and the UAE, will reveal much about whether China will pursue an alliance system or will maintain its interest in more ambiguous “partnerships”.⁵⁸ Some have argued that China's approach to Libya, Syria and Iran has already shown early signs of a more political approach to the region, as it resembles a strategy of ‘offshore balancing’. This means that it uses “diplomatic and economic means in the Middle East and North Africa (MENA) to undermine the position of the US, the strongest power there.”³⁶²

51 The Global Times, China's state tabloid, sought to downplay the significance of the Sino-Russian-Iranian naval drill, as it pointed out that China performs drills with “Middle Eastern countries including Saudi Arabia” too and said that China “has no intention to be involved in the disputes in the Middle East, let alone picking a side in the region.” Global Times, “No Need to Fear Joint Military Exercise,” *Global Times*, December 26, 2019, <https://www.globaltimes.cn/content/1174957.shtml>. Arab News, “Saudi Arabia, China Conduct Drill to Improve Combat Readiness,” Arab News, November 17, 2019, <https://www.arabnews.com/node/1585431/saudi-arabia>.

52 Joris Teer and Suolao Wang, “Sino-Iranian Asymmetrical Interdependence in Light of the Iran Nuclear Issue,” *Asian Journal of Middle Eastern and Islamic Studies* 12, no. 2 (April 3, 2018): 167–92, <https://doi.org/10.1080/25765949.2018.1475607>.

53 Either executed by Iran or the Iranian-backed Houthis in Yemen.

54 Joris Teer, “Unequal Love - Iran Looks East for Help; Does China Answer?,” Clingendael, May 4, 2020, [55 Chriss Street, ‘China Losing \\$97 Million a Day Due to Attacks on Saudi Arabia Oil Facilities’, *www.theepoch-times.com*, 18 September 2019.](https://spectator.clingendael.org/en/publication/unequal-love-iran-looks-east-help-does-china-answer-; Ben Blanchard, “China Says Nobody Wants War after Tanker Attacks in Gulf of Oman,” Reuters, June 14, 2019, https://www.reuters.com/article/us-mideast-attacks-china-idUSKCN1TF0Q4. Beijing's response was especially mild in comparison to its “Wolf Warrior diplomacy”, which really took-off around the same time, with Zhao Lijian suggesting that the U.S. Army might have brought COVID-19 to Wuhan.</p>
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56 Fulton, “Friends with Benefits,” 35.

57 Warren P. Strobil and Nancy A. Youssef, “WSJ News Exclusive | F-35 Sale to U.A.E. Imperiled Over U.S. Concerns About Ties to China,” *Wall Street Journal*, May 25, 2021, sec. Politics, <https://www.wsj.com/articles/f-35-sale-to-u-a-e-imperiled-over-u-s-concerns-about-ties-to-china-11621949050>.

58 In fact, in the early-2000s John W. Garver argued that “a Chinese anchor in East Asia paired with an Iranian anchor in West Asia could well emerge as a central element of a post-unipolar, China-centered Asia circling the middle of the 21st century.” John W. Garver, *China and Iran: Ancient Partners in a Post-Imperial World* (University of Washington Press, 2006), 295, <https://www.jstor.org/stable/j.ctvcwn64c>.

4.6 Arms exports

China's arms exports to countries bordering the Indian Ocean and its adjacent waters have doubled since China started to modernize its defense industry from 1996 onwards, having become a net exporter of arms throughout the last 25 years (see Table 33). That said, these exports are focused on a limited number of countries without close relations with Europe and the US and pale in comparison to especially American and even to (decreased) Russian arms supply to the region. The majority of American arms transfers went to the Gulf Kingdoms;⁵⁹ Russian arms ended up in India; China's arms sales focused on three states in India's vicinity and Iran (see Table 34 and Figure 9).

Arms Transfers	Period 1.	Period 2.	Period 3.	Total
x1 billion (USD)	1996-2005	2006-2015	2016-2020	1996-2020
Imports	22.0	14.9	6.6	43.5
Exports	4.6	12.3	7.2	24.1

Table 33: Total Chinese arms transfers – Moving from being a net-customer to a net-supplier.

Since 1996, the vast majority of Chinese arms exports have gone to Pakistan (9.1 billion USD), its self-described 'iron brother,' to Bangladesh (2.9 billion USD), and to Myanmar (2.3 billion USD). Notably, Pakistan has hostile relations with India, one of China's main challengers in the Indian Ocean;⁶⁰ Bangladesh' relations with India are relatively poor as well; and Myanmar was a closed-off military dictatorship, under sanctions by Europe and the US, until the early 2010s and might again remain a military dictatorship after the 2021 coup. China exported 1.3 billion USD worth of arms to Iran (see Appendix 9 and Figure 10). Bordering the strategic commons in the Arabian Sea, the Persian Gulf and the Strait of Hormuz, Iran has been a primary rival of the US since its Islamic Revolution in 1979.

Southeast Asia/Oceania	South Asia	Middle East	East-Africa
Australia	India	Iran	Sudan
Indonesia	Bangladesh	Iraq	Eritrea
Singapore	Pakistan	Kuwait	Ethiopia
Malaysia	Sri Lanka	Saudi Arabia	Somalia
Thailand	Maldives	Qatar	Kenya
Myanmar		UAE	Tanzania
		Oman	Madagascar
		Yemen	Seychelles
		Egypt	Djibouti
		Bahrain	

Table 34: Recipients of the world's major powers' arms transfers in 30 bordering the Indian Ocean and its adjacent waters.

⁵⁹ As did large portions of total UK and French arms exports to the region.

⁶⁰ For now, however, Gwadar Port in Pakistan will "not necessarily have utility as a base in a wartime scenario", as a result of a lack of political commitment on both China's and Pakistan's side to "provide mutual military support during times of crisis or conflict". Isaac Kardon, Conor Kennedy, and Peter Dutton, "China Maritime Report No. 7: Gwadar: China's Potential Strategic Strongpoint in Pakistan," CMSI China Maritime Reports, August 1, 2020, 2, <https://digital-commons.usnwc.edu/cmsi-maritime-reports/7>.

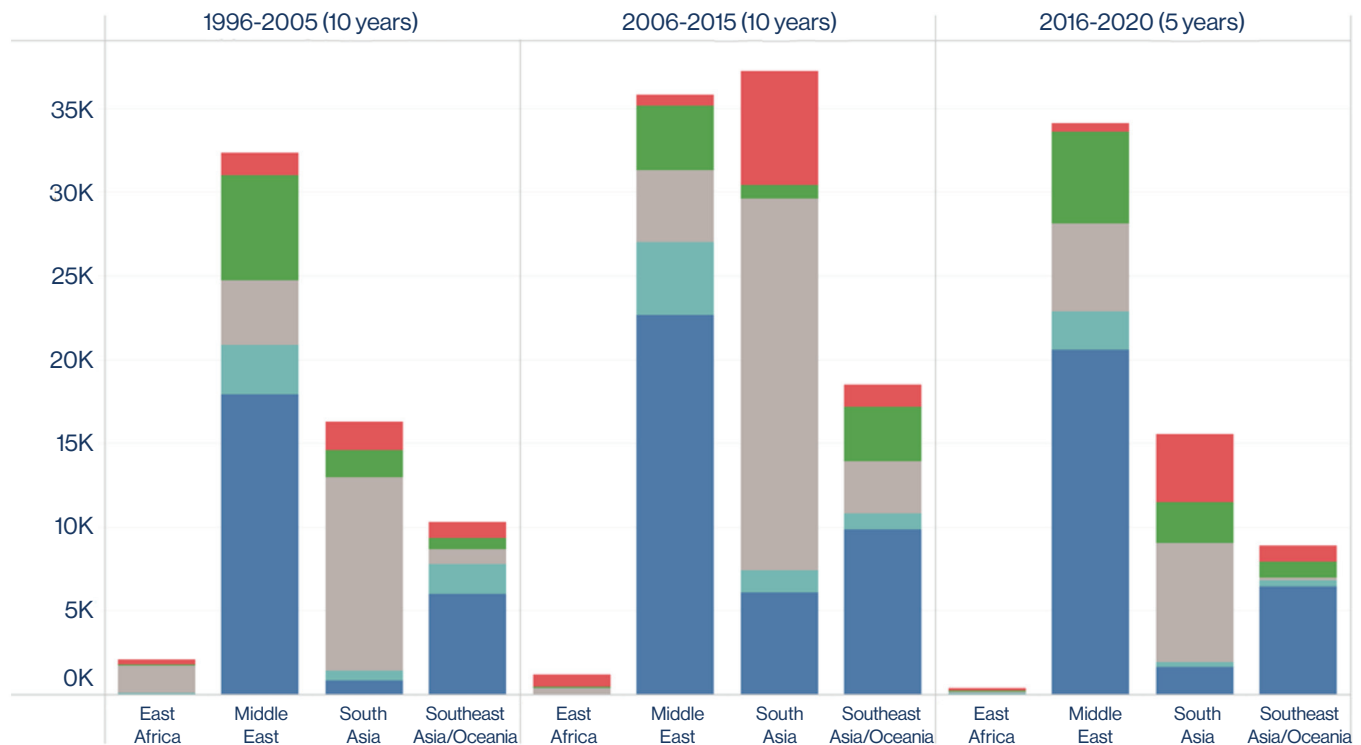
The majority of American arms transfers went to the Gulf Kingdoms; Russian arms ended up in India; China's arms sales focused on three states in India's vicinity and Iran

Arms transfers: Major weapon exporters to 30 countries bordering the Indian Ocean and adjacent waters, 1996-2020



In USD (x 1 million)

Export ■ China ■ France ■ Russia ■ United Kingdom ■ United States



Source SIPRI Arms Transfer Database

Figure 10: Arms transfers to the Indian Ocean and its adjacent waters.

4.7 Operational experience; military cooperation and assistance

Besides augmenting military credibility, high-intensity combat experience is an important indicator of military great power status. China, having fought its last war in 1979, does not have such experience

China engages in military deployments and exercises that help its personnel gain experience in deploying its new military capabilities, but the PLA lacks large-scale, recent combat experience. Besides augmenting military credibility, high-intensity combat experience is an important indicator of military great power status.⁶¹ China, having fought its last war in 1979, does not have such experience.⁶² Small-scale military deployments in multi-lateral settings against non-state actors are an alternative way for selected PLA forces to gain experience by which institutional learning is enhanced. China's contribution to Peace Keeping Missions in Africa and anti-piracy missions in the Gulf of Aden, supported by its military base in Djibouti, have grown starkly.

⁶¹ Giegerich, Childs, and Hackett, "Military Capability and International Status."

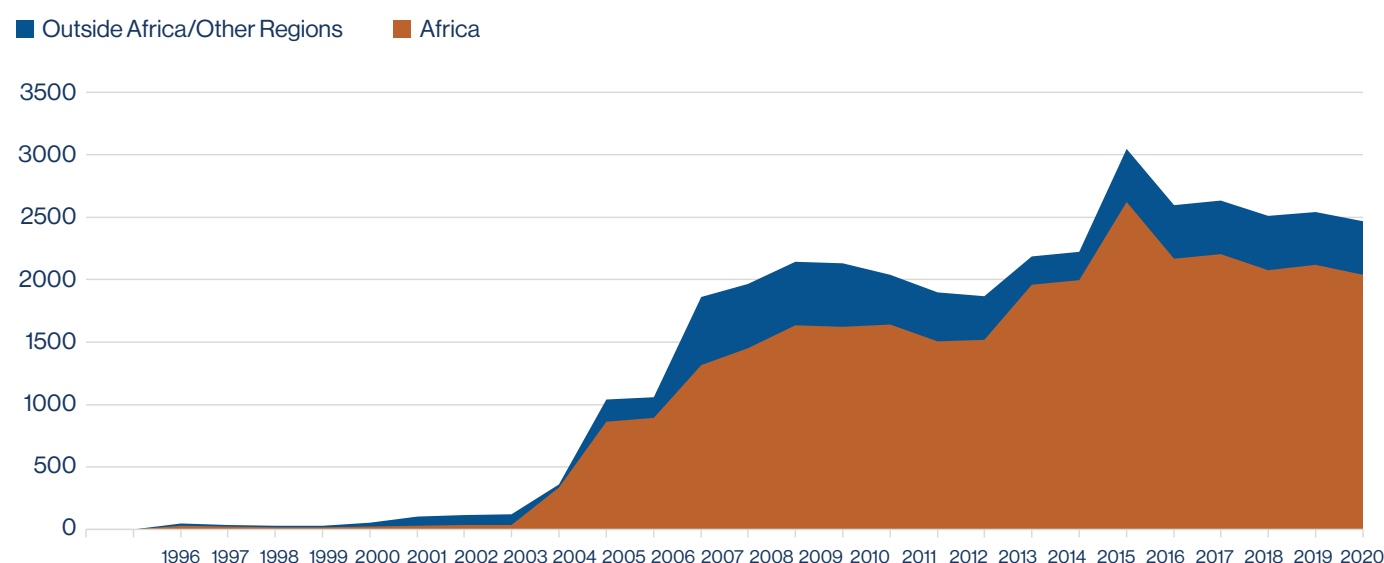
⁶² James Maclaren, "The Sino-Vietnam War and China's Long Route to Winning," *The Diplomat*, May 24, 2019, <https://thediplomat.com/2019/05/the-sino-vietnam-war-and-chinas-long-route-to-winning/>. It is worth noting, however, that the US also has not engaged in large-scale peer-to-peer or peer-to-near-peer conflict since the Second World War. See e.g. Eric Heginbotham et al., "The Receding Frontier of U.S. Dominance," in *The U.S.-China Military Scorecard, Forces, Geography, and the Evolving Balance of Power, 1996-2017* (RAND Corporation, 2015), 321, <https://www.jstor.org/stable/10.7249/j.ctt17rw5gb.21>.

As of January 2021, China is contributing to eight UN-peacekeeping missions in South Sudan, Mali, Lebanon, Darfur, the Democratic Republic Congo, the Western Sahara region, Cyprus, and Israel/the Palestinian territories, with the largest share of its contribution in the new state of South Sudan.⁶³ China is responsible for the deployment of 2,456 peacekeepers, constituting three percent of personnel around the world and making China the eighth-largest contributor to UN peacekeeping missions – and the largest among the Security Council's five permanent members.⁶⁴ China is the second-largest contributor to the UN peacekeeping budget, covering 15.21% in 2020-2021 (see Figure 11).⁶⁵

The PLAN has expanded its conflict experience by taking part in anti-piracy missions. China's expanding number of frigates are already actively used in China's naval operations, as well as its predecessor replenishment ship, the Type-903A. Beginning in 2008, China began the process of deploying more than ten thousand navy personnel in nearly twenty task forces in the Gulf of Aden for anti-piracy missions.⁶⁶ In the course of these deployments, Chinese naval forces escorted over six thousand Chinese and foreign commercial vessels. China's purpose in conducting these operations goes beyond fighting piracy and is intended, in large part, to give sailors valuable experience in long-distance operations and deployments. For instance, on some of the missions, Chinese submarines have accompanied the surface ships. These missions have helped the PLAN to obtain "far seas experience".⁶⁷

China's contribution to UN Peacekeeping Missions, 1996-2021

Number of peace-keepers



Source United Nations Peacekeeping Data: Troop and Police Contributors, Country Contributions Detailed by Mission

Figure 11: China's contribution to UN Peacekeeping.

63 United Nations Peacekeeping, "Troops and Police Contributors," United Nations Peacekeeping, accessed March 11, 2021, <https://peacekeeping.un.org/en/troop-and-police-contributors>.

64 United Nations Peacekeeping, "Contributors to UN Peacekeeping Operations by Country and Post Police, UN Military Experts on Mission, Staff Officers and Troops," January 31, 2021, https://peacekeeping.un.org/sites/default/files/01_summary_of_contributions_34_jan2021.pdf.

65 United Nations Peacekeeping, "How We Are Funded," United Nations Peacekeeping, accessed March 11, 2021, <https://peacekeeping.un.org/en/how-we-are-funded>.

66 Naval Technology, "Type 901 Class Fleet Replenishment Ship."

67 Jérôme Henry, "China's Military Deployments in the Gulf of Aden: Anti-Piracy and Beyond," Ifri, November 2016, 4, <https://www.ifri.org/en/publications/notes-de-lifri/asie-visions/chinas-military-deployments-gulf-aden-anti-piracy-and>.

Another way in which the PLAN acclimates to the oceans is by conducting military exercises with partners but also with mature navies, such as the US navy, and by conducting naval port calls. Chinese military exercises can be divided into four categories: navy (PLAN), army (PLAA), air force (PLAAF), and joint military exercises. Chinese military exercises have largely increased from 2014 onward. Where China only conducted one international military exercise in 2002 (with Kazakhstan), this number increased to 45 in 2016, taking a considerable jump from the 30 military exercises in 2014.⁶⁸ With 47%, the PLAN has conducted the majority of the military exercises in the period of 2002-2016, followed by the PLA army with 26%.⁶⁹

Port calls are an easy way to further routinize the navy, but it is also used to show off naval power, as Roosevelt's early 20th century Great White Fleet showed.⁷⁰ The PLAN completed over 2,700 port calls in the period from 1996 to 2016.⁷¹

4.8 Conclusion

According to the typology developed in Chapter One, the resources that China has to sustain power projection beyond the Western Pacific, and specifically in the Indian Ocean, remain limited. However, it can already draw upon an enormous collection of assets and is following a long-term strategy that, on current trends, will soon allow it to support power projection capabilities outside its region.

China has only one overseas military base, located in Djibouti, which is capable of hosting aircraft carriers. There are four other potential sites that China could utilize as military bases – Ream Naval Base in Cambodia, the Port of Gwadar in Pakistan, Kyauk Phyu in Myanmar, and Hambantota Port in Sri Lanka – but none of these are currently suitable for large-scale military use. The Port of Gwadar, Kyauk Phyu, and Hambantota are all located in strategically useful areas and could, theoretically, be used in the future for China's military; however, these would be long-term projects.

When it comes to protecting SLOCs and supplying military forces abroad, China has a relatively small number of supply ships (twelve), and these are limited in their ability to supply large amounts of ordinance. That said, China has a potentially massive reserve fleet, in the form of vessels controlled by Chinese SOEs.

China is vulnerable when it comes to accessing a crucial resource for military operations outside its own region: oil. China is highly dependent on oil from the Persian Gulf. Half of the oil it imports travels through the Indian Ocean, and even more travels through the Malacca Strait.

China's industrial resources are enormous. It has the largest shipbuilding capacity in the world. It can quickly build many new ships and repair its current fleet. It also has a large and modern defense industry. It is the world's second-largest arms exporter and produces expensive,

68 Kenneth Allen, Phillip C Saunders, and John Chen, "Chinese Military Diplomacy, 2003–2016: Trends and Implications," *China Strategic Perspectives* (Institute for National Strategic Studies, July 17, 2017), 29, <https://ndupress.ndu.edu/Portals/68/Documents/stratperspective/china/ChinaPerspectives-11.pdf?ver=2017-07-17-153301-093>.

69 Allen, Saunders, and Chen, 32-33.

70 Theodore Roosevelt Center, "TR Center - Great White Fleet," accessed June 7, 2021, <https://www.theodore-rooseveltcenter.org/Learn-About-TR/TR-Encyclopedia/War-and-Military-Affairs/Great-White-Fleet.aspx>.

71 Allen, Saunders, and Chen, "Chinese Military Diplomacy, 2003–2016: Trends and Implications," July 17, 2017.

high-quality weapons. China has a quasi-monopoly on critical raw materials, which are essential for high-tech weapons.

China has no formal alliances to support its ability to project power. However, it has a large number of strategic partnerships based on commercial relationships and Chinese aid without intrusive good governance and human rights clauses. China's non-interference policy is attractive to many non-democratic regimes in the region of the Indian Ocean. For instance, China has close ties to Iran, Saudi Arabia, and Pakistan. It has been careful to maintain a relatively low political profile in the Middle East so as to avoid endangering its SLOCs, which are protected by the United States.

China's arms exports to the Indian Ocean region have doubled since 1996 but still remain lower than those of the United States and Russia. Most of its exports are to Pakistan, Myanmar, and Bangladesh.

China lacks experience when it comes to sending large numbers of military forces outside its own region. It has no familiarity with modern, large-scale combat operations (its last war was in 1979) and has been trying to address this problem by taking part in anti-piracy missions in the Gulf of Aden since 2008, and by engaging in more military exercises and port calls.



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