

SURROUNDING THE OCEAN: PRC INFLUENCE IN THE INDIAN OCEAN

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BEFORE THE

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Tuesday, April 18, 2023

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE INDO-PACIFIC,
COMMITTEE ON FOREIGN AFFAIRS,
WASHINGTON, DC.

The subcommittee met, pursuant to notice, at 2 p.m., in room 2200, Rayburn House Office Building, Hon. Young Kim (chair of the subcommittee) presiding.

Mrs. KIM OF CALIFORNIA. The Subcommittee on the Indo-Pacific of the Foreign Affairs Committee will come to order.

The purpose of this hearing is to build emphasis and awareness around the Indian Ocean's critical trade routes and Beijing's expanding footprint in the Indian Ocean Region.

I now recognize myself for an opening statement.

So I want to welcome everyone to the Indo-Pacific Subcommittee's second hearing for the 118th Congress.

Today's hearing will examine the PRC's influence in the Indian Ocean. The Indian Ocean Region, IOR, is of critical importance for the United States, its allies, and its partners. The IOR is a high-traffic trade route through which, roughly, 70 percent of all the world's container ships pass through. These routes are vital to global energy supply routes and supply chains.

Fourteen IOR countries, such as Malaysia and Singapore, are among the busiest ports in the world. And as the IOR countries seek to expand their trade, we should expect that these ports will accommodate even more ships in the future.

The CCP's growing influence in the IOR is concerning and poses a number of environmental, economic, and security challenges. In the interest of protecting key supply routes and keeping the Indian Ocean free and open, the United States maintains a military presence in the Indian Ocean out of the Naval Base at Diego Garcia Island and is currently the dominant naval force in the region.

But the PRC seeks to displace U.S. presence in the IOR. The People's Republic of China understands the strategic importance of the Indian Ocean, and while its naval presence is comparatively small to that of the United States or other partners and allies in the region, the People's Liberation Army Navy, PLAN, is stepping up its maritime presence there.

And the PRC's commercial shipping fleet far outnumbers ours, not to mention the near constant presence of the Chinese fishing vessels, which engage in illegal, unregulated, and unreported fishing. For example, China's fishing vessels have been overfishing key resources like yellow tuna, which I love, a vital resource for many economies in the region.

The PLA also constructed its first overseas military base in Djibouti, conveniently located at the Bab-el-Mandeb Strait, which, roughly, 10 percent of all crude oil and natural gas shipments flow through annually.

To solidify this maritime presence, the PRC's Belt and Road Initiative is also very active in the IOR. CCP-owned companies are making major investments in ports around the Indian Ocean, including Pakistan, Bangladesh, Burma, and Thailand. And I'm concerned that in the near future these ports could be used for the regular deployment of a larger naval force in the IOR.

The PRC also financed major infrastructure projects in Sri Lanka, including a port. The debt burden was too great for the Sri Lankan government to bear, and the Sri Lankan economy collapsed, creating a new vacuum of instability in the IOR.

The United States must rigorously pursue and maintain multilateral dialog on trade, security, and the environment to ensure the Indian Ocean Region stays free and open. In 2017, the United States, India, Australia, and Japan created the Quadrilateral Security Dialogue 2.0, Quad 2.0, to improve cooperation on shared concerns in the IOR, and it has served as a productive avenue for cooperation on maritime security, cybersecurity, energy security, infrastructure, counterterrorism, pandemic preparedness, and supply chain resilience, among other issues. I'm committed to ensuring that these conversations remain productive and that we continue generating concrete and positive outcomes in the quadrilateral relationship.

The United States must also continue bilateral and multilateral military exercises with security partners in the region. These exercises are an avenue to improve interoperability and cooperation between militaries with a common interest in maritime security and keeping the Indian Ocean free from PRC dominance and control.

So, with that, I look forward to hearing from our witnesses and members of the subcommittee.

The chair now recognizes our ranking member, Mr. Bera, the gentleman from California, for any statement that you may have.

Mr. BERA. Thank you, Madam Chairwoman, and thank you for hosting this important hearing. And it plays off of the initial subcommittee hearing as well.

When we think about the construct of the region, whether it is East Asia, whether it is the South China Sea, whether it is the Indian Ocean Region, the goal here is not to seek conflict with China. The goal here is, actually, to create a rules-based order to protect freedom of navigation, to protect the free movement of goods and services, and maritime security in the region.

It also is to recognize the Exclusive Economic Zones of countries in the region, to recognize that rules-based order and the rule of law. It also is to create mechanisms for dispute resolution.

And the reason why I start my comments with that is, far too often, you will hear the PRC under Xi Jinping say, "Well, we're responding to the United States and responding to the United States aggression in the region and presence in the region." That is absolutely false.

The reason why we have to get ahead of this in the Indo-Pacific, in the Indian Ocean Region, is because we do not want to deal with

the same challenge that we are dealing with the South China Sea at present and the countries in the South China Sea.

As the chairwoman pointed out, we see the establishment of bases in Djibouti. We see the Chinese looking to establish a naval base in Cambodia. Issue of real concern—concerns that, as I have traveled through the region, in Cambodia, we have expressed that concern that this is about Cambodian sovereignty. It is not about a foreign presence establishing a presence in your own country.

When I traveled to Sri Lanka, we raised the issue of the Hambantota port and the debt diplomacy and the challenges that that was going to present; the fact that a foreign presence could gain a presence there in an extremely important navigable waterway; and control the movement of goods and services.

So I think this is an extremely important hearing to have. Again, it is not that we seek confrontation with China, but what we do seek is a peaceful, prosperous, and stable 21st century, where each country can move their goods, services, feel secure; where there is respect for sovereignty, respect for Exclusive Economic Zones.

And again, it is not apples-to-apples. The Indian Ocean is different than the South China Sea, but what we have seen is a pattern of bad behavior, as the PRC established islands in the South China Sea, established a presence there.

We have seen their gray zone operations in Vietnam. And I met with the speaker of the Philippine Parliament earlier today, along with the delegation from the legislature. We have watched the gray zone tactics in the Philippines and elsewhere in that region. We have watched overfishing in the Pacific Islands Region.

So, again, the message to the PRC is: we do not seek conflict and confrontation. What we seek is a rules-based order where we can all thrive; we can all prosper; we can all find stability. And that rules-based order has been prosperous for every country Asia, probably none more so than China.

The reason hearings like this are so important is we do have to work together with like-valued, like-minded participants, like India, like Australia, like Japan, through the Quad coalition, as well as others. Again, the goal here is not to seek confrontation, but the goal here is to establish that rules-based order, where we all respect each other's sovereignty; we trade together; we work together. And unfortunately, the United States is having to act because of provocations from China.

I thank you for this hearing. I look forward to the witnesses' testimony and the questions on this, again, important topic.

Mrs. KIM OF CALIFORNIA. Thank you, Ranking Member.

Other members of the committee are reminded that opening statements may be submitted for the record.

And we are pleased to have a distinguished panel of witnesses before us today on this very important topic. I want to introduce our witnesses.

First is Mrs. Darshana Baruah, who is a fellow at the Carnegie Endowment for International Peace. Thank you for joining us.

And Mr. Jeffrey Payne is a research fellow at the National Defense University. Thank you for joining us.

I'm going to butcher this. Ms. Nilanthi Samaranyake, she is the research program director at the Center for Naval Analysis. Thank you for joining us.

Your full statements will be made part of the record, and I will ask each of you to keep your spoken remarks at 5 minutes in order to allow time for member questions. And we have your written testimony. We will hope to follow along.

So let me now recognize Mrs. Baruah for your opening statement.

STATEMENT OF DARSHANA BARUAH, FELLOW, SOUTH ASIA PROGRAM, CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

Ms. BARUAH. Thank you.

Good afternoon, Chair Kim, Ranking Member Bera, and distinguished members of the subcommittee. Thank you for the opportunity today to address you on China and its influence in the Indian Ocean Region.

My testimony today looks at the strategic significance of the Indian Ocean, the PRC's influence across the region, and the importance of partnerships. I will conclude with a few recommendations for Congress to consider.

One of the biggest challenges to understanding the Indian Ocean Region today is the continental division of an ocean into subregions, such as South Asia, Africa, and the Middle East. My work through the Indian Ocean Initiative at the Carnegie Endowment for International Peace studies and assesses the Indian Ocean as one continuous geographic theater and its implications on the Indo-Pacific. I argue study of the maritime domain requires a maritime approach.

In particular, the Indian Ocean should be viewed through the prism of chokepoints: the Strait of Malacca, Bab-el-Mandeb, and the Strait of Hormuz. The safety, security, and stability around these chokepoints are paramount for energy transitions across the Indian Ocean, and for many nations, including the People's Republic of China.

On China and the Indian Ocean, Beijing has long articulated its dilemma around the Strait of Malacca, a critical chokepoint for movements of energy and goods between China and much of the wider globe. Along with Bab-el-Mandeb Strait and the Strait of Hormuz, movements across the Indian Ocean are essential for China's engagements with Africa, the Middle East, island nations, and Europe. After all, it is in the Indian Ocean that China established its first-ever overseas military facility in Djibouti.

Unlike the United States, China, however, perhaps views the ocean as one continuous theater. It is one of the nations, if not the only nation, to have an embassy in each of the six islands in the Indian Ocean Region—Sri Lanka, Maldives, Mauritius, Seychelles, Madagascar, and Comoros.

While China is considered a new player in the region, Beijing has longstanding engagements with many littorals and has steadily in-

creased its economic, diplomatic, political, and military engagements with the wider region.

The United States has had longstanding presence in the Indian Ocean, too. However, Washington's engagements in the region have been more focused on continental challenges in the past decades, while using the maritime domain as a transit route.

The division of the Indian Ocean into continental silos and the Department of Defense's separation of the theater into three combatant commands, INDOPACOM, CENTCOM, and AFRICOM, somewhere challenges the understanding of the American domain in the region.

There is perhaps no nodal point in the Department of State or Department of Defense at this point in time that monitors and assesses the Indian Ocean as one continuous region. If there truly is a competition with China, then the United States is not paying enough attention to China's interests, vulnerabilities, and opportunities in the Indian Ocean Region and the impact of that on the wider Indo-Pacific.

Even during any potential crisis around the Taiwan Strait, there will be an Indian Ocean component because China will seek to secure its sea lines of communications and energy transits across the Indian Ocean. Viewing the Indian Ocean as one region will help the United States identify and examine the implications for the Indo-Pacific.

I would like to conclude with three specific recommendations for Congress to consider in the Indian Ocean.

First, I recommend Congress to ask for a National Security Strategy on the Indian Ocean Region in its entirety—from the eastern coast of Africa to the western coast of Australia, examining the region against the United States' own priorities, interests, and competition.

Second, to increase attention on maritime domain awareness, through partnerships. India, Australia, France, the United Kingdom, and Japan are all key players and partners in the Indian Ocean, both in the traditional and non-traditional security aspects.

On the Quad and India, I recommend the United States invest more in bilateral relationship to strengthen the multilateral format. There is an acute need for maritime domain awareness, particularly on underwater domain awareness, such as monitoring movements of submarines.

Finally, I recommend greater attention toward challenges emerging from climate change and humanitarian disasters, particularly for island nations. Development projects, aid, military training, diplomatic visits, and exchange are all avenues for more sustained engagements in the region. The United States should be paying attention to these challenges to better identify areas of support and interactions.

I thank you for your time for hosting this hearing on the Indian Ocean today, which is a significant development in advancing the conversation. I look forward to your questions and comments and sharing more during that interaction.

[The prepared statement of Ms. Baruah follows:]



CARNEGIE
ENDOWMENT FOR
INTERNATIONAL PEACE

Congressional Testimony

**Surrounding the Ocean: PRC influence
in the Indian Ocean**

Darshana M. Baruah

Fellow

South Asia Program

Carnegie Endowment for International Peace

Testimony before the House of Representatives
Foreign Affairs Committee, Subcommittee on the
Indo-Pacific

April 18, 2023

Chair Young, Ranking Member Bera, and distinguished members of the subcommittee, thank you for the opportunity to address you today on China and its influence in the Indian Ocean.

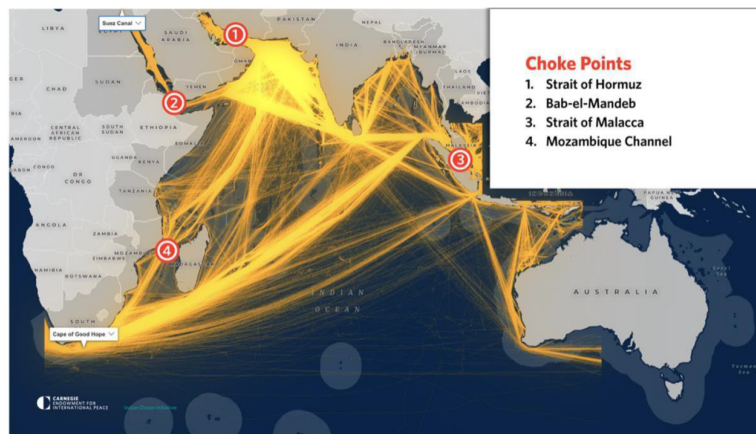
I welcome today's hearing, and the subcommittee's commitment to understanding the wider Indian Ocean region. This topic has been the focus of my research since launching the Indian Ocean Initiative at the Carnegie Endowment for International Peace in 2021.¹ During today's hearing, I'll give an overview of the strategic importance of the Indian Ocean region, China's growing presence, and the state of U.S. relations in the region. I will close with a few recommendations for Congress to consider.

An Overview of the Indian Ocean

One of the biggest challenges to understanding the Indian Ocean today is the continental division of a maritime domain. Traditionally, the Indian Ocean is divided into subregions with dominant continental focus such as South Asia, Middle East, and Africa. The Indian Ocean, within the U.S. Department of State is viewed through the Bureaus of African Affairs, East Asian and Pacific Affairs, Near Eastern Affairs, and South and Central Asian Affairs. The maritime domain and its developments therein exist on the periphery of the geopolitical and strategic conversations within this construct. An accentuated challenge is categorizing island nations in the region into continental silos. For example, Sri Lanka is studied as part of South Asia and Seychelles as part of Africa, but South Asia and Africa would identify primary challenges significantly different than islands that are surrounded by the ocean on all four sides while sitting across key trading routes. A study of the maritime domain requires a maritime approach. My work through the Indian Ocean Initiative studies and assesses the Indian Ocean as one continuous theater and its implications on the Indo-Pacific.

¹ "Indian Ocean Initiative Launch," Carnegie Endowment for International Peace, September 14, 2021, <https://carnegieendowment.org/2021/09/14/indian-ocean-initiative-launch-event-7682>

The Indian Ocean is a critical trade route. It includes some of the world's most strategically important chokepoints, particularly energy shipping. For example, the Strait of Hormuz, one of the world's most important chokepoints for oil transit, connects the Persian Gulf and the Middle East to Asia, Europe, and Africa via the Indian Ocean. The ocean is also home to Bab-el-Mandeb situated between the Horn of Africa, the Middle East, and the Suez Canal. It is a key transit route for goods and energy between Europe, Asia, Africa, and the Middle East, all via the Indian Ocean. Finally, the chokepoint that coined the phrase "Malacca Dilemma" is the strait of Malacca connecting Southeast and Northeast Asia to the Middle East, Africa, and Europe via the Indian Ocean.



China relies on a safe, secure, and stable Indian Ocean for trade, with a particular focus on energy. Nine of China's top ten crude oil suppliers transit the Indian Ocean. The Indian Ocean is also the primary theater of transit for China for engagements with Africa, Middle East, island nations, and littorals across the vast ocean. Going beyond, it is also the main trading route between China and Europe. China's interest in the Indian Ocean is therefore clear, at least on the

economic side. As history will tell us, the flag follows trade. There is little doubt in the strategic importance of the Indian Ocean for China and this interest will only continue to grow.

China in the Indian Ocean

China has growing interests in the Indian Ocean. Although Beijing is considered a new player in the region, China has had long-standing political and diplomatic ties with many littorals across the Indian Ocean. For example, China is the only nation with an embassy in each of the six islands in the Indian Ocean—Sri Lanka, Maldives, Mauritius, Seychelles, Madagascar, and Comoros. None of the traditional players—the United States, the UK, India, or France have embassies on all six. China also does not have any standing territorial or sovereignty disputes in the Indian Ocean, whereas the U.S., the UK, and France have long-standing sovereignty disputes emerging from decolonization. Beijing is often considered a welcome player and an alternative in the region. China has built on its diplomatic and political presence in the region to strong military and economic partnership across all littorals in the Indian Ocean—from the eastern coast of Africa to the littorals of the Indian Ocean. This role as a credible and emerging security and economic partner can perhaps be viewed as a new role Beijing seeks to play in the Indian Ocean.



Beyond diplomatic and trade partnerships, Beijing has begun a consistent military presence in the region. Starting in 2008, Beijing began to deploy its navy for anti-piracy missions in the Gulf of Aden. This effort is consistent with deployments from many major players toward securing a critical trade route and providing wider security to the region. This military presence has allowed for growing interactions with many littorals in the region, as China consistently began to sail from the Western Pacific to the Horn of Africa across the Indian Ocean. In 2014, China first deployed submarines to the region in support of its antipiracy mission. Whether subsurface vessels are a required military asset in responding to maritime piracy can be debated. However, the presence provides the opportunity and space for Beijing to do so while making port calls in Indian Ocean nations, such as Sri Lanka.

This military presence gives China additional capacity and influence during crises. For example, in 2014, China responded quickly to a water crisis in Male, in Maldives, despite being a non-Indian Ocean nation.² Although India was the first to provide assistance to Maldives, China followed soon after, establishing its responsiveness in times of crisis. Similarly, Beijing had offered crew and assistance in the rescue operations of MH370, the Malaysian Airlines flight that disappeared in 2014.³ China's offer for help was to search the Andaman Sea in the Indian Ocean. In 2015, China evacuated its citizens⁴ and foreign nationals from Yemen displaying its ability again to respond to crisis as well as carry out evacuation missions far from its near seas. The vast geographic space that constitutes the Indian Ocean welcomes several players and their resources and capacities in addressing emerging challenges. China's ability to demonstrate and sustain a presence during periods of crisis in the region is a building block toward establishing itself as a productive and capable player.

A key aspect to establishing interest and commitment to a region is by demonstrating presence, particularly physical presence. In order for China to present itself as a credible player

² "Chinese Government Provides Emergency Assistance to Maldives," Relief Web, United Nations Office for the Coordination of Humanitarian Affairs, December 7, 2014, <https://reliefweb.int/report/maldives/chinese-government-provides-emergency-assistance-maldives>

³ "Missing Malaysia Plane: Chinese Territory Searched," NEWS, BBC, last modified March 18, 2014, <https://www.bbc.com/news/world-asia-26609569>

⁴ "Yemen Crisis: China Evacuates Citizens and Foreigners From Aden," NEWS, BBC, last modified April 3, 2015, <https://www.bbc.com/news/world-middle-east-32173811>

with interests in the region, Beijing would need to demonstrate an ability to operate and sustain itself in the Indian Ocean. To that effort, China in 2017 opened its first ever overseas military facility in the Indian Ocean, in Djibouti in the Horn of Africa. In January 2022,⁵ Chinese foreign minister Wang Yi, flew to Moroni, the capital of Comoros for bilateral talks with his counterpart. China is perhaps one of the few nations, if not only, to send high-level delegation and visits to the island of Comoros, a strategically located nation but widely neglected by the international community. The island of Comoros sits on the northern mouth of the Mozambique Channel, a critical waterway and a primary route for transit should the Suez Canal or the Bab-El-Mandeb be inaccessible. Situated between Madagascar, Mozambique, and Kenya, Comoros could be the key to the Indian Ocean, much like the Solomon Islands in the Pacific.

China has been consistent in its engagements with countries across the Indian Ocean from the littoral nations to the islands. China is also one of the few nations who likely views the Indian Ocean as one continuous zone, perhaps due to its need to secure its sea lines of communication running across the ocean to Africa, the Middle East, and Europe. A second Chinese military facility in the Indian Ocean is a matter of time and not “if.” While it is widely speculated that China’s second military facility could likely come up in the eastern Indian Ocean potentially in Myanmar or Pakistan, my research points toward the western Indian Ocean. The western Indian Ocean is the missing conversation in Indian Ocean geopolitics, particularly in Washington, DC, which carry a lot of strategic, geographic, economic, and military significance.

The U.S. in the Indian Ocean ⁶

Under Indo-Pacific strategy, the Indian Ocean is geographically defined as per priorities of the nation. The United States geographic definition of the Indo-Pacific does not include the

⁵ Ministry of Foreign Affairs of the People’s Republic of China, *Wang Yi Holds Talks with Comorian Foreign Minister Dhoihir Dhoukama*, January 7, 2022, https://www.fmprc.gov.cn/mfa_eng/gjhdq_665435/2913_665441/2939_663884/2941_663888/202201/t20220108_10480237.html

⁶ Darshana M. Baruah, “Showing Up Is Half The Battle: U.S. Maritime Forces in The Indian Ocean,” *Texas National Security Review*, March 18, 2021, <https://warontherocks.com/2021/03/showing-up-is-half-the-battle-u-s-maritime-forces-in-the-indian-ocean/>

western Indian Ocean or the eastern coast of Africa, even though they are key components of Indian Ocean geopolitics. As I previously mentioned, the first Chinese overseas base built in the Indian Ocean was in Djibouti. However, when viewed through the lens of U.S. strategy, it would be labeled perhaps as an Africa development and sits outside of the United States' purview of the Indo-Pacific. Australia has a similar definition of the Indo-Pacific, whereas India and Japan's definition of the Indo-Pacific includes the Indian Ocean in its entirety, as do European nations such as France and Germany with an Indo-Pacific outlook.

While the U.S. has maintained a sizable presence in the Indian Ocean, its resources, capacity and attention naturally have been directed toward continental conflicts and priorities. In terms of the geographic significance of the Indian Ocean in U.S. strategic calculations, the Indian Ocean has been and will remain a critical theater for engagements in Africa, Middle East, and Afghanistan. Whether it be the Gulf wars or Afghanistan, the U.S. military has utilized the Indian Ocean to reach its critical subregions. Perhaps the most significant U.S. presence in the Indian Ocean is its joint military facility with the UK on Diego Garcia, in the Chagos Archipelago.⁷ However, the U.S. military also uses the Indian Ocean as a transit route between its 5th fleet based in Bahrain and the 7th fleet in Japan.

The division of the Indian Ocean into continental silos and the Defense Department's separation of the theater into three combatant commands—INDOPACOM, CENTCOM, and AFRICOM—undermines the maritime developments in the region. Of the three commands, INDOPACOM has the largest naval resources and capacity to understand and respond to maritime developments in the Indian Ocean. However, INDOPACOM's Area of Responsibility (AOR) ends with India, leaving a large portion of the Indian Ocean out of Washington's Indo-Pacific strategic purview. If there truly is a competition with China, then the U.S. is not paying particular attention to China's interests, vulnerabilities, and opportunities in the Indian Ocean.

⁷ The sovereignty of the Chagos Archipelago is disputed between the UK and Mauritius. In February of 2019 the International Court of Justice issued an advisory opinion stating that the UK's expulsion of the people of the Chagos Islands in the 1970's was against international law and that the UK must end its administration of the islands within six months. The UN General Assembly followed suit by adopting a resolution calling for Mauritius' decolonization. *See Legal Consequences of the Separation of the Chagos Archipelago from Mauritius, Advisory Opinion, [2019] ICJReports 169*

At this point, there is perhaps no nodal point, either in the Department of State or Defense, that is studying or monitoring developments across the Indian Ocean as one geographic space.

Given the Pacific is the primary theater for U.S. interests and understandably so, partnerships play a critical role in Washington's understanding and presence in the Indian Ocean. India is a key partner for U.S. engagements and opportunities across the region. Beyond India, Washington should also work with France—a key player in the domain. There are also trilateral partnerships between Washington's friends such as India-Australia and France, all with coasts and island territories in the Indian Ocean. The U.S. is also part of multiple forums and initiatives in the region such as the Indian Ocean Rim Association. The U.S. also has a liaison officer at the New Delhi-based Information Fusion Centre and is part of the Quad's Indo-Pacific Maritime Domain Awareness. These are all productive regional engagements. There is scope for better engagement in the Indian Ocean through these existing platforms and partnerships that Washington can leverage to its strategic benefit. However, to determine Washington's priorities and engagements in the region, it must first study and examine the Indian Ocean within its own strategic calculations. This effort will help define a framework and identify key players and partners for engagements and interactions to secure and stabilize the United States' presence and interests in the Indian Ocean.

Recommendation

1. An Indian Ocean Strategy

Perhaps the last written Indian Ocean strategy dates to the mid 1970's. The 2022 Indo-Pacific strategy, a 20-page document, mentions the Indian Ocean twice, once in reference to geography and the other in reference to India. Even within that, the wider Indian Ocean is left out. To identify Washington's implementation of its Indo-Pacific strategy in the Indian Ocean, there needs to be first a study examining the region against US interests, priorities, and competition in light of Washington's problems, challenges, and opportunities in the Indian Ocean. In order to do that, there is a need to study the Indian Ocean

in the context of the 21st century, its chokepoints, its geography, littorals, island agency, and new players. To that effect, I recommend Congress to ask for a national security strategy on the Indian Ocean region.

2. Maximizing Existing Resources

A presence in the Indian Ocean does not mean added burden or capacity constraints on U.S. forces in the region. As mentioned above, the U.S. is already present in the Indian Ocean, however most of its resources are directed toward continental challenges. As some of those are redefined whether in Afghanistan or in the Middle East, they can be rerouted or redirected toward the maritime domain. I recommend Congress ask for a study on existing resources in the Indian Ocean from the eastern coast of Africa to the Strait of Malacca and examine its utilization for needs and gaps in the maritime domain. This way, the U.S. will be able to maximize its existing presence and assets without necessarily drawing on resources from other theaters such as the Pacific.

3. Presence

The clearest mark of interest is presence. The U.S. should again maximize its visits to the region, both diplomatic and military. As mentioned above, the U.S. military regularly transits in the Indian Ocean, so there exists an opportunity to utilize these deployments by conducting port calls and passing exercises in littorals and islands in the Indian Ocean. The U.S. should send diplomatic visits to countries across the Indian Ocean with a view to understanding the maritime domain, whether it is illegal fishing, maritime piracy, climate change, maritime domain awareness, or anti-submarine warfare. I would also recommend an examination of U.S. diplomatic presence across the Indian Ocean and in particular on island nations. While the U.S. has announced opening a new embassy in Maldives, in Madagascar there is one embassy accredited to four countries—Seychelles, Mauritius, Madagascar, and Comoros—both in diplomatic and military capacities.

Finally, I recommend continued examination of the Indian Ocean, including of the western Indian Ocean in U.S. understanding of the Indo-Pacific, Washington's priorities, and geostrategic competition.

Mrs. KIM OF CALIFORNIA. Thank you, Ms. Baruah.
I will now recognize Mr. Payne for your opening remarks.

**STATEMENT OF JEFFREY PAYNE, ASSISTANT PROFESSOR,
NEAR EAST SOUTH ASIA CENTER FOR STRATEGIC STUDIES,
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Mr. PAYNE. Chairwoman Kim, Ranking Member Bera, distinguished members of the subcommittee, my thanks for appearing before you today.

My comments today, I want to emphasize two overarching points. The first being that China's engagement throughout the IOR has expanded its influence and is continuing to expand its influence.

However, second, despite China's deepening regional footprint, there remain opportunities for the United States to further national interest throughout the IOR. The United States can and should remain the partner of choice for much of the region, regardless of China's expanding influence, by invigorating the efforts of our regional partners.

China's engagement throughout the IOR has been discussed for decades. From the String of Pearls to the Belt and Road Initiative, China is perceived as a State seeking influence in this region. China is a critical trade partner for many of the IOR littorals, not only throughout the Arabian Peninsula, a key area of U.S. foreign policy emphasis, but also in South Asia, Southeast Asia and Eastern Africa.

China's economic engagement through its BRI is evolving, emphasizing its Maritime Silk Road Initiative, its maritime dimension over the Silk Road Economic Belt, its overland trans-Asian route. The trend lines for Chinese presence throughout the IOR revealed why it is a logical choice for the People's Liberation Army's first overseas base in Djibouti, as the previous speaker highlighted.

The same progressive steps that signal China's regional intent in the Western Pacific decades ago is being replicated to a degree in parts of the IOR. Exercises in the IOR, specifically, with Russia and Iran, have taken place. Beijing's economic attention toward the IOR is increasingly accompanied by a security dimension.

But the IOR itself must not be perceived as a region where China's economic and diplomatic overtures are simply taken at face value. A lack of interregional trust is being combated by a continued support of multilateralism by the region and a development commitment to regional adaptation. Subregional organizations, like the Indian Ocean Commission, the Indian Ocean Naval Symposium, or the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, or BIMSTEC, far easier, are each examples of how the region is seeking ways to overcome regional political separation.

Combined maritime forces should be noted. It was initiated with regional partners by the United States, and it stands as one of the most successful maritime security cooperative efforts in the world. And it is a constant asset for the region to enhance its naval and maritime law enforcement capability.

When it comes to U.S. interests, the IOR, as was detailed already, includes three combatant commands from the United States Department of Defense, four bureaus within the Department State. The United States sustains a constant diplomatic presence throughout the region. Yet, the United States does not see the IOR in the same way as it does the Pacific. As some in the region will call it, the U.S. presence and U.S. engagement has been inconsistent over the years.

The Indo-Pacific concept of the United States, however, includes a sizable portion of the eastern IOR, and a U.S. commitment to free and open Indo-Pacific means invigorating partnerships with regional States committed to the sustainment of established rules and norms.

India emerges as a prime example of this partnership that we can pursue. Consistent diplomacy has expanded the cooperative efforts and it has culminated in what is currently Quad 2.0.

Beyond India, relationships with ASEAN, the Middle East, and East Africa are also a diplomatic focus of the United States. Established U.S. partnerships in the Arabian Peninsula remain focused on existing security challenges, but are also expanding attention toward emerging challenges and new forms of regional architecture.

It should be noted NAVCENT's investment in Task Force 59, which combines maritime domain awareness efforts with unmanned systems, public-private partnerships, and regional collaborations is an example of some of the things the United States is doing to adapt to new possible challenges and new parameters in the IOR.

Throughout the Department of State and the Department of Defense, and other U.S. Government sections, there is an effort, an increasing effort, to show up for the IOR. My recommendations to consider for today are:

Promote U.S. foreign policy efforts and goals throughout the region. Strategic communications is something we have struggled with, and China has banged its drums very loudly in the region. We need to be more consistent and loud in the sort of things that we are doing. Comparatively, the U.S. presence dwarfs what China has done, but it often is not perceived that way.

Second, recognize and respond to regional requests for security assistance. The region is no longer asking for much stuff as they are asking for training and assistance on how to be better with what they have.

And finally, think of ourselves as helping the region develop greater connective tissue.

I thank you for your time and turn it back over to you, Chairwoman.

[The prepared statement of Mr. Payne follows.]

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Committee on Foreign Affairs
Subcommittee on the Indo-Pacific

“Surrounding the Ocean: PRC Influence in the Indian Ocean”
April 18, 2023

Chairwoman Kim, Ranking Member Bera, and distinguished members of the Subcommittee, my sincere thanks for the honor of appearing today.

In my comments today, I wish to emphasize two overarching points. First, China's engagement throughout the Indian Ocean Region (IOR) is successfully expanding its influence. Second, despite China's deepening regional footprint, there remain opportunities for the U.S. to further national interests throughout the IOR and to reinforce established international rules and norms of a Free and Open Indo-Pacific. The U.S. can and should remain the partner of choice for much of the region, regardless of China's expanding influence, by invigorating the efforts of our regional partners.

Within the larger Indo-Pacific concept, the IOR draws far less attention from Washington than the Pacific Ocean. The Pacific's prioritization corresponds to our nation's history as a Pacific state, but there exist numerous challenges to U.S. national interests throughout the IOR that must not be overlooked. Chief among these challenges is the pace through which China has expanded its regional role to signal its arrival as a major power.

China's Footprint in the IOR

China's engagement throughout the IOR has been discussed for decades. From the "String of Pearls" to the Belt and Road Initiative (BRI), China is perceived as a state seeking influence throughout the IOR.¹ China is a critical trade partner for many of the IOR's littoral states, including many of the key security partners of the United States in the Arabian Peninsula.² The same is true for much of South Asia, Southeast Asia, and Eastern Africa. China's economic engagement through its BRI is evolving, emphasizing the Maritime Silk Road Initiative, its maritime dimension, over the Silk Road Economic Belt, the overland trans-Asia route.³ The rise of China's economic connectivity in the IOR in turn propelled diplomatic efforts. The trend lines for Chinese presence throughout the IOR revealed why it was a logical choice for the People's Liberation Army (PLA) to position first overseas military base in Djibouti.⁴

Today, China enjoys a perception benefit that comes at the expense of other non-regional actors, namely the United States. China's engagement throughout the IOR intensified without the entanglements of other major powers, meaning Beijing actively avoids interregional tensions, rivalries, and even conflicts. The only exceptions are where its relationships can serve a political windfall without substantial cost, exemplified by its recent facilitation of a diplomatic thaw

¹ McBride, James et al., "China's Massive Belt and Road Initiative," *Council on Foreign Relations*, February 2, 2023, <https://www.cfr.org/background/chnas-massive-belt-and-road-initiative>.

² Uppal, Rachna, "Gulf states, looking East, to reinforce economic ties with China as Xi visits Saudi," *Reuters*, December 6, 2022, <https://www.reuters.com/world/middle-east/gulf-states-looking-east-reinforce-economic-ties-with-china-xi-visits-saudi-2022-12-06/>.

³ "Mapping the Belt and Road initiative: this is where we stand," *MERICs*, June 7, 2018, <https://www.merics.org/en/tracker/mapping-belt-and-road-initiative-where-we-stand>.

⁴ Wuthnow, Joel. "The PLA Beyond Asia: China's Growing Military Presence in the Red Sea Region," *INSS, National Defense University*, January 22, 2020, <https://www.ndu.edu/News/Article-View/Article/2063404/the-pla-beyond-asia-chinas-growing-military-presence-in-the-red-sea-region/>.

between Saudi Arabia and Iran.⁵ China's own opaque financial system served a public relations purpose as it continues to sell its system as a nimble and effective way for regional states to quickly finance needed domestic infrastructure projects. Altogether, China's IOR footprint overtly sold the country as a rising power, particularly in comparison to "old" Western powers.

Economic progress throughout the IOR and the political currency that followed is slowly, though steadily, translating into the security sphere. China's base in Djibouti was negotiated following its experiences in UN peacekeeping operations and counterpiracy operations near the Horn of Africa. The base was to be a dual-use naval facility and staging ground for UN-related missions for the PLA, but ended up being a much larger and multifaceted base. Put differently, the same progressive steps that signaled China's regional intent in the Western Pacific decades ago is being replicated, to a degree, in parts of the IOR.⁶ Exercises in the IOR, specifically with Russia and Iran, have taken place. Investments in port development throughout South Asia, with particular emphasis on the Port of Gwadar in Pakistan, are all indications of how deep China's economic relations in the region have become and how the security concerns of Beijing have followed.⁷

The Region

The states of IOR are overtly aware of the growing interest in their region and the region's geostrategic importance. The waters of the Indian Ocean are bounded both east and west by critical chokepoints and its sea lanes are vital to the health of the global economy. The natural resource wealth of the IOR fuels the economies of China and other western Pacific nations. The IOR is also beset by a lack of regional cohesion that occasionally creates scenarios in which non-regional actors appear as better collaborative partners than immediate neighbors. Ongoing conflicts in the Arabian Peninsula and the Horn of Africa, along with border disputes and interregional rivalries, further contribute to mistrust.

Yet, the IOR must not be perceived as a region where China's economic and diplomatic overtures are simply taken at face value. The region retains suspicion of all major non-regional actors. The lack of interregional trust is being combatted by a continued support of multilateralism and a developing commitment to regional adaptation. Sub-regional organizations like the Indian Ocean Commission (IOC), the Indian Ocean Naval Symposium (IONS), and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), among others, are each an example of how the region is seeking ways to overcome regional political separation. Combined Maritime Forces (CMF), initiated with regional partners by the U.S., is one of the most successful maritime security cooperation efforts in the world and is a constant asset for the region to enhance its naval and maritime law enforcement capacity.⁸

⁵ Fantappie, Maria and Vali Nasr, "A New Order in the Middle East? Iran and Saudi Arabia's Rapprochement Could Transform the Region," *Foreign Affairs*, March 22, 2023, <https://www.foreignaffairs.com/china/iran-saudi-arabia-middle-east-relations>.

⁶ Baruah, Darshana, "Maritime Competition in the Indian Ocean," *Testimony before the U.S.-China Economic and Security Review Commission*, May 12, 2022, <https://carnegieendowment.org/2022/05/12/maritime-competition-in-indian-ocean-pub-87093>.

⁷ Gare, Frederic, "Corridor to nowhere: The Gwadar protests and the Pakistan-China relationship," *ECFR*, January 5, 2022, <https://ecfr.eu/article/corridor-to-nowhere-the-gwadar-protests-and-the-pakistan-china-relationship/>.

⁸ "Combined Maritime Forces," *CMF*, 2023, <https://combinedmaritimeforces.com/>.

China's regional footprint is largely separate from regional minilateral and multilateral efforts. Engagement to the region by the Chinese state predominately took the form of bilateralism and focused on its ability to help modernize and expand regional state development. The speed and scale of development funding from China was difficult for many regional states to pass up and the results of their economic ties to China vary substantial. China's economic engagement has not merely resulted in "debt traps", though its current delay in restructuring existing loans to countries in default warrants more questions.⁹ Regional states view China as everything from a partner of convenience to its preferred non-regional partner. In response to critiques of IOR regional economic and political ties to China, a common response is that China was the only state that was willing to provide the requests of the region.

U.S. Interests and Opportunities

The IOR, from the perspective of the U.S., covers the area of responsibility of three combatant commands within the Department of Defense and three bureaus of the Department of State. The U.S. sustains a constant diplomatic presence throughout the region and in the northwest reaches of the IOR, U.S. engagement has been constant and sizeable. Yet, the U.S. does not see the IOR as a region in the same way as it does the Pacific. Inconsistent is one way that the IOR describes U.S. regional engagement. The lack of a comprehensive definition of the IOR by the U.S. does impede the ability of various U.S. government offices responsible for IOR subregions to seamlessly communicate. It is why others have logically called for Congress to facilitate a coordination office that looks beyond U.S. administrative seams.¹⁰

U.S. regional presence is already changed and will change further in the years to come. The Indo-Pacific concept of the U.S. includes a sizeable portion of the eastern IOR and U.S. commitment to a Free and Open Indo-Pacific means invigorating partnerships with regional states committed to the sustainment of established rules and norms.¹¹ India emerges as a prime example. Consistent diplomacy has expanded the scope and scale of bilateral relations, including consistent military exercises, defense institution building efforts, and economic investment. India is a member of the Quadrilateral Security Dialogue (the Quad) that seeks to expand Indo-Pacific cooperation and development.¹²

Beyond India, relationships among ASEAN, the Middle East, and East Africa are also the focus of diplomatic investment. The established U.S. partnerships within the Arabian Peninsula remain focused on existing security challenges but are also expanding attention towards emerging challenges and new forms of regional architecture. NAVCENT, USCENTCOM's

⁹ Savage, Rachel and Chris Mfula, "Zambia 'punished' as debt rework not finished, says finance minister," *Reuters*, April 6, 2023, <https://www.reuters.com/world/africa/zambia-punished-debt-rework-not-finished-says-finance-minister-2023-04-06/>

¹⁰ Baruah, Darshana, "Maritime Competition in the Indian Ocean," *Testimony before the U.S.-China Economic and Security Review Commission*, May 12, 2022, <https://carnegieendowment.org/2022/05/12/maritime-competition-in-indian-ocean-pub-87093>.

¹¹ "Indo-Pacific Strategy of the United States," *The White House*, February 2022, <https://www.whitehouse.gov/wp-content/uploads/2022/02/U.S.-Indo-Pacific-Strategy.pdf>.

¹² "Joint Statement of the Quad Ministerial Meeting in New Delhi," *U.S. Department of State*, March 3, 2023, <https://www.state.gov/joint-statement-of-the-quad-ministerial-meeting-in-new-delhi/>.

naval component, initiated Task Force 59 that stood up innovative ways to expand maritime domain awareness in the waters of the Middle East using unmanned systems, public-private partnerships, and regional collaborations.¹³ Task Force 59 is just one of several such task forces intended to expand domain awareness for security forces in the region. Such efforts reflect not only the changing security concerns of the region, but the ways in which the U.S. is adapting to regional signals.

Throughout the Department of State, the Department of Defense, and other U.S. government sections, there is an effort to show up for the IOR. One way in which the region highlighted the lack of consistency by the U.S. was through the absence of senior U.S. officials in major regional and subregional conferences and gatherings. The U.S. is no longer absent. This year's Raisina Dialogue, a prominent international gathering hosted annually in Delhi, was attended by both Secretary Blinken and INDOPACOM Commander, Admiral Aquilino.¹⁴

Comprehensively, the emergence of the Indo-Pacific as the key region for U.S. foreign policy is translating into a greater willingness to listen to the region to inform our own policy development. U.S. national interests in the IOR can be listed as ensuring regional freedom of navigation and overflight, upholding established international rules and norms, expanding commerce and the protection of our environment, and securing the region, with allies and partners, from threat. Essential to upholding national interests in the IOR are the further development of U.S. partnerships.

Recommendations

The U.S. must recognize the importance of the IOR in total, not in part. The IOR matters for U.S. national interests and while it may not have the same degree of priority as that of the Pacific, there is much the U.S. can do. Recommendations for the subcommittee to consider are the following:

Promote U.S. foreign policy efforts and goals throughout the region. Strategic communications throughout the IOR are extremely important, particularly given the diversity of efforts through which the U.S. enacts its foreign policy. It remains too common that portions of the IOR remain confused about U.S. interests in the region or perceive U.S. efforts through incomplete or false narratives. The U.S. must both clearly and passionately discuss its record in the region, reveal the depth of its engagement, and highlight the scale of its regional partnerships. Part of the reason for China's rise in prominence is that China loudly shares the depth of its regional partnerships. Comparatively, U.S. economic engagement in some of the IOR does not match China's, but comprehensively, the U.S. enjoys far deeper and sustained diplomatic, security, and economic engagement throughout the IOR.

Recognize and respond to regional requests for security assistance. U.S. security partnerships remain the preference for many regional states, but today's requests for security cooperation are

¹³ Lariosa, Aaron-Matthew, "US Navy Highlights TF 59 Contributions To Fleet's Unmanned Vision," *Naval News*, January 23, 2023, <https://www.navalnews.com/event-news/sna-2023/2023/01/us-navy-highlights-tf-59-contributions-to-fleets-unmanned-vision/>

¹⁴ "Raisina Dialogue," *Observer Research Foundation*, March 2023, <https://www.orfonline.org/raisina-dialogue/>

not in the same mold as in the past. Increasingly, regional states request U.S. assistance for capability enhancement and not capacity building. This difference is one where skill advancement is preferred over equipment or supplies. Regional requests for defense institution building, strategic coursework, and technical training are on the rise. Such requests are not only more viable financially for the U.S., but also requests assistance in areas where the U.S. enjoys immense advantages over competing providers. Congress should help support and propel this trend.

Commit to becoming connective tissue for the IOR. The IOR has a myriad of regional institutions, subregional organizations, and political forums designed to help build trust within the region and to counter transregional threats. The U.S. is already working to strengthen those efforts in consult with our regional partners, but we can and should do more to help tie the region together. Whether through innovation, such as NAVCENT's Task Force 59, or information sharing mechanisms, such as public-private technological efforts in the U.S. intended as a public good for regional partners, the U.S. can work with the region in practical ways. Such engagement is based upon regional need, in alignment with U.S. interests, and serves to exemplify the benefits of partnership with the U.S. The IOR desires engagement with the U.S. and we can help fuel positive trends that are emerging throughout the region.¹⁵

¹⁵ Payne, Jeffrey, "Jumpstarting an Indian Ocean Region Approach for the United States," *The Diplomat*, December 17, 2021, <https://thediplomat.com/2021/12/jumpstarting-an-indian-ocean-region-approach-for-the-united-states/>

Mrs. KIM OF CALIFORNIA. Thank you, Mr. Payne.
I now recognize Ms. Samaranayake.

**STATEMENT OF NILANTHI SAMARANAYAKE, RESEARCH
PROGRAM DIRECTOR, CENTER FOR NAVAL ANALYSIS**

Ms. SAMARANAYAKE. Thank you.

Mrs. KIM OF CALIFORNIA. Thank you for your opening statement.

Ms. SAMARANAYAKE. Good afternoon, Chairwoman Kim, Ranking Member Bera, distinguished members of the subcommittee.

Thank you for the invitation to testify today. I will summarize my written statement, which reflects solely my own research and views.

I discuss three issues to address the hearing's objective.

The first is what we see China doing in the Indian Ocean; namely, military and economic presence.

Second, it is important to recognize the existing constraints on greater presence and influence by China in the Indian Ocean, as well as enablers of stability.

Third, I examine U.S. interests in the Indian Ocean, and then, close with some recommendations.

My assessment is that, while there is a more streamlined focus on the Indo-Pacific region over the past 5 years, this focus hasn't always translated into greater attention to the Indian Ocean. It is understandable when viewing China's assertiveness in the South and East China Seas, for example. But in terms of U.S. strategy toward the Indo-Pacific, the United States continues to understand the region through a Pacific lens.

This can be seen in the three highest-level strategy documents that have been released over the past year: the National Security Strategy, the National Defense Strategy, and the Indo-Pacific Strategy. There is only one substantive mention of the Indian Ocean in each of the three documents.

As a result, we need to discern what exactly U.S. security strategy is in the Indian Ocean. I see three objectives. The first is protecting the free flow of commerce. The second is maintaining military access in the Indian Ocean.

And the third objective is more implicit than explicit. In this environment of strategic competition, the United States needs to ensure that the Indian Ocean does not assume greater priority than the increasingly interconnected Pacific, Arctic, and Atlantic theaters. In other words, the Indian Ocean needs to remain a lesser priority for the United States, as it allocates limited resources globally in a new era of strategic competition.

Going forward, U.S. officials will need to preemptively manage wildcards to keep crises from erupting in the Indian Ocean that would divert U.S. attention and resources away from other requirements in other regions.

I will close with some recommendations to consider for preserving stability in the Indian Ocean.

By taking steps to strengthen smaller Indian Ocean countries' security and economic development, the United States, the Quad, and

allies, and partners will enhance these countries' own ability to counter threats from competitors.

One, better understand the structural economic situation in which middle-income countries find themselves. Given the large numbers of this group in the Indian Ocean, this issue is worthy of greater U.S. attention and influence in those outcomes.

Two, analyze non-traditional security trends in the Indian Ocean. The National Security Strategy's focus on some of these issues affecting South Asian partners is notable, as these countries often speak about being at the frontlines of battling climate change and COVID-19, as well as marine pollution and shipping disasters. Illegal fishing, in particular, should be studied more systematically, given the importance of fish stocks to food supplies.

Three, develop a set of indicators and warnings for the Indian Ocean and track them annually, especially compared with the Pacific theater. Some examples worth monitoring are whether China is engaging in unsafe military encounters in the Indian Ocean, and if smaller countries are beginning to conduct bilateral exercises with China.

Four, avoid outsourcing U.S. policy toward the smaller South Asian countries. The Indo-Pacific Strategy's single, substantive mention of the Indian Ocean is framed in terms of U.S. support of India's leadership in South Asia and the Indian Ocean.

This raises a question about how directly involved the United States will be with India's smaller neighbors and to what extent it will defer to India's preferences. These countries are already suspicious of the U.S.-India relationship in the context of China and in the backdrop of India's dominance in the region. However, the United States has clear advantages for, as well as interest in, the smaller South Asian countries.

Thank you.

[The prepared statement of Ms. Samaranayake follows:]

April 18, 2023
Written Testimony before the House Committee on Foreign Affairs
Subcommittee on the Indo-Pacific
Hearing: “Surrounding the Ocean: PRC Influence in the Indian Ocean”

Nilanthi Samaranyake
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Adjunct Fellow, East-West Center in Washington¹

Good afternoon Chairwoman Kim and Ranking Member Bera, Members of the Subcommittee, Thank you for the invitation to testify today. I will examine the topic areas outlined in the objective of the hearing: “The Subcommittee on the Indo-Pacific aims to build emphasis and awareness about U.S. interests in the region surrounding the Indian Ocean and Beijing’s expanding footprint in the IO.”

Please note: The research and views I will share today are solely my own and not of any organization with which I am affiliated.

My testimony will address three issues. First, I’ll discuss what we see China doing in the Indian Ocean. Next, I’ll examine the constraints on greater presence and influence by China in the Indian Ocean, as well as regional enablers of stability. Third, I’ll examine US interests in the Indian Ocean. I’ll conclude by offering a few recommendations.

1. What is China doing in the Indian Ocean?

Naval and maritime presence

China has had diplomatic ties with Indian Ocean countries since the Cold War era. But its greater military and maritime presence in the Indian Ocean over the past 15 years has been a striking development. The clearest examples are counterpiracy and noncombatant evacuation operations and the establishment of a base in Djibouti. Counterpiracy continues to serve as a rationale for a recurring PLA Navy presence across the Indian Ocean, even as piracy incidents have dramatically declined. China’s hospital ship *Peace Ark* has conducted humanitarian assistance visits to build goodwill among local countries, while military and civilian platforms have conducted relief operations—for example, during the water crisis in Maldives in 2014 and the floods in Sri Lanka in 2017. China signed a contract in 2011 with the International Seabed Authority and has sent research vessels for the prospecting and exploration of polymetallic sulphides in the southwest Indian Ocean. Media reporting showed a handful of PLA Navy submarine port visits to Pakistan and Sri Lanka during 2014-16. More recently, the platform causing immediate concern is the Chinese surveillance and tracking ship *Yuan Wang 5*, which paid port visits to Sri Lanka last summer and South Africa this month.

Statements by chiefs of naval staff in India are useful for tracking trends on China’s Indian Ocean presence. In January 2019, India’s then-chief of naval staff, Admiral Sunil Lanba, estimated: “At any given time, there are six to eight Chinese Navy ships in the northern part of the Indian Ocean.”² Four years later in December 2022, Admiral Hari Kumar said, “There are a lot of Chinese ships which operate in the Indian Ocean Region. We have about 4-6 PLA Navy ships, then some research vessels which operate. A large number of Chinese fishing vessels

operate in the Indian Ocean Region.”³ The numbers from 2019 to 2022 are roughly stable. It is worth noting that attention to illegal, unreported, and unregulated (IUU) fishing by Chinese vessels has generally increased, but we do not have robust data to measure the extent of the problem.

A disturbing demonstration of China’s potential to disrupt the regional order occurred in 2018, when US officials filed a diplomatic protest that China was responsible for directing lasers at US Air Force aircraft in Djibouti, threatening the crew’s safety. Such incidents suggest that China’s assertiveness in the South China Sea could carry over into the Indian Ocean—which is precisely the reason regional countries have historically called for an Indian Ocean Zone of Peace.

Economics

China’s commercial and financing activities have left a greater footprint in the Indian Ocean. This has occurred over the past 20 years, predating the Belt and Road Initiative, which was announced in 2013 as One Belt, One Road. Fifty years ago, most Indian Ocean states but Australia were considered underdeveloped. Today, most Indian Ocean countries are categorized by the World Bank as middle-income economies (see the table in the appendix). The majority of this group are lower middle-income countries that are trying to meet their national development goals, while facing challenges such as the loss of concessional assistance from multilateral development banks.

Before the disruption of Covid-19 and global inflation, many of these countries were eager to pursue infrastructure projects to improve internal and external connectivity for the movement of goods and people. Examples in the Indian Ocean are new or upgraded seaport and airport terminals, highways, roads, and railways. China responded to those countries’ development needs often when alternative financing from countries such as Japan, the US, and India was not available. China supported the financing and/or construction of many high-profile projects, including the Colombo and Hambantota port projects in Sri Lanka, a terminal at Chittagong port in Bangladesh, and a bridge connecting the airport to the capital in Maldives. In recent years, countries have become increasingly wary of pursuing development projects with China due to the potentially detrimental impacts on their economies and the environment.

2. What are the enablers of stability in the Indian Ocean and constraints to China expanding its presence and influence?

The above is what are we seeing in terms of China’s military presence and economic activities in the Indian Ocean. Yet, while we should closely examine the threat posed by China, we should also consider existing enablers of stability in the Indian Ocean as well as constraints on the threat.

Enablers of stability

One enabler of stability to consider is that the Indian Ocean is not characterized by rampant territorial disputes and Chinese assertiveness, as is the Pacific. These destabilizing factors have helped intensify US strategic focus in recent years on the Pacific segment of the Indo-Pacific as a potential warfighting theater, but less so in the Indian Ocean.

Second, the Indian Ocean derives its importance from its economics, which creates converging goals. The region effectively serves as a highway, connecting the bustling waters of the Pacific through the Malacca Strait and across to the Middle East and African Straits of Hormuz and Bab el-Mandeb and Mozambique Channel. The Indian Ocean sees significant traffic of hydrocarbons, containers, and bulk cargo. Due to the economic significance of this region, countries share a common interest in keeping the sea lanes open and safe. When piracy in the western Indian Ocean threatened to disrupt the stability of these waterways more than a decade ago, we witnessed a multinational response to secure them. Counterpiracy operations emerged, including from the US-led coalition Combined Maritime Forces' Task Force 151 and the NATO alliance's Operation Ocean Shield. Meanwhile, China began its own counterpiracy operations as an independent deployer, as did India and Japan.

A third enabler of stability in the Indian Ocean over the past decade is greater engagement with international legal institutions. The International Tribunal for the Law of the Sea and a Permanent Court of Arbitration tribunal have been used to peacefully resolve bilateral maritime delimitation disputes in the Bay of Bengal between Myanmar and Bangladesh in 2012⁴ and Bangladesh and India in 2014,⁵ respectively. The respect for international law and willingness by parties in this theater to abide by legal decisions stands in sharp contrast to China's disregard for the arbitration process in the Philippines-China dispute in 2016. Even in Mauritius's dispute with the United Kingdom over the Chagos Islands,⁶ while the UK has refused to cede control of its British Indian Ocean Territory—including Diego Garcia, where US military forces are based—Mauritius has relied on various international institutions such as the International Court of Justice, a UN Convention on the Law of the Sea Annex VII tribunal, and UN General Assembly to seek a resolution to the dispute. Mauritius also used the International Tribunal for the Law of the Sea to manage its dispute with Maldives, which concluded in 2021 and strengthened its stance in the dispute with the UK. For its part, the UK appears to have seen the tide turning on the Chagos issue in international law and diplomacy and announced in November 2022 that it would enter into discussions with Mauritius to resolve the dispute. The outcome will have a direct impact on what is arguably the US's most important location for basing forces—Diego Garcia—for operations both westward to the Middle East and eastward to the Pacific.

Constraints on greater presence and influence by China

Turning to constraints on the threat posed by China, one should first of all consider US, partner, and allied presence and capabilities. Although the US is a non-resident power in the Indian Ocean, it can rely on allies for their territory, military basing, and presence. This includes European allies⁷ such as France and the UK (i.e., Diego Garcia), as well as Australia. Such allied access in the Indian Ocean augments the US's own access to partner facilities, including in Bahrain, Djibouti, and Singapore. The AUKUS partnership with Australia and the UK will also offer US naval forces the opportunity to benefit from Australia's Indian Ocean basing.

Situated in the center of the Indian Ocean, India is a major defense partner to the US and is a Quad partner. India has made significant progress in demonstrating leadership and presence across the entire region. In particular, it has strengthened its maritime domain awareness over the past 15 years, starting with an effort to augment coastal security after the Mumbai attacks in 2008. This investment in non-traditional security, which focused on preventing another terrorist

attack, has paid dividends in the traditional security context as it expanded to partnerships in the wider Indian Ocean region.

Since then, India has steadily increased its capacity-building activities, information-sharing partnerships, and operational relationships with Indian Ocean countries. For example, it has developed a network of coastal radar stations in the island states of Maldives, Seychelles, and Mauritius. The Indian Navy also performs training and education, conducts exercises and operations, and transfers platforms to smaller Indian Ocean neighbors. India's Information Fusion Center–Indian Ocean Region has hosted liaison officers from roughly 10 regional countries and non-resident partners, such as Japan and the US. It has also enlarged its regional presence through the Indian Navy's Mission-Based Deployments, which span the entire Indian Ocean. Meanwhile, the Indian Navy continues to build its fleet, most recently with the commissioning of a new aircraft carrier and the fifth Scorpene-class submarine. A recent estimate indicates that the Indian Navy has 131 ships, 143 aircraft, and 130 helicopters.⁸

The US has strong relationships with smaller countries in the region as well. In terms of economics, it is the top export partner for Bangladesh and Sri Lanka, and second for Nepal. Exports are critical for lower middle-income countries to generate revenue. This is especially critical when considering that all three countries named above have turned to the International Monetary Fund in the past year due to varying levels of economic distress. The US's position as a top export destination is an advantage that does not often attract headlines.

In terms of security cooperation, the US serves as a robust partner to South Asian maritime forces. For example, it has transferred two retired US Coast Guard cutters to Bangladesh (BNS *Somudra Joy* and BNS *Somudra Avijan*) and three to Sri Lanka (SLNS *Vijayabahu*, SLNS *Gajabahu*, and SLNS *Samudura*). They are the largest ships in these countries' navies. The US Navy has also conducted the Cooperation Afloat Readiness and Training (CARAT) exercise with Bangladesh for more than a decade, and US sailors and marines exercised in January with Sri Lanka. In Maldives, the US conducts training with the Maldives National Defense Force. Of note, the USCGC *Midgett* visited Maldives in September—the US Coast Guard's first ship visit there since 2009. This is significant given the budgetary constraints of this US sea service. These maritime forces benefit from receiving US capacity-building assistance as they are charged with monitoring their home waters.

A second underexamined constraint on China's growth in the Indian Ocean is the role played by India's smaller neighbors. South Asia is a particular focus for the US in the Indian Ocean. It is part of the area of responsibility of Indo-Pacific Command, the command that must conduct warfighting planning for the China threat. As the dominant country in South Asia, India has emerged as a strong partner to the US after two decades of US government policies that developed this relationship along multiple lines of effort. In contrast, the overall US relationship with Pakistan has deteriorated during this period, with some exceptions in the maritime domain. Meanwhile, Pakistan's security relationship with China continues to expand.⁹

In the context of these great-power and regional-level concerns, it is important to consider smaller South Asian countries such as Bangladesh, Sri Lanka, and Maldives. Despite concerns about these countries moving closer to China, their historical and contemporary relationships

with India limit the potential for the expansion of China's military interests in South Asia. This is not well understood, but leaders from the Smaller South Asian countries actively reject the option for China to establish bases in their territory, given the negative repercussions from India. The Smaller South Asian countries have experienced India's economic, military, and intelligence reach—sometimes unwelcome—during the Cold War years and in the contemporary era, so this possibility is never far from their leaders' minds. As a result of fundamentally asymmetric power relationships with India, Smaller South Asian countries do not have the will or capability to meaningfully cross this dominant power in South Asia and rising power on the world stage.¹⁰

Two types of military cooperation are worth examining in connection with this point: bilateral naval exercises and military basing. Pakistan is the only country in South Asia that conducts regular bilateral naval exercises with China. The Smaller South Asian countries are certainly willing to accept military education opportunities when offered by China and are eager to accept or purchase platforms from China due to their availability and affordability. Examples include the August 2019 transfer of the offshore patrol vessel SLNS *Parakramabahu* from China to Sri Lanka; Maldives Coast Guard's acceptance in July 2018 of a sea ambulance for transporting patients across atolls; and Bangladesh's purchase of two Ming-class submarines—BNS *Nabajatra* and BNS *Joyjatra*—which were commissioned in March 2017. However, the Smaller South Asian countries have not been willing to conduct bilateral naval and maritime exercises with China, whereas they do conduct such exercises with India and the US. In other words, China is not attaining the same operational-level interactions.¹¹ This is a key indicator to monitor going forward when evaluating Indian Ocean security.

Second, with regard to military basing, it is notable that despite the dominance of South Asia in the narrative of a Chinese “string of pearls” for nearly 20 years, the first Chinese overseas base was not in South Asia but in Africa. The base is located in the far fringes of the Indian Ocean in Djibouti at the Bab el-Mandeb chokepoint, where the Gulf of Aden meets the Red Sea, which connects to the Mediterranean. It is also worth noting that China established this base after another Northeast Asian power—Japan—established its own base in Djibouti, where France and the United States also have long operated bases.

Beyond their reluctance to engage with China militarily because of India's influence, Smaller South Asian countries are also increasingly wary of accepting loans from China. These countries have learned from each other's experiences. Despite the particular circumstances of Sri Lanka's economic mismanagement, its cumulative experience with China has warned other nations about potential consequences of China's infrastructure projects to the recipient countries as well as the implications for their overall debt profiles. Bangladesh has already shown a willingness to pull back from work with China, whether because of dissatisfaction with the terms of a deal, pressure from India, or distaste for corrupt Chinese business practices. Nepal also appears to have learned from Sri Lanka's experience and has been deterred from pursuing loans in favor of grants. In Seychelles and Sri Lanka, public protests have taken place against Chinese projects.

3. What are US interests in the Indian Ocean?

This subcommittee's specific focus on the Indian Ocean is important. While there has been more streamlined focus on the “Indo-Pacific” region in the past 5 years, this broader focus has not always translated into heightened attention on the Indian Ocean. Even as the Indian Ocean has

assumed greater importance in US strategic planning through the *Indo-Pacific* concept, the United States continues to understand the region through a Pacific lens. This is understandable, given China's assertiveness in the South and East China Seas, for example. But in terms of US strategy documents, this focus overlooks the unique features of the Indian Ocean.¹²

A review of major US strategy documents underscores the focus on the Pacific in the US conception of the Indo-Pacific. The White House's October National Security Strategy features 32 mentions of the "Indo-Pacific," while the Pentagon's National Defense Strategy also released in October has 18 mentions of the region. Even the White House's February 2022 Indo-Pacific Strategy document, which includes 72 mentions of the region, only references the Indian Ocean specifically twice in the entire document, and the first is a geographic reference about the boundaries of the region. Thus, there is only one meaningful mention of the Indian Ocean in the entire Indo-Pacific Strategy. Notably, this reference connects the Indian Ocean to the US objective to "support India's continued rise and regional leadership":

"We recognize that India is a like-minded partner and leader in South Asia and the *Indian Ocean*, active in and connected to Southeast Asia, a driving force of the Quad and other regional fora, and an engine for regional growth and development."¹³ [emphasis added]

South Asia is also referenced here in connection to the Indian Ocean, rather than the other subregions.

Similarly, in the October National Security Strategy, there is only one mention of the Indian Ocean. In this instance, the region is connected to US partners in South Asia:

"As we work with South Asian regional partners to address climate change, the COVID-19 pandemic, and the PRC's coercive behavior, we will promote prosperity and economic connectivity across the *Indian Ocean region*."¹⁴ [emphasis added]

Moreover, Southeast Asian nations that are Indian Ocean littoral nations are not referenced in this section.

Finally, the National Defense Strategy that was released in October also has only one mention of the Indian Ocean:

"The Department will advance our Major Defense Partnership with India to enhance its ability to deter PRC aggression and ensure free and open access to the *Indian Ocean region*."¹⁵ [emphasis added]

The connection to threats posed by China and US intent to support India for a deterrence objective is clear.

Overall, US security strategy in the Indian Ocean reflects a combination of long-standing requirements and evolving priorities for US national strategy in an era of great power, strategic competition. Three objectives can be discerned.¹⁶ The first is protecting the free flow of commerce. The Indian Ocean is strategically important for the flow of containers, bulk cargo, and hydrocarbon traffic that is critical for the global economy. The commanders of US Naval Forces Central Command in Bahrain often speak about securing the free flow of commerce as a clear goal.¹⁷ Moreover, the National Defense Strategy emphasizes the importance of maintaining open sea lanes in the region. In addition to the "Free and Open" language often invoked about the Indo-Pacific, this approach to keeping global commons open is consistent with longstanding US policy. When the government executes the Freedom of Navigation Program and military

conducts operations in support, US press statements reinforce this approach: “The United States will fly, sail, and operate wherever international law allows.”¹⁸

The second US objective in the region is maintaining military access in the Indian Ocean. The US is an extraregional power with no resident territories. It needs continued basing and access relationships not only to support combat operations, as seen in the wars in Iraq and Afghanistan, but also to enable non-traditional security missions such as providing relief after natural disasters, which confront the Indian Ocean from the eastern African littoral to the Bay of Bengal. In addition, US policy seeks the expansion of defense relationships with partners. Bangladesh is a current example in the Indian Ocean, where the US Ambassador has discussed the pursuit of the General Security of Military Information Agreement (GSOMIA) and Acquisition and Cross-Servicing Agreements (ACSA) for logistics cooperation.

There is a third objective that is more implicit than explicit. In a climate of strategic competition, the US must ensure that the Indian Ocean does not assume greater priority than the increasingly interconnected Pacific, Arctic, and Atlantic theaters. The US military continues to plan for the possibility of a future war in the western Pacific, based on China’s provocative actions. Meanwhile, even before Russia’s invasion of Ukraine in February 2022, the US had shifted greater attention to the defense of the Atlantic and Arctic. US Second Fleet, which seeks to “[d]efend maritime avenues of approach between North America and Europe,”¹⁹ was reestablished in 2018, and the Navy and Marine Corps, Air and Space Forces, Army, and Coast Guard all have issued strategies recognizing the Arctic region’s significance for national security.²⁰ The war in Ukraine has resulted in even greater attention to European waters such as the Black Sea and wider changes to US force posture in Spain, Poland, Romania, Baltic countries, the UK, Germany, and Slovakia.

While the US seeks to operate globally, this combined Pacific-Arctic-Atlantic theater registers greater priority than do the more distant waters of the Indian Ocean. Initiatives such as the Quad²¹ permit the US to engage in important strategic campaigning in the wider Indo-Pacific on issues such as maritime domain awareness and climate change, but the Indian Ocean segment remains a lesser priority. For example, no Indian Ocean Region command (IORCOM) or fleet has yet emerged to consolidate areas of responsibility that currently fall across three combatant commands. Even the 2018 name change²² from Pacific Command (PACOM) to Indo-Pacific Command (INDOPACOM) did not result in a change in area of responsibility.²³

In other words, the Indian Ocean needs to remain a lesser priority for the US as it allocates limited resources globally in a new era of strategic competition. While the US does not seek a reduction in its Indian Ocean presence and holds economic and strategic interests in preserving the free flow of commerce, it does have growing requirements in the combined Pacific-Arctic-Atlantic theater. Moving forward, US officials will need to preemptively manage potential wildcards in order to keep crises from erupting in the vast Indian Ocean that would divert US attention and resources away from other regions.

4. Recommendations to consider for preserving Indian Ocean stability:

→ *Better understand the structural economic situation in which middle-income countries find themselves.* After the shocks of the pandemic and global inflation, smaller states in the Indian

Ocean face economic challenges. This includes balancing debt management objectives with national development priorities via multilateral development banks; bilateral lenders like China, Japan; and use of international sovereign bonds. Given the large number of middle-income countries in the Indian Ocean, this issue is worthy of greater US attention and influence in those outcomes.

→ *Analyze non-traditional security trends in the Indian Ocean.* Climate change and natural disasters, unstable coastlines, human-made disasters such as shipping accidents, and illegal, unreported, and unregulated fishing increasingly pose challenges to smaller countries in the Indian Ocean. The National Security Strategy's focus on some of the non-traditional security issues affecting South Asian partners is notable, as these countries often speak about being at the frontlines of battling climate change and Covid-19, as well as marine pollution and shipping disasters.²⁴ IUU fishing, in particular, should be studied more systematically for patterns in the western, central, and eastern Indian Ocean. This is especially important given the importance of fish stocks to regional food supplies.

→ *Develop a set of indicators and warnings for the Indian Ocean and track them annually, especially compared with the Pacific theater.* It can be hard to separate the signal from the frequent noise in the Indian Ocean. What is the meaningful impact of competitor developments and how can we measure this? For example, what are the numbers, types, and capabilities of China's military and non-military platforms operating in the region? Is China engaging in unsafe military encounters in the Indian Ocean? Are smaller Indian Ocean countries beginning to conduct bilateral exercises with China? Are they having discussions about basing? Identifying clear metrics about competitor activities in the Indian Ocean and tracking their movement will help policymakers go beyond the headlines of the day and discern patterns of activity in the Indian Ocean vs. Pacific.

→ *Avoid the appearance of outsourcing US policy toward the Smaller South Asian countries to India.* Current US strategy supports India's regional leadership in the Indian Ocean and South Asia. Yet, it raises a question about how directly involved the US will be with India's smaller neighbors and to what extent it will defer to India's preferences. Smaller South Asian countries are already suspicious of the US-India relationship in the context of competition with China and in the backdrop of India's growth as the dominant country in the region. Yet, the US has clear advantages for, as well as interests in, Smaller South Asian countries. These include serving as an export destination that contributes to the growth of these economies, offering financing prospects through the Development Finance Corporation and Millennium Challenge Corporation, conducting capacity-building activities that bolster regional security and stability, and strengthening US defense relationships and access in this bulwark to China's expansion of military presence. Ties with the US offer Smaller South Asian countries the opportunity to strengthen their autonomy and capacity, especially as they navigate the challenges of great-power and major-power rivalries.

Appendix

Indian Ocean Rim Association countries by World Bank income categories				
IORA countries ²⁵	Low income	Lower Middle Income	Upper Middle Income	High income
Australia				X
Bangladesh		X		
Comoros		X		
France				X
India		X		
Indonesia		X		
Iran		X		
Kenya		X		
Madagascar	X			
Malaysia			X	
Maldives			X	
Mauritius			X	
Mozambique	X			
Oman				X
Seychelles				X
Singapore				X
Somalia	X			
South Africa			X	
Sri Lanka		X		
Tanzania		X		
Thailand			X	
United Arab Emirates				X
Yemen	X			
TOTAL	4	8	5	6
Source: World Bank and IORA websites; date accessed: April 8, 2023. Note that two Indian Ocean littoral countries are not members of IORA: Pakistan and Myanmar (lower middle income).				

¹ Nilanthi Samaranyake, Director, Strategy and Policy Analysis Program, CNA; Adjunct Fellow, East-West Center in Washington. The views expressed are solely those of the witness and not of any organization with which she is affiliated.

² <https://timesofindia.indiatimes.com/india/with-80-news-ships-in-last-5-years-chinese-navy-is-here-to-stay-admiral-lanba/articleshow/67458929.cms>

³ <https://www.thehindubusinessline.com/news/national/chinese-presence-in-india-ocean-region-is-under-close-watch-navy-chief/article66219192.ece>

⁴ https://www.cna.org/archive/CNA_Files/pdf/epp-2013-u-004603-final.pdf

⁵ https://www.cna.org/archive/CNA_Files/pdf/dop-2017-u-016081-final.pdf

⁶ <https://www.lawfareblog.com/chagos-archipelago-dispute-law-diplomacy-and-military-basing>

⁷ <https://www.eastwestcenter.org/publications/european-middle-powers-in-the-indo-pacific-amid-great-power-strategic-competition>

⁸ <https://www.thehindu.com/news/national/house-panel-apprised-of-collusive-threat-from-china-and-pakistan/article66710973.ece>

⁹ <https://www.usip.org/publications/2023/03/threshold-alliance-china-pakistan-military-relationship>

¹⁰ https://www.usip.org/sites/default/files/2019-04/sr_446-chinas_engagement_with_smaller_south_asian_countries.pdf

¹¹ <https://muse.jhu.edu/pub/136/article/724108/pdf>

¹² <https://www.airuniversity.af.edu/Portals/10/IIPA/IndoPacificPerspectives/Samaranyake.html>

¹³ <https://www.whitehouse.gov/wp-content/uploads/2022/02/U.S.-Indo-Pacific-Strategy.pdf>

¹⁴ <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>

¹⁵ <https://media.defense.gov/2022/Oct/27/2003103845/-1/-1/1/2022-NATIONAL-DEFENSE-STRATEGY-NPR-MDR.PDF>

¹⁶ <https://www.lawfareblog.com/how-has-sri-lankas-crisis-impacted-indian-ocean-security>; full chapter in forthcoming edited volume: Nilanthi Samaranyake, "US Naval Strategy in the Indian Ocean," in *The Indian Ocean's Strategic Future: Cooperation and Contest in a Multipolar Region*, edited by David Brewster, Oxford University Press, 2023.

¹⁷ <https://www.state.gov/special-briefing-via-telephone-with-vice-admiral-brad-cooper-commander-u-s-naval-forces-central-command-u-s-fifth-fleet-and-combined-maritime-forces/>

¹⁸ <https://www.dvidshub.net/news/434083/7th-fleet-cruiser-conducts-freedom-navigation-operation-south-china-sea>

¹⁹ <https://www.c2f.usff.navy.mil/About-Us/Mission/>

²⁰ <https://warontherocks.com/2021/01/focusing-the-military-services-arctic-strategies/>

²¹ <https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/24/quad-joint-leaders-statement>

²² <https://www.defense.gov/News/News-Stories/Article/Article/1535808/pacific-command-change-highlights-growing-importance-of-indian-ocean-area/>

²³ <https://www.pacom.mil/About-USINDOPACOM/USPACOM-Area-of-Responsibility/>

²⁴ <https://www.orfonline.org/expert-speak/non-traditional-security-in-the-bay-of-bengal/>

²⁵ <https://www.iora.int/en/about/member-states>

Mrs. KIM OF CALIFORNIA. Thank you, Ms. Samaranayake. I'm going to say it over and over until I get it right, OK, before the end of the hearing.

[Laughter.]

But I would like to recognize myself for 5 minutes for questioning.

As was noted by all of our witnesses, the importance of the Indian Ocean as we counter CCP's growing influence in the region, especially in the Indo-Pacific, cannot be overstated. So thank you for your testimony.

The PRC has greatly expanded their presence in the Indian Ocean, through, as Mr. Payne mentioned, the Maritime Silk Road and Belt and Road Initiatives. So, a question to you is, how successful have these initiatives been in IOR countries and what advantages does the PRC derive from success of these initiatives?

Mr. Payne can start, and the others can also respond.

Mr. PAYNE. Thank you, Madam Chairwoman.

In terms of the Belt and Road Initiative and its maritime dimension, China has learned what every other major economic actor—the sea is cheaper and it is more efficient than transcontinental transport. And so as a result, they have emphasized themselves as a maritime power, not just in the Western Pacific, but globally.

How successful it has been? Pretty substantially, actually. It depends. Again, it varies across the region. Eastern Africa is different than South Asia, different than the Middle East and North Africa.

But if we are thinking about the selling point that China has that, say, the United States or Europe, or other established lending States have, it is that China's system, because of its authoritarian nature, can move far faster than ours. And its banking and financial structures are far more opaque than the international standard.

So, for the region, it was we need a new port or we need new highways, or we need energy productivity facilities. They go to the established vendors and it is going to take years. If they go to China, the speed was quick. Now, the trend, though, the recent trend is that China's pace is slowing substantially, and this is where the advantage presents for the United States—where China came in with a bang, but now it is starting to act just like every other actor. And so who gives you the better deal in the long run? This is the selling point that the United States and our allies and partners have vis-a-vis China in the region.

Thank you.

Mrs. KIM OF CALIFORNIA. Go ahead, Ms. Baruah.

Ms. BARUAH. I will take the question on sort of what does China gain from these projects and presence. And I think in my research it is really the experience. China is not an Indian Ocean nation. It is not based in the Indian Ocean. That means to be able to operate itself, operate and sustain its navy. Whether it is economic, political, military, it needs more experience in sailing in these waters and to be able to be more present. And I think these projects are also a way to sustain that and increase that interaction, making themselves more aware of the domain and what it presents for them to be more present.

And I think—it is in my written testimony—China first started deploying to the Indian Ocean consistently in 2008 in support of its anti-piracy mission. But, by 2014, it had deployed submarines in support of the anti-piracy mission, which it did not necessarily need submarines. But it was an experience in the domain, which is China's biggest disadvantage in comparison to the United States or any of its partners, that China does not have first-hand experience of being in the region.

Mrs. KIM OF CALIFORNIA. OK. I want to give the last witness, without saying your last name again, time to respond.

Ms. SAMARANAYAKE. Thank you.

Yes, I think of China, when I look at China's activities from an Indian Ocean perspective, I see it as almost an experimentation theater for China, where, if you think about when it first started to deploy in the counter-piracy deployments in 2008–2009, that was after a long time of having not visited the Indian Ocean. They had conducted some goodwill visits in the 1980's just in South Asian countries, but, then, they started this concerted, regular patterns of deployments for counter-piracy.

And then, you fast forward just 5 years later. By that point, they had already deployed a submarine as part of the counter piracy. So kind of escalating a little bit in terms of different platforms, getting some experience.

And then, you can look 5 years later. They have already established their first-ever overseas base in Djibouti. So even just kind of checking in every 5 years, you wonder, in 2025, will they have sailed the aircraft carrier by that time? It seems to be a very fast-moving theater where China can employ new activities, conduct deployments. And I see it as an experimentation theater.

Mrs. KIM OF CALIFORNIA. I wanted to do some followup questions, but, again, in the interest of time, I'm going to reserve my time. And I will now recognize Ranking Member Bera for your 5 minutes of questioning.

Mr. BERA. Thank you, Madam Chairwoman.

Let me start with Ms. Baruah. You talked about the importance of coalition building. And I agree with the premise that much of Congress' and recent Administrations' focus really has been on the Indo-Pacific and not necessarily the Indian Ocean Region. And much of our focus in the Indo-Pacific has been on coalition building. And I think sometimes we think about the Quad in that context of Indo-Pacific strategy and coalition building. If we think about that coalition building in the Indian Ocean Region, we do suggest that we take the existing structure of a Quad and perhaps build off of that.

In addition, obviously, that includes two major Indian Ocean countries, Australia and India. The United States not being an Indian Ocean country, while we are a Pacific nation, my sense is that to maintain maritime security, freedom of navigation, geopolitical strategy there, we are going to have to find those partners that are very present in the region. So I would be curious about that.

And then, to any of the witnesses, India is the big country. You know, we, obviously, do a lot in the defense space. We do a lot of joint training with our navies. India, historically, is a non-aligned country, though, and I would be curious to get the perspective of,

should we be thinking about that partnership with India and Australia and building off of that, where, obviously, we are going to be a major player there as well?

Ms. BARUAH. Thank you. Thank you, Ranking Member.

No, absolutely, I think partnerships would be the basis for Washington's presence in the Indian Ocean. As you have noted, it is a Pacific power, after all, but I would add with great interest and presence in the Indian Ocean already.

On the Quad, on taking the existing structure, absolutely, I think the Quad did come up; Quad 1.0 came up because of the tsunami Indian Ocean Region, which was answer to a disaster at hand. And the four countries, without any formal structure, was able to coordinate amongst themselves and provide the assistance that the region needed.

But even when you go back currently and look at the Quad statements, there isn't much Indian Ocean in there. It is far more focused on the Pacific and Southeast Asia because of geographical divisions of the Indo-Pacific between the four members at play. For India, it looks at the Indian Ocean in its entirety. And so does Japan from Africa to the Western Coast of Australia. But both the United States and Australia ends it with India.

So you end up leaving out much of the Western Indian Ocean, which includes the Persian Gulf, which is important to India. And I think that is a conversation amongst the Quad on how can the Quad countries coordinate and work together in building that effort in the Indian Ocean without perhaps drawing out resources from the Pacific.

There are also other partners beyond the Quad that the United States has that the United States, Washington, can look to. And I know this is more on the Atlantic side of it, but France is a key player in the Indian Ocean Region. France is very much present physically in the Indian Ocean and in the Pacific. And any European nation, whether it is France, the United Kingdom, or Germany, when they think to the Pacific, they have to transit the Indian Ocean. So Indian Ocean security is paramount for them as well.

So when the United States is speaking to these partners, NATO allies, treaty allies, I think there could be an Indian Ocean component to that, since they are already there, and they will have to be there, regardless of what Washington chooses to do.

There are also partnerships between friends of Washington, such as India, Australia, and France, who all have coasts and island territories in the Indian Ocean Region. Again, they have to be present there. They are there.

I think it is about what the United States wants to do in the Indian Ocean and how that can be coordinated, which is why I think a strategy in the Indian Ocean defining what is in the United States' interest and how the United States will use the Indian Ocean would be a critical starting point.

Mr. BERA. Would you like to—

Ms. SAMARANAYAKE. Sure. I would second Darshana's point about France and the Indian Ocean. First of all, India has a very strong navy-to-navy relationship with France. So I think that is an important relationship where, even though the Quad involves four

countries, it is useful to kind of think beyond that particular geometry and look at some bilateral relationships, or perhaps trilateral relationships. So the Indian navy, the French navy, a strong working relationship.

Also, in the Western Indian Ocean, that is a bit of an area that does not get a lot of attention from a U.S. policy perspective, but France has a lot of presence in the Western Indian Ocean. The Indian navy conducts operations in the Western Indian Ocean. So that is where that bilateral part of the Quad can be useful.

Mr. BERA. Yes, can I ask—I'm a little bit embarrassed that I do not know this. I know the joint exercises that we do in the Indo-Pacific. Do we do joint training exercises with the French navy, with the Indian navy in an organized way?

Ms. SAMARANAYAKE. You mean bilaterally?

Mr. BERA. Or trilaterally, where the three countries are training together in the Indian Ocean Region.

Ms. SAMARANAYAKE. Yes, there have been some multilateral exercises, like the Malabar exercise that involves the United States, India, Japan, and Australia. So that is one. France also has some exercises as well.

Mrs. WAGNER [presiding]. The gentleman yields back.

And I now recognize myself for 5 minutes.

And I want to thank our witnesses, certainly, for their service and their expertise.

China is working to push, clearly, the boundaries of its sphere of influence well beyond its home waters, using a combination of diplomatic and economic bullying, predatory investment, and the creation of new economic and military infrastructure overseas to project power throughout the Indo-Pacific region.

China sees the Indian Ocean as a threat to its hegemonic ambitions, I will say. Its fears—it fears the United States and like-minded partners' dominance in the region, and it is working to weaken the linkages between Indian Ocean countries and the United States.

China's efforts to expand its influence in the Indian Ocean are a threat to our partners' security and prosperity. However, in coordination with our Quad partners, the United States has an opportunity to consolidate and secure a free and open and rules-based order throughout the region. To protect our friends and allies from China's bullying and foster a more prosperous region, robust U.S. engagement in the Indian Ocean Region must remain a pillar, I think, of our foreign policy.

The PRC relies on the Indian Ocean for trade, especially energy. And, Mr. Payne, what actions is the PRC taking to reduce supply chain risks and chokepoints? How can the United States maintain and leverage Beijing's vulnerabilities in the Indian Ocean?

Mr. PAYNE. Thank you very much, Madam Chairwoman, for the question.

It is complicated. It is multifaceted. But the biggest asset is starting where a lot of those resources that China imports domestically come from, and that is from the wider Middle East.

There is a lot in the press. There is a lot of attention about how established U.S. partners are economically reliant on China, and somehow, that is fundamentally changing the relationship.

I would say that that is, fundamentally, not the case. It is not proving to be the case, for a whole host of reasons. But, principally, the economic relationships of the Middle East to China have to flow through a security architecture the United States helped to establish, and it remains healthy.

That is why I draw attention to combined maritime forces, the U.S. Fifth Fleet, the regional architecture that is being developed. All of these are adaptations of the fact that there are more actors, and actors who may be seeking to undermine the rules that won't be allowed to do so.

And then, you add in the partnerships developed with India, conversations with ASEAN. The United States has to maintain its current effort and diversify how it approaches it, allowing the region more input.

China has to navigate everything.

Mrs. WAGNER. And I'm going to cut you off there because I have so many other questions and so little time.

Ms. Baruah, is our current level of engagement in the Indian Ocean sufficient to meet its strategic imperative? And what else must the United States do to enhance our partnerships, presence, and ability to operate in the Indian Ocean?

Ms. BARUAH. Thank you, Madam Vice Chair.

I think the United States has a lot of presence in the Indian Ocean Region, but, as I mentioned in my opening statement, it is directed more toward the continental challenges because of the priorities of the last few decades, whether it is the Middle East or Afghanistan.

And I think taking stock of the existing resources in the Indian Ocean and redirecting it to the maritime domain would perhaps help assess how can the United States do better in the region without taking over resources from the Pacific.

And what can the United States do in terms of the Indian Ocean Region? I think twofold. One, with its own key partners, whether it is with India or with France, if the United States is willing to expand its relationship into the Indian Ocean Region and others, it can focus on the military and the strategic aspects of it, whether it is on chokepoint control or whether it is on giving protection on energy lines.

And a second is, actually, to engage meaningfully with the littorals and island nations of the Indian Ocean Region. The U.S. Navy transits the Indian Ocean Region very regularly between the Seventh and the Fifth Fleet. But you are sending an aircraft carrier into a region with a lot of island nations with only the coast guard, or some of them do not even have that. So you are not necessarily engaging them at a level that they need that interaction with.

Mrs. WAGNER. And I thank you.

This leads to my next question, which you will have to answer for the record, since I'm going to run out of time. But the People's Liberation Army Navy and Chinese Coast Guard have significantly increased their presence in the Indian Ocean waters and their visits to ports in Indian Ocean countries.

Ms. Samaranayake—no, no—Samaranayake.

Ms. SAMARANAYAKE. Yes?

Mrs. WAGNER. You know what I mean.

[Laughter.]

Say your name properly.

Ms. SAMARANAYAKE. It is Samaranayake.

Mrs. WAGNER. Oh, Samaranayake, of course. We should have just asked from the very beginning, right?

[Laughter.]

What carrots and sticks can we offer Indian Ocean countries to ensure that the PLAN and Chinese Coast Guard are not given access to strategic ports in the region, and where should the United States prioritize an increased Navy and Coast Guard presence?

I have gone over my time. I'm going to let you submit your answer for the record, if you would, please.

And next I would recognize Representative Sherman for 5 minutes.

Mr. SHERMAN. Six hundred years ago, Emperor Zhu Di sent Admiral Zheng He into the Indian Ocean. I probably mispronounced those names, but that seems to be a theme of this hearing in any case.

China has been absent from the Indian Ocean for about half a millennia. It is now back. Not everything that China does in the Indian Ocean area is evil. Most of it is just regular commercial transactions. And not everything that is evil, or at least a power projection, is something that we need a multibillion dollar response to. We do not need, and we cannot afford, another two or three aircraft carrier groups to deploy to the Indian Ocean.

In a perfect world, we would be in control of all of the response. Being that it is an imperfect world, we should have a strong relationship with India, not that I'm spotlighting any great imperfection with India. It is not as perfectly aligned with the United States as we are. But India has the advantage of being right there in the middle of the Indian Ocean. And I think that cooperating with India makes an awful lot of sense.

China does not engage in foreign aid. Now and then, they just call it foreign aid, but they do not do anything that is genuinely charitable. They regard themselves as a poor country and are working around the world to tell us that they are a developing country and should be accorded all of the benefits accorded to developing countries.

Now, China is trying to expand its relationship with the Islamic world, concluding in the Indian Ocean Region which stretches from Indonesia to Egypt. And yet, they have a million Uyghurs in prison, God knows how many killed. And they have told Burma/Myanmar, "Kill as many Rohingya as you want. It won't affect us. As a matter of fact, we'll root for you."

How effective have we been in letting the Muslim populations from Indonesia to Egypt know what China is doing and making them pay a price? This is kind of outside the briefing memo. So I do not know whether any of you have focused on this. Does anyone have an answer to this or should we just have a response for the record?

I think the fact that our three experts do not know is the answer to the question, which is the United States never makes China pay a price in terms of its popularity in the Islamic world and else-

where. We are just too nice. We do not push. We do not degrade and denigrate. But China's behavior toward Muslims, Uyghur and Rohingya, in particular, deserves denigration. We are too nice to do that.

Now, there is a tendency for us to look at naval resources because that is exciting. You know, there are 21-year-old Massachusetts Air National Guardsmen. If they are going to play a video game, it is going to be about the Navy. But I will tell you what they are not going to play a video game on: bond-rating agencies.

Yet, our bond-rating agencies have allowed China to hide—well, allowed countries that borrow from China to hide that debt and not put it on their balance sheet. And then we take the position that if somebody does not repay China, that hurts their bond agency rating. We have got to ask the question, why would Sri Lanka even repay China? Just keep the port and tell them to go away. Well, you are not going to borrow any more money from China, but Sri Lanka has borrowed plenty.

The main reason is bond-rating agencies under our control will downgrade them. So the question—again, this is outside the briefing memo, so you may want to respond for the record—is, should we mandate that bond-rating agencies do not cause a country's rating to decline if they just point whatever finger seems to be convenient in the direction of Beijing when they come to collect the debt? That is to say, stiff China; it does not hurt your rating.

Any comment?

Mrs. KIM OF CALIFORNIA [presiding]. Mr. Sherman's time has expired.

Mr. SHERMAN. My time has expired. Please—

Mrs. KIM OF CALIFORNIA. But I would allow the witnesses to submit your responses in writing, if that is OK. Will that be sufficient? Thank you.

I now recognize Representative Barr for your questioning.

Mr. BARR. Well, Mr. Sherman, that was an interesting question. And so I'm going to take my time to allow the witnesses to answer it. Should we direct the bond-rating agencies to not downgrade Sri Lanka if they stiff Beijing?

Mr. PAYNE. I am not an expert in that and I cannot say this. But what I can say is that one of the things we can highlight, and we should highlight more openly, is the lack of transparency inside of China's banking, regulatory, financial structures. They do not conform to international standards.

It is part of the reason why most lending agencies around the world, whether bilaterally or through the IMF or World Bank, following a contractual, open, transparent process.

In terms of that, that is what I would highlight. In terms of anything beyond that, forgive me, it is just beyond my—

Mr. BARR. I think it is a fair point that bond-rating agencies should take into effect debt-trap diplomacy and the coercive nature of Belt and Road.

Let me ask any of the witnesses about the Strait of Malacca and the potential of a Taiwan conflict. Can you describe the impact of a Taiwan invasion, what the impact would be on international trade through the Strait of Malacca? Should the PLA cross the Taiwan Strait, would the PLA Navy attempt or even be able to secure

its own supply lines through the Strait of Malacca? Or would the PRC be limited to operations around Taiwan?

Ms. BARUAH. I can start to answer. Thank you so much.

On the Strait of Malacca and Taiwan crisis, I think that will be an element that PRC would be monitoring and assessing. Because a lot of energy transits the Strait of Malacca and there is nothing to reroute around it at this point in time.

However, because of the nature of movements of goods at sea and the globalized world, it is going to be very hard to single out just Chinese vessels transiting the Strait of Malacca, and particularly, block the waterways for Chinese vessels or commercial ships, because it is the same tankers also carrying oil for Japan and South Korea and the Philippines, and every other nation in Southeast Asia.

But I think it is a vulnerability in the way that China often talks about, which is the reference to the Strait of Malacca dilemma, which is that their critical energy routes and their sea lines are vulnerable to the United States and Indian presence across the Strait of Malacca. And if there is any notion or if there is any attempt at establishing deterrence for a Taiwan Strait crisis on the Maritime domain, I think that would come around the Strait of Malacca.

Mr. BARR. Let me stick with you, Ms. Baruah. In the Pacific Islands, we have seen the importance of larger Western multinational banks like ANZ Bank—

Ms. BARUAH. Mm-hmm.

Mr. BARR [continuing]. Offering financial services to the various islands, as opposed to Chinese banks. This keeps economic ties with our allies and gives greater oversight to PRC attempts to financial corruption and elite capture. Who is the main provider of financial services to the populations across the six islands in the Indian Ocean? Is it Indian banks, African banks? Are we seeing Chinese banks try and push out existing providers? What threat do Chinese banks pose to anti-corruption efforts and countering Belt and Road in the Indian Ocean Region?

Ms. BARUAH. I think the question here as far as the islands are concerned is, it starts with the geopolitical aspect of it. Because, for a long time, the traditional players in the Indian Ocean were missing from even visiting the islands. For a long period, nobody visited Sri Lanka from any of the traditional players. Last year, or perhaps early this year—I'm forgetting; I can correct that later—but the Chinese foreign minister was in Comoros. I cannot think of the last time any big player sent a high-level delegation to a country in the Western Coast of Africa. So islands went to whoever was there present and willing to offer assistance.

And that comes from bilateral relationships—the World Bank, IMF, Asian Development Bank, and whoever is willing to be there and to present that. But, most often, they also say that a lot of the resources and the capital and the investments present today are not accessible to them in a way that they would like. So bilateral loans in funds work better, and with China's regulations, this works in the—

Mr. BARR. Thank you.

Well, in addition to the maritime domain awareness and what the Quad is doing there, Quad banks should be active in the Indian Ocean.

Let me just, finally, ask Ms. Samaranayake about debt-trap diplomacy and back to Sri Lanka. The world has seen the effects of Sri Lanka's economic fallout. Is that impacting China's reputation negatively as a provider of credit to Indian Ocean countries?

Ms. SAMARANAYAKE. Congressman Barr, yes, I would say the events that happened in Sri Lanka over the last summer, people saw how China was dragging its feet on providing any type of assistance or attention to Sri Lanka, as it was struggling through. Essentially, its economy collapsed.

Mr. BARR. Thank you. I yield back.

Mrs. KIM OF CALIFORNIA. Thank you.

I now recognize Representative Castro for your 5 minutes.

Mr. CASTRO. Thank you, Chairwoman; thank you, Ranking Member, also, for holding this important hearing on China's growing influence in the Indian Ocean Region.

Last Congress, I introduced the Indian Ocean Strategic Review Act to ensure the United States has a clear and comprehensive vision for how the Indian Ocean Region fits into the Indo-Pacific strategy.

As you all laid out in your testimonies, the United States now uses the term "Indo-Pacific," which is meant to reference the Indian Ocean and the Pacific Ocean, but our attention is almost entirely on the Pacific Ocean and not the Indian Ocean. Both the Biden Administration and the previous Administration's Indo-Pacific strategies barely mention the Indian Ocean Region.

My bill would put the "Indo" back in Indo-Pacific. The Indian Ocean Region Strategic Review Act passed the House as part of the COMPETES Act last Congress, and as I understand it, this is the only legislation in Congress that focuses on U.S. policy in the Indian Ocean Region.

I'm glad we are having this hearing and I hope to use you all's testimony and expertise to inform revisions to my bill in this new Congress. And so I have a few questions for you all.

Ms. Samaranayake, thank you for being here today.

You referenced the ongoing dispute between Mauritius and the United Kingdom over the island of Diego Garcia, which hosts the U.S. naval facility at Diego Garcia. As you described in your testimony, this is, arguably, the United States' most important location for basing forces. My question is, what would be the impact on the United States national security if we were to lose access to the naval facility at Diego Garcia?

Ms. SAMARANAYAKE. I think it would be very concerning if the United States lost access to Diego Garcia. It is a critical base for operations, not only eastward to the Pacific, but also westward to the Middle East. And we have seen wars and the need for the United States to flow forces across the Indian Ocean. So it is really a critical base for the United States.

Mr. CASTRO. And we regularly mention India as a partner in the Indian Ocean Region, but they also back Mauritius' claim over the island, which would have serious consequences on U.S. national se-

curity. How would you describe India's position on this dispute and its impact on our national security?

And, Ms. Baruah, I would welcome your views on this as well.

Ms. SAMARANAYAKE. India has a very close relationship with Mauritius just historically and also in terms of security relationships and in terms of the Mauritius coast guard, for example. So India is going to support Mauritius. It is not a surprise. There is also a colonial element or aspect of the U.K.-Mauritius dispute over the Chagos Islands. So India, just in terms of its history and non-alignment movement it is going to support Mauritius.

That said, practically speaking, India has become more comfortable with the U.S. presence in Diego Garcia, particularly in the last decade or so, especially as their threat perceptions of China have increased.

Mr. CASTRO. All right. Let me ask you—oh, please proceed. I'm sorry.

Ms. BARUAH. I just wanted to add on Diego Garcia that, yes, Diego Garcia is a critical base for the United States, and, in fact, it was absolutely necessary for the United States' engagement for the Gulf War or Afghanistan, or any, because it is equidistant from Africa, the Middle East, and South Asia. So it can be reached in terms of air power.

Having said that, the Mauritius Prime Minister at least on three occasions has come out and said that "We are willing to give the base for a hundred years to the United States directly." So when the United States actually does not accept the U.N. ruling which says that the U.K. and the United States is illegally occupying the island, the United States somewhere is impacting its own conversation on rules-based international order. So for the countries of the region, it is not just China breaking international norms and rules, but it is also the United States and the United Kingdom.

So I think there is more merit to going back to the table and consulting directly, having conversation with Mauritius and renegotiating the base, because they are willing to give the base to the United States. It is just recognizing that the time of separation was done through decolonization which was not attempted properly.

Mr. CASTRO. All right. Let me ask you one more question. You may have to give some of the answer just for the record because I'm running out of time.

Ms. BARUAH. OK.

Mr. CASTRO. But, in your testimony, you recommend that Congress should commission a study on existing U.S. resources in the Indian Ocean and examine how they can be utilized for maritime needs and gaps in the region. In your opinion, what are some of the main needs and gaps that the United States faces in its engagement in the Indian Ocean? And how can it maximize its existing presence and assets?

I think I only have like 25 seconds.

Ms. BARUAH. I think, again, because of the United States' presence in the Middle East and Africa and Afghanistan, the resources there exist, but I think it will need taking stock of what is it that the United States can redirect without really pulling away from resources in the Pacific. Because, no matter how much we say the In-

dian Ocean is important, the Pacific will always be the primary theater. It is geography.

One aspect is also a lot of the engagements are not as high-intensity. I think a lot of them are low-hanging fruits, whether it is in terms of providing disaster resilience, infrastructure, simple infrastructure projects that go against—sorry, I will stop there, I think.

Mrs. KIM OF CALIFORNIA. You can summarize, yes.

Ms. BARUAH. OK. Projects in terms of, whether it is coast guard interaction, whether it is climate change, whether it is disaster resilience, whether it is humanitarian assistance, I think those would be the areas where the United States can effectively and productively engage and provide assistance to the region without necessarily pulling away from other aspects of the theater.

Mrs. KIM OF CALIFORNIA. Thank you.

Let me now recognize Representative Andy Kim.

Mr. KIM OF NEW JERSEY. Thank you.

Actually, to kind of pull on that thread a little bit, so we can kind of keep that conversation going, as we kind of think through how do we have this kind of whole-of-government approach and engagement that way. I cannot recall which testimonies it was in, but kind of laying out the U.S. Government approach when it comes to the Indian Ocean. The State Department is divided across multiple bureaus. On the military side, it is across multiple different COCOMs.

And I guess I'm just trying to get a sense of like, what do you think we are missing by having this fragmented kind of viewpoint of the Indian Ocean area? Is it that we are missing certain issues and topics? Or do you think it is more about sort of a deprioritization, kind of as my colleague was saying, that it kind of plays often kind of second fiddle in terms of people's mindsets of hot spots? I guess I just wanted to kind of throw that out there for you all.

Ms. BARUAH. If I'm not wrong, I think the last written public strategy from the United States on the Indian Ocean dates back to the 1970's. I do not think the United States has written a comprehensive Indian Ocean strategy in the last couple of decades. So I think a lot of the policies that are continuing today are a continuation of something that came up in the cold war period. A lot of the islands were not even sovereign nations at that point in time.

What the United States is missing by the fragmentation, the fragmented view of the Indian Ocean, is the new Indian Ocean in the 21st century and its impact on the wider Indo-Pacific. Where the base in Djibouti came up, it was perhaps classified as an Africa problem, but when you think Africa, you think continental; you are not thinking maritime. So you are not really connecting the dots in terms of how having a base in Djibouti or having another base somewhere else in the Indian Ocean will help China secure the Strait of Malacca.

And I think the fragmentation of bureaus in the Department of State and Department of Defense is because it is a bureaucratic challenge. And I think that most nations across the world do it because, after the cold war, the ocean got divided into continental silos.

But perhaps that is something that the National Security Council could have, a nodal point to monitor the entire region on its own and to link the missing dots. Because China is also not the only new player in the Indian Ocean Region. It is also Saudi Arabia. It is UAE. It is Turkey. Russia had a base in the Red Sea in Sudan that came up just before the Ukraine war. So there are links between these in terms of how developments in one aspect of the world, of the ocean, will have an aspect on the other side, and somebody somewhere has to monitor and study that.

Mr. KIM OF NEW JERSEY. Go ahead, Mr. Payne?

Mr. PAYNE. I would just add that there are advantages to some of our seams in our bureaucratic structure. It is decried often in the region, but we can walk and chew gum at the same time. I think that, comprehensively, whether it be the National Security Council or Congress, or some element can consider the IOR.

The things I would emphasize are:

One, we have to think about the IOR from a maritime domain. It does not have to purely be that, but we cannot lose sight of the water.

And second, there is experimentation that we are using and developing new approaches that will have a large relevance for the Indo-Pacific, or possibly the North Atlantic, that are being developed in the IOR by the United States and its partners. I brought up Task Force 59 out of CENTCOM. AFRICOM is developing certain kinds of partnerships with regional partners. All of these things just do not get enough attention. And I think there should be a more concerted efforts in drawing attention to those efforts.

Ms. SAMARANAYAKE. I think the issue is, clearly, a coordination piece. As you mentioned, there are three combatant commands that have responsibilities for parts of the Indian Ocean. And for each of those combatant commands, the Indian Ocean piece is always secondary. So I think that is one aspect in terms of what we are missing, to your question.

And another thing, we can go back in history. We can look at the unified command plan, how combatant commands have had responsibilities in the past. Even when all of those waters were under the responsibility of the Pacific Command, there is still a time/distance factor that it is just impossible to get over. So even if the coordination is improved, there are still priorities in the Pacific, and then, there is the entire Indian Ocean piece. So I think that the issues of coordination can be addressed, but there is still the time/distance factor.

Mr. KIM OF NEW JERSEY. Yes, I mean, look, you know, I have worked in some of these different elements of the bureaucracy at the State Department and the Pentagon. And to the point, it is not just about the strategy. I mean, what you said is concerning to me as well, but what we also know is that it is about the implementation of that. And so if you do not even have sort of a strategy writ large—but even if you did, the implementation gets all the more difficult when you think about these different jurisdictions.

And I would like to try to think through this more concerted effort to try to figure out how we can break through some of those types of silos and be able to have the kind of level of prioritization. So I really appreciate it.

With that, I will yield back.

Mrs. KIM OF CALIFORNIA. Thank you. Thank you, Representative Kim.

And I now recognize myself, another Kim, for a second round of questioning.

You know, it was talked about, Sri Lanka. I think we should use that as a textbook example of the consequences of the PRC's debt-trap diplomacy.

And I want to ask you a question about, how did countries in the region, especially the ones with the Belt and Road projects ongoing on their soil, react to the collapse of the Sri Lankan economy?

Ms. SAMARANAYAKE. I think they have learned from the Sri Lanka example to be much more wary of China, especially in terms of taking any kind of loans. They are looking more for other options, such as grants, for example, and for a direct investment, as opposed to taking loans. But my sense is that countries are a lot of wary after looking at the case of Sri Lanka.

Mrs. KIM OF CALIFORNIA. Well, let me also talk about the PRC sending submarines into the IOR. Will the Djibouti base help PRC submarines avoid detection, and if so, is that a security concern for the United States?

Mr. PAYNE. The base in Djibouti was projected to be one thing, and it turned out to be something different. Its mere presence, it is a complication for the United States. It does not mean that it, fundamentally, reshapes the Red Sea or the Gulf of Aden. The U.S. Navy will make sure that they are the ones that are leading the coalition of partners.

However, it does signal that the IOR in total is going to be a theater for Chinese naval operations, whether it starts with counter-piracy, it evolves into joint exercises, and then, moves on to larger missions that are related to ISR capabilities. It is something that is a trend that you have noticed that follows a similar pattern of the Western Pacific.

Now, in terms of the base itself's relevance to other than a refuel and resupply, I do not see much. But that does not mean what the trend lines are showing. The trend lines are showing that the People's Liberation Army Navy is intent on having an ongoing and substantive presence in the IOR.

Mrs. KIM OF CALIFORNIA. Thank you, Mr. Payne.

Did you want to add to that?

Ms. BARUAH. To quickly add on that is, again, Djibouti base, China has a base. So does the United States, France, Japan. So there are multiple players in there.

But I think it is the deployment of submarines into the Indian Ocean Region that is concerning, which has increased in frequency and also in quantity. It is not hard to detect submarines in the bases. The hardest part is tracking their movement in open seas, which is where my recommendation on working on maritime domain awareness, but underwater domain awareness. If we are able to track them and know where they are, I think that is first in creating awareness on what routes they are taking; how they are moving; where are they making ports of call.

The base part is not that difficult to monitor because of technology, but it is the open seas which require very specific and co-

ordinated intelligence and information-sharing between partners to be able to do that. I think that is where the missing layer is. It is not maritime domain awareness over, but it is underwater that is a necessity in the Indian Ocean.

Mrs. KIM OF CALIFORNIA. Thank you.

One last question in the remaining time. We talk a lot about potential blockade of Taiwan by China and the aggression, and the impact it will have in the Indo-Pacific arena. So we are talking to allies, especially when the ranking member and I were part of the congressional delegation to Asia. Just recently, we came back from it.

A lot of conversations center around how the allies and the partners in the region will be there to help protect Taiwan, should it be attacked by China. So I want to ask you, how could the Strait of Malacca deter a PRC invasion of Taiwan? Will they be there to work with us?

Ms. BARUAH. I think that would come down to a United States conversation with its partners and friends in the region. And I think the two key players in this would be Australia and India, because of geography and because where they have their territories, Cocos Keeling, Andaman and Nicobar Islands. They are absolutely critical pieces of geography, if there is any chance of or there is any attempt or political appetite to establish something. But, again, it depends on the political conversation between what the United States is willing to do with the partners and also what the partners are willing to provide.

But I had said previously, it is going to be hard to block the Strait of Malacca purely for Chinese movement of energy shipping because of an issue of globalization and the tankers that carry—

Mrs. KIM OF CALIFORNIA. In the remaining time, I want to ask, what does possible instability in the IOR mean for supply chains to the United States?

Mr. PAYNE. It would be a compounding kind of cataclysm for the global market. It wouldn't hit us as immediately as the rest of the world, but Europe would be substantially disrupted economically. The developing States of the IOR, the littorals, would have immediate impacts, possibly undermining regional States. Southeast Asia would have dramatic impacts. And quite frankly, in that situation, China would do everything possible to redirect a lane elsewhere.

So the discussion, open discussion, about it is absolutely helpful because it shows the world that, again, sunlight is the best disinfectant. So us talking about it openly is helpful.

Mrs. KIM OF CALIFORNIA. Thank you.

I know I went over my time, but I would like to yield time to Ranking Member Bera for your questions.

Mr. BERA. Thank you, Madam Chairwoman.

This has been a great hearing, by the way, because, again, I will readily admit that we spend a lot of time focused on the Pacific, and this is eye-opening for the Indian Ocean Region.

I'm looking at a map that kind of lays all of this out, and when I look at Djibouti and the Red Sea, the Gulf of Aden, I see a chokepoint. I see the Strait of Hormuz; I see a chokepoint. I see Gwadar Port and the economic corridor that China is building with

Pakistan. So even if there is a block at the Malacca Strait, there are still ways for them to continue to get energy.

I see the Strait of Malacca. I see China building a trade corridor, although Burma is not extremely stable right now, through Burma as well, as places to move things forward.

So, again, I agree with the supposition that this is a place where we need to spend more time and energy. And China might be playing a long game here. They may be looking at this from a longer perspective.

How would you advise we think about the Maldives? Because, again, as I'm looking at this map here as well, I see a lot of these trade routes and I see the Maldives is fairly important. I recognize that, you know, we've grouped them all by Sri Lanka in terms of our diplomatic presence. I mean, I think one thing we ought to do is reestablish a diplomatic presence there.

So, outside of that, though, what is happening in the Maldives and how should we be thinking about that from a geopolitical strategic perspective?

Ms. SAMARANAYAKE. Sure. I think the decision to open an embassy in Maldives is a significant one. So right now they have established the chief of mission to Maldives. So that process is underway of establishing a full embassy in terms of having that representation in Mali itself, as opposed to in Colombo at present.

Also the U.S. Coast Guard actually sent a ship to Maldives—the first visit in over a decade. So the fact that U.S. sea service is paying that kind of attention, especially the Coast Guard, which has limited resources, that they are going to Maldives and they are showing that kind of attention is also important from a partner mission perspective. Also, the United States also trains Maldives—the coast guard, the marines—and has training exercises.

So I think that type of attention is very welcome from Maldives' perspective because they are looking at their Exclusive Economic Zone and the fact that they are limited in capacity in terms of being able to surveil that wide swath of sea. And so they need as much capacity as possible.

Ms. BARUAH. So about 1200 small islands together make up the sovereign nation of Maldives. And one of the biggest issues they have is monitoring all of those outlying islands and what is going on there. Their biggest issues are illegal fishing, drug trafficking, and human smuggling. So maritime domain awareness, whether it is through radars, whether it is through sensors, whether it is through assets, to be able to do that, I think are key areas where Maldives really wants some assistance and would welcome it.

The biggest security challenge that all of the island nations define as their No. 1 security challenge is not China; it is not the United States; it is not India. It is climate change. And everything that is done around has to have some aspect of how that would help them elevate their issues that emerge because of climate change.

One specific example on U.S. engagement with islands and others in the region is to invite for training in terms of military courses and colleges, war colleges, or Hawaii in terms of INDOPACOM, to get more familiar in terms of the expertise of the United States both in teaching strategy and policy to its officers.

They end up going to military and war colleges elsewhere. So why not the United States as well? And it is a pretty low-hanging fruit that can be offered, and I think it is a great way to also create familiarity between different militaries.

Mr. BERA. Just in the remaining time that I have, much of the things that we are thinking about with regards to the Pacific Island nation States, we should also be thinking about with the islands in the Indian Ocean Region. Just quickly, on the Strait of Malacca, we have mentioned the importance of Australia and Indonesia—or Australia and India—but Indonesia is right there. Malaysia is right there. Singapore is right there. How should we be thinking about that engagement? Indonesia has got a developed navy; has some abilities there. India and Indonesia are also having conversations as well.

For anyone, in the remaining time, how should we be thinking about that?

Ms. SAMARANAYAKE. I think in these discussions about the Strait of Malacca, those three countries are often ignored or forgotten about, Indonesia, Malaysia, Singapore. They take great care in terms of the security of the Strait of Malacca. So when we are thinking about these issues of big powers, the United States, even India, those three countries, that is the most critical. So I think there needs to be more attention paid to those three countries.

Mr. BERA. More engagement? More dialogue?

Ms. SAMARANAYAKE. Yes, when we are talking about the Strait of Malacca.

Mrs. KIM OF CALIFORNIA. Let me now recognize Representative Andy Kim.

Mr. KIM OF NEW JERSEY. Yes, I just have a couple of quick ones here.

I guess, you know, oftentimes, when we talk about the challenges vis-a-vis China, we often kind of couch it as it is kind of a United States-China kind of dynamic, and then, duality there. But, you know, you all, at least in your written testimonies, you really kind of pointed out some of the other players that are there.

And I guess I just wanted to kind of get a sense from you of some of the partners and allies that we have, whether European, Pacific, or others. Is there room there for particular ones to be able to kind of step up even more in the area? You know, can we kind of be thinking about encouraging and working with some of our allies and partners that do have presence, do have capacity to be able to do more? So I kind of just wanted to get a little bit of your sense there.

Mr. Payne, it looks like you have something?

Mr. PAYNE. Yes. We at the NESAC Center work on this a lot. And, yes, the short answer is there are more things that our partners and allies can do on what they are currently doing. But it is a very complicated conversation related to what we call niche capabilities, things that specific countries are better at than others.

Some may not want to direct it toward the Pacific theater. Others may want to focus on another area. So these are all very complicated conversations among defense ministries as well as ministries of external affairs, and so forth.

However, one of the things that is developing is a great commitment on following the region's tune. That has been one of the biggest problems, comprehensively, that major actors, whether of the region or not of the region, have not done. Is they consider the region fragmented, and therefore, we write the tune and the region will dance. The region has its own tunes that it is writing, and the other actors, especially major powers like the United States, are starting to respond to that. Because not only does it mean that we do not have to lead and keep our eyes focused on the Pacific, but it means that things that are already inherently domestically favored in the region can get greater.

Mr. KIM OF NEW JERSEY. How do we start to hear that tune some more? I mean, is it about us having greater presence in the region, more engagement, interactions?

Mr. PAYNE. There's different ways, things. I would emphasize, specifically, defense institution building, capability enhancement from the security side of things, from the diplomatic side.

Giving credence by showing up to specific conversations related to everything from climate change; marine protection; coastal development; women, peace, and security issues. These are all topics we could list that all give us something that isn't a huge leap for the United States to take, that we are already taking, but our partners and allies can jump onboard with this.

Mr. KIM OF NEW JERSEY. Yes, go ahead.

Ms. BARUAH. I think, again, reemphasizing the need for a strategy or sort of looking at what the United States seeks to do in the Indian Ocean Region would help identify there. Because there are a lot of existing platforms and avenues already. It is how you responsibly leverage it.

For instance, Japan has TICAD, which means they interact with Africa already, all the islands and the African continent, part of Tokyo's conversation in that. Why not also introduce an element on the Indian Ocean and a United States-Japan conversation because that work is already happening?

But to be able to do that, I think—and the same applies for France and the European Union. They are all present there in different formats and different groupings and different institutions and platforms. But before the United States can ask what to do, I think it probably needs to lay out what it wants to do and what are the interests, and how it wants to approach.

And I think that is where the strategy and the disconnect is providing a challenge in actually having a coherent approach. There are a lot of conversations with the European Union on maritime security, and with France, but I'm pretty sure the Indian Ocean does not really feature in it, while both of them are very present there.

Ms. SAMARANAYAKE. I think it is useful to think about the Western Indian Ocean. France has a strong presence there and is an ally of the United States. In the Central Indian Ocean, India is right at the center and it has a growing partnership, a major defense partnership with the United States. And then, in the Eastern Indian Ocean, Australia, and, of course, the United States and Australia are Five Eyes allies. So I think those three partners are useful for thinking about how to engage in the Indian Ocean.

Increasingly, though, Japan is an important player and ally of the West, especially as it contributes capacity, maritime capacity building, providing patrol boats, that sort of thing. And, of course, in terms of the economics as well, a lot of these smaller countries have looked at Japan for maritime infrastructure.

Mr. KIM OF NEW JERSEY. Yes. Yes, just in the last few seconds here, I mean, what I'm trying to think about as well—and we can continue this conversation—is about how do you try to scale some of those effects. And so it is good to hear some of the partnerships that are there.

The other aspect is, you know, are these coalition partnerships and allies—can that be a substitute for us? Or is that something that—like what is the baseline level of our engagement? To what extent can we leverage coalition or to what extent does that not quite scratch the edge of what we are trying to get done?

But, with that, I will yield on back. Thank you.

Mrs. KIM OF CALIFORNIA. Would you like to respond quickly? I will give you about 30 seconds, if you can do it. Otherwise, submit your responses in writing. Writing? OK?

Thank you so much. You have endured about an hour and a half with us. Thank you so much.

I know I got this right. Ms. Samaranayake, Mr. Payne, Ms. Baruah, thank you so much for your testimonies and also answering the questions from our members today.

The members of the committee may have some additional questions for you. So our staff and our committee will followup, and if you would be so kind to respond to those in writing, as you do to Mrs. Kim's last question, that will be great.

Mrs. KIM OF CALIFORNIA. So, let's see. I now want to recognize Ranking Member Bera, if you have any final, closing thoughts?

Mr. BERA. No, other than this was a great hearing. And, again, I think it does shine the light on the importance of paying attention to the Indian Ocean Region, and while we have got a lot of assets there, let's think about how we use those assets, those relationships, and those alliances.

Again, no one is seeking conflict here, but we are seeking free and open waterways, you know, maritime security, freedom of navigation, and the like, in the 21st century. That should be the goal of all nations. So that is what we hope to achieve.

Mrs. KIM OF CALIFORNIA. I think the common theme today was, you know, we are in a strategic competition with China. And so, especially on the waters, we do not want China to dominate that and have closed water for us and the rest of the allies and partners in the area. So we do want to work toward having an open and fair ocean, especially in the Indian Ocean.

So thank you. It was really educational, productive, and a very wonderful conversation we had today.

So, in closing, pursuant to committee rules, all members may have 5 days to submit statements, questions, extraneous materials for the record, subject to the length limitation.

So, without objection, the committee stands adjourned.

[Whereupon, at 3:38 p.m., the subcommittee was adjourned.]

APPENDIX



**COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE HEARING NOTICE**
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

**Subcommittee on the Indo-Pacific
Young Kim (R-CA), Chairwoman**

April 11, 2023

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs to be held at 2:00 p.m. in room 2200 of the Rayburn House Office Building. The hearing is available by live webcast on the Committee website at <https://foreignaffairs.house.gov/>.

DATE:	Tuesday, April 18, 2023
TIME:	2:00 p.m.
LOCATION:	Rayburn 2200
SUBJECT:	Surrounding the Ocean: PRC Influence in the Indian Ocean
WITNESSES:	Ms. Darshana Baruah Fellow Carnegie Endowment for International Peace
	Mr. Jeffrey S. Payne Research Fellow National Defense University
	Ms. Nilanthi Samaranyake Research Program Director The Center for Naval Analyses

*NOTE: Witnesses may be added.

By Direction of the Chair

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-226-8467 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

To fill out this form online: Either use the tab key to travel through each field or mouse click each line or within blue box. Type in information.

COMMITTEE ON FOREIGN AFFAIRS
MINUTES OF FULL COMMITTEE HEARING

Note: Red boxes with red type will NOT print.

Day 18 Date April Room RHOB 2200

Starting Time 2:15 PM Ending Time 3:36 PM

Recesses (___to ___) (___to ___) (___to ___) (___to ___) (___to ___) (___to ___)

Presiding Member(s)

Check all of the following that apply:

Open Session

Executive (closed) Session

Televised

Electronically Recorded (taped)

Stenographic Record

To select a box, mouse click it, or tab to it and use the enter key to select. Another click on the same box will deselect it.

TITLE OF HEARING:

Surrounding the Ocean: PRC Influence in the Indian Ocean

COMMITTEE MEMBERS PRESENT:

Chairwoman Young Kim, Ranking Member Bera, Rep. Wagner, Rep. Sherman, Rep. Buck Rep. Barr, Rep. Castro, Rep. Kim

NON-COMMITTEE MEMBERS PRESENT:

HEARING WITNESSES: Same as meeting notice attached? Yes No

(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

Rep. Connolly

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED 3:36PM

Note: Please include accompanying witnesses with their titles, etc. (please note the fact that they are accompanying witnesses)

Clear Form

Full Committee Hearing Coordinator

STATEMENT FOR THE RECORD SUBMITTED FROM
REPRESENTATIVE CONNOLLY

“Surrounding the Ocean: PRC Influence in the Indian Ocean”

House Foreign Affairs Committee

Subcommittee on the Indo-Pacific

2:30 PM, Tuesday, April 18, 2023

RHOB 2200

Gerald E. Connolly (D-VA)

The United States, as a Pacific power, has long viewed the Indian Ocean region (IOR) as an area of consequence and strategic importance. With sea routes that connect the Middle East, Africa, and East Asia with the West, the Indian Ocean region and the routes that transverse the Malacca Strait carry important commodities such as oil, LNG, rubber, and seafood. Major economies in the Indo-Pacific, including stalwart U.S. allies like Japan and South Korea, rely on energy and other trade through the Indian Ocean. The PRC’s activity in the Indian Ocean provide the United States with yet another incentive to work with our allies and partners in the Indo-Pacific to ensure a free, secure, and open Indian Ocean region.

India maintains a certain level of stewardship over the Indian Ocean (the only ocean named for a country), and Indian leaders have long asserted their country is a “net security provider” with whom primary responsibility lies for securing wide economic integration in the IOR. As the founding member of the Indian Ocean Rim Association, India’s multilateral leadership in the region underscores the important U.S.-India bilateral partnership. With 23 members and 10 dialogue partners, the latter of which includes the PRC and U.S., the India Ocean Rim Association provides the United States another multilateral space in which it can increase engagement with IOR countries. We must also welcome and support partner and ally engagement in the region to promote greater openness, connectivity, and security. As the co-chair of the Congressional Bangladesh Caucus, I remain attentive to U.S. support for Japanese and Indian investment in the deep seaport in Matarbari, Bangladesh, which will serve as an important case study for multilateral investment in an open, secure, and connected Indo-Pacific and Indian Ocean Region.

The People’s Republic of China has sought to flex its muscle in the Indian Ocean Region. China relies on energy and trade through the Indian Ocean, and through its “21st Century Maritime Silk Road Initiative,” has sought to increase its commercial maritime development. This includes new port projects along the entire Indian Ocean, including in Burma (Kyaukpyu), Bangladesh, Djibouti, Pakistan (Gwadar), Tanzania, and Sri Lanka, which could one day expedite PLA access to the region. The PLA Navy has maintained a small but regular presence in the Indian Ocean, mainly justified by providing anti-piracy security. The construction of their first-ever oversea military base in 2017 in Djibouti suggests other motivations behind their engagement in the region, signaling the PRC’s interest in securing its interests in the Indian Ocean Region.

Following four years of unilateral retreat during the Trump Administration, the Biden administration has taken advantage of the opportunity to reassert U.S. leadership in the Indo-Pacific. The United States previously had an opportunity to set the rules for U.S. leadership and engagement in the Asia-Pacific, where we already maintain longstanding commitments with the Trans-Pacific Partnership (TPP). Our withdrawal from TPP and from the Indo-Pacific region in general under the Trump administration created a vacuum that provided an unbelievable gift to the government of China, by

eliminating our chances to negotiate a digital trade component within the greater agreement. They continue to pop champagne in Beijing.

With the release of the Indo-Pacific Strategy and Indo-Pacific Economic Framework, the Biden administration has put forth an impressive roadmap for reasserted U.S. leadership. Implementing the strategy and economic framework will be even more important to signal to our allies and partners, as well as malign actors, that the United States puts a premium on an open, secure, prosperous and connected Indo-Pacific. With the rollout of the Quadrilateral Security Dialogue (QUAD), the United States and its close allies in the region have reinvigorated our collective approach to counter the PRC's increasingly aggressive behavior in the region. The Biden administration, in expanding and reasserting U.S. leadership in bilateral and multilateral spaces, has doubled down on securing our important maritime interests, as well as a free, secure, and open Indo-Pacific.

RESPONSES TO QUESTIONS SUBMITTED FOR THE RECORD

Questions for the Record: Ms. Darshana Baruah
 House Foreign Affairs Indo-Pacific Subcommittee
 Hearing on the Indian Ocean : April 18, 2023

Question from Rep. Ann Wagner

- The PRC is investing in seaport and airport terminals, highways, roads, and railways in the region. Mrs. Baruah, what is needed for the United States or our allies to win projects? What can be done to mitigate risks from existing PRC-built projects?

Response: Rep. Wagner, the United States and its allies should continue to invest in projects which meet Washington's priorities and interests in the region. I do believe, competing port for port or road for road would not be helpful in mitigating risks or winning the infrastructure competition with Beijing as both US and China have different models of governance and foreign policy engagements. Identifying and implementing projects based on US' Indo-Pacific strategy and areas of priorities will be a more effective way to engage and be present in the region. An Indian Ocean strategy is necessary to study the risks and challenges as well as identify areas for cooperation with friends and allies. In identifying projects in the region, I would emphasize special attention to infrastructure designed to mitigate climate risks, whether it is disaster resilient infrastructure, trainings, technological know-how or projects and investments in support of the blue economy.

Questions from Rep. Brad Sherman

- China is persecuting the Muslim Uyghurs within its own borders and has continued to support Burma throughout its genocide of the Muslim Rohingya. At the same time, China is seeking to expand its relationship with Muslim-majority countries, including in the Indian Ocean basin. How effective has the United States been in informing the Muslim populations in these countries – from Indonesia to the Arabian Peninsula – what China is doing?
- Has China's persecution of Muslims impacted its diplomatic ties with Muslim-majority countries in the Indian Ocean region?
- Countries that borrow from China face pressure to pay back Chinese loans at the expense of other needs – or make concessions or cede control of assets to China if they are unable to pay back the loans. A source of this pressure is that the countries do not want to see their bond rating downgraded. Should we mandate that bond rating agencies do not downgrade a country's rating if the country does not make payments on certain loans from China? Would this help stem China's coercive measures towards other countries?

Response: Rep. Sherman, thank you for the questions. Unfortunately, these questions lie beyond the scope of my current research.

Questions for the Record: Mr. Jeffrey Payne
House Foreign Affairs Indo-Pacific Subcommittee
Hearing on the Indian Ocean : April 18, 2023

Questions from Rep. Ann Wagner

- The PRC has greatly expanded their presence in the Indian Ocean Region (IOR) through their Maritime Silk Road and Belt and Road Initiatives. Mr. Payne, how successful have these initiatives been in IOR countries? What advantages does the PRC derive from the success of these initiatives?

Response:

China's success is based upon its economic engagement, first by developing trade with resource rich IOR states and expanding today into logistical systems, infrastructure, and key technologies, such as telecommunications. Economic ties, either through bilateral relations or through larger constructs like the Belt and Road Initiative, have signaled China's presence as a substantial non-regional actor throughout the IOR. China's economic outreach is matched with diplomatic overtures designed to sell relations with China as an alternative to Western-led institutions and devoid of the baggage other major regional and non-regional actors. Put simply, China effectively used its economy to carve out political influence in the region.

The intensification of China's diplomatic and economic presence in the IOR speaks to the region's importance to Beijing. Economic depth in the region facilitated greater familiarity with regional institutions and regional politics. Thus, China slowly gained a stakeholder status in regional political conversations, but it did not carry the same burden as other stakeholders. A perfect example is China's rising influence in the Gulf region, where it can today play the part of regional dealmaker for KSA and Iran but is not actively involved in regional conflicts and security dilemmas.

The greatest political advantage China achieved from its IOR engagement is that can enjoy the benefits of the region's security architecture while simultaneously being a critic. China's criticisms of India's regional role in South Asia, or the U.S.-led coalition in the Arabian Peninsula are perfect examples.

It must be noted that China's success has led to substantial miscalculations in recent years. China has miscalculated the repercussions of its aggression along the Line of Actual Control with India. As a result, what was a healthy bilateral relationship has darkened. The economic dominance China has nurtured in some parts of the IOR, and subsequent political influence, have encouraged regional leaders to make political overtures to other major actors in the region, such as the U.S., India, and Japan. Comprehensively, the IOR is more cynical of China today than in the past and much of that reputational cost is the result of China's own regional missteps.

Questions for the Record: Mr. Jeffrey Payne
House Foreign Affairs Indo-Pacific Subcommittee
Hearing on the Indian Ocean : April 18, 2023

- Mr. Payne, how is the PRC changing maritime norms in the Indian Ocean, and how would an increased PRC role in the region impact the daily lives of American consumers?

Response:

U.S. maritime leadership in the IOR and its maritime partnerships are as strong today as ever before. China is having little success in eroding U.S. maritime leadership, despite efforts and narratives intended to undermine the established rules-based order. The PLA Navy (PLAN) routinely points to its counterpiracy efforts in support of international efforts near the Gulf of Aden, but China's operations there were always separate from the coalition that the U.S. led. The region is aware of this, and the continued investments made by PACFLT in the eastern IOR and NAVCENT in the northwest IOR make further advancements to regional partnerships.

Has China challenged maritime norms in the IOR, yes, but not to the extent as in the Western Pacific. Furthermore, because China's maritime/naval presence remains limited in the IOR, its unruly behavior at sea – grey zone tactics, overseas fishing fleets, and other examples – is gaining more visibility and creating further incentive for regional states to maintain partnerships with the U.S.

China's port investments throughout the IOR are a long-term area of concern for the U.S. and there is no doubt that China focuses its maritime presence in relation to the IOR's chokepoints – Hormuz, the Bab al Mandeb, and the four eastern straits. Yet, there are recent examples of the region reinforcing a commitment to the established rules and norms that govern the global commons. Bangladesh has recently released their own interpretation of the Indo-Pacific concept. India's maritime partnerships in the Indo-Pacific also continue to deepen. Even states that show greater political affiliation with China, such as Pakistan, do not wish to exit remaining forms of security cooperation with the U.S. China's efforts for alternative regional structures, such as the SCO, have not progressed far in the security realm. The only regional maritime power firmly partnered with China, Iran, proves as complication to China's regional efforts given Iran's own history of maritime misdeeds.

American consumers need the rules-based order to remain in the IOR, as the sea lanes and commerce of the region not only sustain global supply chains but ensure stability of price for key consumer goods. The region itself and U.S. maritime services are aware of the IOR's importance. China will gain in its ability to project power to the region, but it will not, at least in the short-term, be able to compete in any comparable way to the maritime structures the U.S. either leads or contributes to. For maritime security in the long-term, the U.S. should emphasize outreach and partnership in two areas to further enhance IOR security – the littoral areas of the Red Sea and with Indonesia in relation to the Lombok Strait.

Questions for the Record: Mr. Jeffrey Payne
 House Foreign Affairs Indo-Pacific Subcommittee
 Hearing on the Indian Ocean : April 18, 2023

- Mr. Payne, are any Indian Ocean countries considering letting the PRC build military installations? How can the U.S. counter the development of such installations?

Response:

This is a complicated question, but there are no IOR states that currently seek to allow China to build an overt military installation within their territory. However, Chinese port investment and other infrastructural projects allow for the ability of a dual-use function that can have a military purpose, namely in the ability to serve as supply stations for PLA operations. The port of Gwadar in Pakistan has long been studied, as have investments in the Bay of Bengal coast of Myanmar and the Hambantota port in Sri Lanka. U.S. and partner/ally efforts to intensify outreach with regional states to address strategic concerns is an immediate option that can be chosen. The U.S. can also facilitate the provision of regional public goods that can provide alternative economic options for regional states. Regional assistance with maritime domain awareness, technological partnerships through public-private partnerships, and expedited forms of specific infrastructural financing can respectively reveal to the region the ways in which the U.S. prioritizes the IOR.

Questions from Rep. Brad Sherman

- China is persecuting the Muslim Uyghurs within its own borders and has continued to support Myanmar throughout its genocide of the Muslim Rohingya. At the same time, China is seeking to expand its relationship with Muslim-majority countries, including in the Indian Ocean basin. How effective has the United States been in informing the Muslim populations in these countries – from Indonesia to the Arabian Peninsula – what China is doing?

Response:

The U.S. Department of State, through regional and bilateral forms of engagement, routinely discusses China's internal repression of Uyghurs and its ongoing support to the Myanmar regime responsible for Rohingya repression and human rights abuses. Various global and regional NGOs also routinely draw attention to China's human rights record. Yet, the issue, save in specific circumstances, such as in Malaysia, Indonesia, and Bangladesh where these human rights abuses impact local political discussions, is not a major political issue. The bilateral relationship with China by many regional Muslim-majority states is regarded as essential for domestic purposes. Could U.S. impact in the region be more effective? Yes, but it cannot be done with only a focus on human rights. The issue could gain in prominence when the overall political inroads China has made in the region are redefined by many elements of engagement – from economic, cultural, security, and diplomatic.

Questions for the Record: Mr. Jeffrey Payne
House Foreign Affairs Indo-Pacific Subcommittee
Hearing on the Indian Ocean : April 18, 2023

- Has China's persecution of Muslims impacted its diplomatic ties with Muslim-majority countries in the Indian Ocean region?

Response:

Responses to China's internal repression of ethnic and religious minority groups should not be considered purely from an IOR perspective. While a discussion within bilateral relations with specific regional states, such as in the case of Bangladesh to China's support of Myanmar's actions against the Rohingya, China's economic oriented engagement in the region overshadows political issues. Do regional states bring up human rights abuses by China in diplomatic engagements? Yes, but the issue's importance varies across the IOR. In the Arabian Peninsula, at least by most public accounts, these questions do not impact the overall bilateral relationships with China. In Southeast Asia, they routinely do due to both regional government concerns and civil society pressures.

- Countries that borrow from China face pressure to pay back Chinese loans at the expense of other needs – or make concessions or cede control of assets to China if they are unable to pay back the loans. A source of this pressure is that the countries do not want to see their bond rating downgraded. Should we mandate that bond rating agencies do not downgrade a country's rating if the country does not make payments on certain loans from China? Would this help stem China's coercive measures towards other countries?

Response:

Representative Sherman, I must respectfully admit a lack of comprehensive knowledge on the issue of bond ratings and the payment structures of international financing. I would defer to the approach of the Department of Treasury and the Department of State regarding U.S. policy on this topic. The only contribution I can make is that there are several options that the U.S. House of Representatives can discuss in relation to this concern. Two that are worth mentioning are conversations on Chinese restructuring upon defaults on debt and narratives about China's global economic status. China's hesitancy to restructure loans upon default to allow for alternative financing is as much about China's own internal inefficiencies to plan for such occurrences as it is about the structure of the original loans. China's slow response to Sri Lanka and Ghana should be more visibly highlighted by Western states as a sign of the long-term costs of Chinese lending and be used for deeper conversations per your original question. Furthermore, Chinese lending is still framed by China in the narrative that it is a developing state that is helping to fund other narrative states. China is not a developing state any longer and the continuation of this narrative facilitates China's continued ability to operate outside of norms of financial transparency and lending institution coordination.

** The views presented here are the author's alone and do not reflect the official position or policy of the NESAC Center, the National Defense University, or the Department of Defense.*

Questions for the Record: Ms. Nilanthy Samaranyake
House Foreign Affairs Indo-Pacific Subcommittee
Hearing on the Indian Ocean : April 18, 2023

Questions from Rep. Brad Sherman

1. China is persecuting the Muslim Uyghurs within its own borders and has continued to support Burma throughout its genocide of the Muslim Rohingya. At the same time, China is seeking to expand its relationship with Muslim-majority countries, including in the Indian Ocean basin. How effective has the United States been in informing the Muslim populations in these countries – from Indonesia to the Arabian Peninsula – what China is doing?

Samaranyake: I have not conducted research on this topic.

2. Has China's persecution of Muslims impacted its diplomatic ties with Muslim-majority countries in the Indian Ocean region?

Samaranyake: I have not conducted research on this topic.

3. Countries that borrow from China face pressure to pay back Chinese loans at the expense of other needs – or make concessions or cede control of assets to China if they are unable to pay back the loans. A source of this pressure is that the countries do not want to see their bond rating downgraded. Should we mandate that bond rating agencies do not downgrade a country's rating if the country does not make payments on certain loans from China? Would this help stem China's coercive measures towards other countries?

Samaranyake: The bond issue is one aspect of a larger problem. Lower middle-income and upper middle-income countries face challenges in transitioning their economies. Not only do they have to adjust to a faster repayment schedule, but they have less access to concessional loans from multilateral development banks. Furthermore, smaller Indian Ocean countries express concerns about the effect of the Organization for Economic Cooperation and Development's Country Risk Classifications on their export credit arrangements. The United States has significant influence within economic institutions – for example, it is the largest shareholder in the World Bank and IMF – and can play a key role in finding sustainable solutions for smaller Indian Ocean countries.

Regarding bond rating agencies, it's not immediately clear that the solution proposed above would relieve pressures facing smaller middle-income countries. For example, in the case of Sri Lanka's economic collapse, debt to international sovereign bonds was much higher than to China, at roughly 36% of external debt compared to 10%-20%, according to a recent analysis by Sri Lankan economists.¹ The debt to international sovereign bonds appears to be mostly to western investors (including US).

Having said that, the role of bond rating agencies is worth investigating further. The research may reveal additional areas where the United States can use its authorities and influence to help

¹

<https://static1.squarespace.com/static/5652847de4b033f56d2bdc29/t/638689771d0e3c4beb14bf2f/1669761400150/Briefing+Paper+-+Sri+Lanka+Debt+-+V5.pdf>

Questions for the Record: Ms. Nilanthi Samaranyake
House Foreign Affairs Indo-Pacific Subcommittee
Hearing on the Indian Ocean : April 18, 2023

smaller middle-income countries adjust to structural economic circumstances that may be detrimental to sustainable growth and could push them toward China.