



## **China's Maritime Ambitions:**

### **One Belt, One Road and the New Arctic Policy – Implications for the Gulf of Bengal/Myanmar and Europe**

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#### **Abstract**

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The European perspective, based on the European Arctic States and crucial questions dealing with the future relationship between Council and China, is the starting point of this paper.

Different aspects deserve attention: Freedom of Navigation versus Exclusive Maritime Domains, the existence of very different strategic thinking between China on the one hand and western countries on the other and finally the different understanding of the international legal system currently in place.

China's first strategic maritime ambitions ended in 1435 with the death of Admiral Zheng He (1371 – 1459). History and geography have their own relevance, when it comes to understanding China's maritime ambitions. One possible alternative for China to escape from the "Malacca Dilemma" is the Northern Sea Route.

In 1982 President Deng Xiaoping implemented an important shift in strategy and wanting to create a navy from scratch, based upon the classical Mahanian view of sea power. China's new maritime strategy is a matter of fact, its development from 1982 to 2013 makes this obvious. China's Belt and Road Initiative (OBOR) is one of President Xi's most ambitious foreign and economic policies. The Northern Sea Route is becoming an essential part of this strategy.

China is on its way to becoming a global maritime power, China's new term of being "a near Arctic State" must be understood as a serious claim for more influence.

Not yet, but there is a danger of the militarization of parts of the Arctic Ocean.

#### **About ISPSW**

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The Institute for Strategic, Political, Security and Economic Consultancy (ISPSW) is a private institute for research and consultancy. The ISPSW is an objective, task-oriented and politically non-partisan institute.

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## Analysis

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Good afternoon, Ladies and Gentlemen,

It is my intention to talk about the ambitions of China's maritime initiatives from their beginning until today's One Belt, One Road strategy. But before doing so, I want to start with some thoughts which are important for understanding the European Perspective.

### Introduction

1. Denmark, Finland, Sweden are Member States of the European Union and the Arctic Council, Norway is closely associated with the Union, being part of the Arctic Council, all having their own national strategies and policies towards the Arctic region.
2. From my point of view the term „region“ includes harbours and maritime infrastructure at sea and ashore, while the term „Arctic Ocean“ refers to the smallest ocean of the world and points to the difference to Antarctica, which is a continent covered by ice.
3. There are some key questions to be mentioned before beginning with the introduction:
  - Will the Arctic Council remain the most influential authority for the development of Arctic topics? How stable is this Council when it is based on consensus?
  - What will be the role of the States with observer status?
  - Has the Arctic, as a region and an Ocean, geostrategic importance?
  - What are the areas for potential conflicts and possible cooperation?
  - What is driving the growing attention: geo-political, geo-economical or environmental factors?
  - What will be the impact of the Northern Sea Road for the Gulf of Bengal and Europe?
  - How far is the current global political situation relevant to the Arctic region? The relationship between China and Russia and the attitude of the US Government towards international agreements are both questionable.
  - Is the Arctic Ocean an area for Sea Power projection?

I will begin by mentioning three different aspects, which deserve attention.

First is the “Freedom of Navigation versus Exclusive Maritime Domains” aspect, such as the South China Sea. This could happen in other sea domains as well.

Second is the existence of very different strategic thinking between China on the one hand and western countries on the other. Simply put, it is a case of long term thinking versus short term actions.

The third aspect is the different understanding of the international legal system currently in place. China is not only questioning the United Nations Convention on the Law of the Sea, but also ignoring or rejecting it in one Sea while supporting compliance with it in another, here in the Arctic Ocean.

Europe has tried to achieve an observer status and is developing an Arctic Strategy. Due to the existing tension between the European Union and Russia, Russia is blocking the observer status for the EU.



### **Part one, the history and its importance**

China's first strategic maritime ambitions ended in 1435 with the death of Admiral Zheng He (1371 – 1459), promoted by Emperor Zhu Di (1402-1424). He was the first admiral to command a big fleet capable of securing the country's sea lines of communications and he was also seen as successful in the fight against piracy. He conducted seven expeditions, which had strategic, economic and cultural ambitions and he reached East Africa and Australia with a fleet of 60 ships and 30,000 crew.

After his death China became a more traditional land orientated power whose strategic thinking was focused on a continental strategy. This purely continental orientation lasted until the 1982.

### **Part two, geography and its importance**

History and geography have their own relevance, when it comes to understanding China's maritime ambitions. From a maritime view the transit through the Straits of Malacca, with narrow passages and limited water depths in some parts, presents permanent risks to the safety of navigation. The Sunda and Lombok Straits provide an alternative which are already used by Ultra Large Crude Carriers.

In 2017 84,456 ships transited through the Straits of Malacca, 6,711 of them Very large Crude Carriers, which are the biggest ships able to make the passage. One possible alternative for China to escape from the "Malacca Dilemma" is the Northern Sea Route. This option for a third Silk Road in the north, in addition to the existing sea routes, could have a significant impact on all the countries along the traditional sea route.

Myanmar, as a country with a long coastline of 2,276 km and important coastal shipping, might think about the medium and long term consequences, there could be challenges and opportunities. Myanmar has a total of nine ports catering mainly for its seaborne and coastal trade spread along the whole coastline. Yangon is the main port city of Myanmar and the former capital city. In this context the "Bangladesh-China-India-Myanmar Economic Corridor" must be considered as well. The NSR will change the maritime transport routes with a direct impact on the Suez Canal Route and all the major ports located at his vital sea route. Therefore the mentioned corridor could play an important role for the Gulf of Bengal, assumed that all surrounding countries were treaty in a fair and trustful manner.

I will return to this topic again and will now continue to refer to China's maritime ambitions as one key driver for the One Belt, One Road initiative and its extension to the Arctic Ocean.

### **Part three: the first strategic shift**

Almost 550 years after Admiral Zhe's voyages, in 1982, Deng Xiaoping implemented a similarly important shift in strategy and, like other countries wanting to create a navy from scratch, Deng Xiaoping nominated a general, General Liu Huaqing, to be the Chief of the People's Liberation Army Navy and promoted him to Admiral.

It is important to recognize the classical Mahanian view of sea power that guided the early years of Chinese Navy's rebirth founded on the principles of a strong commercial fleet with a capable navy securing its trade routes. This was the first step in favour of a long-term maritime strategy.



#### **Part four, the second strategic shift**

The end of the 1990s saw another crucial shift in Chinese strategic thinking, marking the beginning of the new millennium. In response to the country's burgeoning economic development the PLA Navy's ambition logically had to migrate from those of a coastal or brown water navy to those of a high seas or blue water navy. This further development was also the result of the greater influence of Corbett rather than Mahan in China's military strategic thinking.

One of this great maritime thinker's conclusions, which Corbett considers should be a key strategic objective, is that a navy's rise and fall is often intricately linked to that country's growing importance within the global trading system where it is the oceans that constitute the arteries of global commerce. Treating this as a fundamental assumption in China's shift of strategy and developing that thinking, we can try to understand such a shift and assess its future ambitions and possible consequences.

#### **Part five: the transformation towards the "String of Pearls" as a pivot to the "Maritime Silk Route"**

China's new maritime strategy is a matter of fact, its development from 1982 to 2013 makes this obvious. With taking office of the General Secretary of the Central Committee of the Communist Party of China in 2012 and assuming office as the 7<sup>th</sup> President of the People's Republic of China<sup>1</sup> in 2013, President Xi Jinping changed the more conservative attitude of former President Deng Xiaoping into a more progressive and in some maritime domains into an aggressive mode.

But how has that affected their overall strategic priorities and does the budget actually support the shift with a greater priority for the PLA Navy over the other services? In reality it seems a continental strategy still dominates their overarching strategic outlook. Increased funding for the military is significant but does not yet demonstrate any particular priority for the PLA Navy.

More recently, in 2013, the important question arose, as to whether the PLA Navy should develop as a "stand-alone" service, or if its capabilities should be contained in a "joint" strategy? Here we also have to take into account China's so-called "access diplomacy". Today we can see that the Navy must be seen as a part of a joint strategy and is executing the national Chinese understanding of Freedom of Navigation.

Chinese companies are building maritime infrastructure throughout the globe, with special emphasis on Africa, Asia and Europe. This has been called the "the String of Pearls" strategy supporting the PLA Navy's global ambitions. This could be considered a viable alternative to securing the sea lines of communications globally and avoiding the risks of chokepoints and high threat areas. Equally, the value of maintaining at least two options, one by land using pipelines, roads and trains and the other by sea should not be underestimate

#### **Part six: from the String of Pearls towards the Maritime Silk Road or as it is called today: the One Road, One Belt initiative.**

China's Belt and Road Initiative (OBOR) is one of President Xi's most ambitious foreign and economic policies. It aims to strengthen Beijing's economic leadership through a vast programme of infrastructure building throughout China's neighbouring regions.

Many foreign policy analysts view this initiative largely through a geopolitical lens, seeing it as Beijing's attempt to gain political leverage over its neighbours. There is no doubt that is part of Beijing's strategic

<sup>1</sup> [https://en.wikipedia.org/wiki/President\\_of\\_the\\_People%27s\\_Republic\\_of\\_China](https://en.wikipedia.org/wiki/President_of_the_People%27s_Republic_of_China)



calculation. However, this analysis argues that some of the key drivers behind OBOR are largely motivated by China's pressing economic concerns.

The Maritime Silk Road is also designed to strengthen Beijing's relationships with friendly countries, such as Pakistan, Sri Lanka, Cambodia, and Malaysia. This will be accomplished primarily by way of economic incentives, such as infrastructural development and trade agreements. China's Maritime Silk Road and its infrastructure investments and projects also aim to facilitate more frequent People's Liberation Army Navy (PLAN) deployments in the Indian Ocean and beyond. The PLAN requires reliable logistics chains across the Sea Lines of Communication (SLOC) throughout Southeast and South Asia.

#### **Part five: The Northern Sea Route**

Expectations are high that the Northern Sea Route, will rival traditional shipping routes and become an alternative or complementary sea route to the Suez Canal route as a key waterway for trade to and from Asia by the middle of this century. One of the drivers of Arctic transit shipping is China's rapidly increasing dependence on trade passing through the Strait of Malacca.

Most analysts are considering the NSR from only one aspect: the reduction in distance and the potential financial benefit and thus question the value of the NSR for China. Yes, China's major trade partners are in its vicinity in Asia, like Japan, South Korea, and Australia, but China's strategic thinking is much wider and includes future developments and long term opportunities as well.

So the arguments, which focus only on trade, do not apply when it comes to strategic alternatives or complements. China has been investing heavily in port infrastructure throughout Asia, the Middle East, Africa and Europe and has built an extensive network of ports, which can be used as naval bases, maintenance facilities and logistic hubs. The most prominent example is the port of Djibouti in East Africa.

The objectives of the NSR are multiple. Since China published its Polar Policy in January 2018, the situation has changed and the objectives will need to be modified, but they remain in force and will continue to guide China's activities. The NSR provides a new strategic option.

The first objective is domestic: to develop and stabilise China's western regions by integrating them into international trade routes and by developing Central Asian markets for Chinese goods.

#### **No change at all.**

Second, it aims to improve energy security by increasing links.

#### **A possible change and close cooperation with Russia and all neighbouring countries.**

Third, it seeks to avoid overdependence on Russia for trade routes to Europe and to counter Russian influence in Central Asia.

#### **Another change: China could achieve crucial influence and superiority by developing its transshipping and infrastructure engagement in the NSR.**

Fourth, it sees the NSR as an opportunity to export excess capacities abroad (cement, steel, shipping, rolling stock, etc) and to mobilise its foreign exchange reserves by investing abroad, especially in order to secure access to new sources of raw materials.

#### **No change, but more emphasis on securing access to gas, oil and raw materials in the Arctic Ocean.**



This could include already existing activities like the Bangladesh-China-India-Myanmar Economic Corridor' under new conditions as well.

The NSR also has a peace and security dimension. By facilitating communication between countries along the NSR, it is hoped that there will be an increase in common interests and a narrowing of differences. The NSR will thus be a pillar in a series of initiatives to promote closer links between China and Europe.

Apart from the 'One Belt, One Road', the already mentioned 'Bangladesh-China-India-Myanmar Economic Corridor' and the 'China-Pakistan Economic Corridor' deserves more recognition. There is no timeframe for the completion of these projects although one is looking at decades rather than years given the number of countries and the complexity of the issues involved. The MSR runs through a number of countries and regions that differ in size, development, history, religion, language and culture. It offers significant opportunities for these countries, but it does need clear and fair agreements which in the end respect the national interests of the countries involved.

#### **Part six: interim conclusions**

China is on its way to becoming a global maritime power, but the rapid build-up of its naval forces begs the question as to how professional the PLA Navy is at present and if it is able to operate and sustain in global deployments. The fact that China is gaining access to ports on its "One Belt One Road" strategy does not mean that these ports can be used without applying pressure through hybrid and even limited military operations.

In relation to the NSR, it is my view that China will not accept its current passive listening role as an Observer in the Arctic Council.

To answer the first question at the beginning of my presentation: Will the Arctic Council remain as the most influential authority for the development of Arctic topics? How stable is a council which depends on consensus?

The Arctic Council must reflect its own internal and external influences and must find a more open attitude.

What will be the role of the States with a status as Observers?

The role must be more active and develop more responsibility with emphasis on the protection of the environment.

Has the Arctic, both region and Ocean, a geostrategic importance?

Yes, and Russia and China are aware of its growing importance.

One impact could be a certain diminishing of the maritime silk- road with implications for the Suez Canal road, including the Gulf of Bengal ports. A coordination and cooperation between all countries benefitting from the maritime silk- road would be worth the effort.

What are the areas for potential conflicts and possible cooperation?

Conflicts are likely due to unsolved territorial conflicts in the Arctic Ocean and due to China's new term of being "a near Arctic State" which can be understood as a serious claim for more influence. Cooperation between Russia and China is intended but China will not accept a role as an applicant.

What is driving the growing attention: geo-political, geo-economic or environmental factors?

All three aspects will continue to be essential, but environmental issues are the most important ones.



How far is the current global political situation relevant for the Arctic region?

The relationship between China and Russia and the attitude of the US Government towards international agreements are questionable.

Is the Arctic Ocean an area for Sea Power projection?

Not yet, but there is a danger of the militarization of parts of the Arctic Ocean. The non-visible and the less recognizable interest of the USA is an additional uncertainty.

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**Remarks:** Opinions expressed in this contribution are those of the author.

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### About the Author of this Issue

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Vice Admiral (rtd) Feldt served in the German Navy for 41 years and retired in 2006 as Chief of the German Naval Staff in Bonn and Berlin. He was engaged in sea duty assignments for 13 years, which included leadership functions on all command levels and duty assignments in different naval staffs, national and in NATO.

Since retirement, he has occupied several posts of honor. Vice Admiral Feldt was president of the German Maritime Institute until June 2012 and is now a member of its board. From 2008 until 2009 he was working for the European Commission as advisor for the "Instrument for Stability". From July 2009 to December 2010 he served the European Defence Agency as member of the Wise Pen Team, working on topics of maritime surveillance and maritime security. From November 2013 until March 2017 Vice Admiral Feldt was President of EuroDefense Deutschland e.V.

Since August 2011, Vice Admiral Feldt, in his function as a Director of the Wise Pens International, is working on studies dealing with future maritime safety, security and defence, for example "On the Future of EU Maritime Operations Requirements and planned Capabilities" together with his fellow Directors. Recently they have finalized a study about "Naval Challenges in the Arctic Region".



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