

# Strategic importance of the indian ocean region



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The Indian Ocean Region (IOR) has become the hub of intense global activity over the decades for various reasons. The most important trade routes of the world pass through this region. The Indian Ocean provides the predominant outlet for oil from the Persian Gulf to various destinations all over the world. The Malacca Strait is a critical choke point through which the oil bound for the West coast of USA, China, Japan, Australia and other countries of South-East Asia must pass. Oil being of vital interest to most nations, major powers, especially the USA, maintain a visible and credible presence in the region. Since dependence on oil will continue to increase in the future and exports from the Central Asian Republics by sea would also have to be routed through the ports of this region, the Indian Ocean is likely to witness clashes of economic interests and a turbulent security environment. This region has been termed by some analysts, as one of the most dangerous[1].

The end of the Cold War has witnessed a shift in the focus of world attention to the IOR. The acquisition of nuclear small weapons by the countries of this region and proliferation of terrorism, piracy, drug trafficking and internal turmoil in several countries have made the region extremely volatile.

External powers are, therefore, keen to intervene, not only to mediate or reduce this volatility but also in their attempt to extend their influence right up to the IOR through their physical presence. The continual economic suppression of the peoples of this region has prompted countries to form economic groupings and sub-groupings in an attempt to foster greater economic well being of the IOR countries. However, these efforts have so far failed to transform into objective gains due to many reasons; the primary ones being bilateral problems between nations which impact their conduct

and response in multilateral fora, restrictive trade regimes imposed by economically superior world powers and technological backwardness of most of the countries, necessitating their continued dependence on technologically superior nations for infrastructure and industrial development.

Islands in IOR. The great Indian ridge, the Madagascar ridge and St Paul's ridge form the three main chains of islands. The strategic implications of the islands are as follows:-

These islands are a single source economy and do not possess any defence capability and thus remain exposed to external intervention or seek security guarantees.

These islands have strategic significance due to their location, proximity to trade routes and well developed harbours. History has borne the fact that in the past, western maritime power could control the Indian Ocean and littoral countries by virtue of possessing these islands.

Important Straits. The Indian Ocean region has 30 straits and channels in and adjoining the Indian Ocean. The important ones are as follows:-

Bab-el-Mandeb (between South Yemen and Djibouti);

Bass Strait (between Australian continent and Tasmania);

Strait of Hormuz (between Iran and Oman);

Lombok, Bali, Sunda and Makassar Straits (in the Indonesian archipelago)

Singapore Strait (between Singapore and Riau island of Indonesia)

Malacca Strait (between Malaysia, Indonesia and Singapore)

Mozambique channel (between Mozambique and Malagasy Republic.[2])

Sea Routes. The Indian Ocean provides major sea-routes connecting the Middle East with Europe, East Asia, Africa and US. The following routes are the most significant ones in the Indian Ocean and their closure would result in choking the global energy supplies:-

Suez Route. Suez route links Mediterranean Sea with the Red Sea through Suez Channel. An important choke point in this route is Bab-al-Mandeb which connects Red Sea to Arabian Sea.

Cape Route. This route provides an alternate for the Suez Route and connects the Indian and Atlantic Oceans. Heavy tankers and bulk carriers due to depth restrictions in the Suez Canal also commonly use this route.

Straits of Malacca. This is the most important entry to/from the Pacific Ocean and provides the shortest and most convenient link between Pacific and Indian Ocean.

## **Economic Importance to India**

The Indian peninsula juts 1,980 km into the Indian Ocean with 50% of the Indian Ocean basin lying within a 1500 km radius of India, a reality that has strategic implications. Between the Gulf of Aden and Malacca Strait, is seen as India's sphere of influence. India is one of very few (06) countries in the world to have developed the technology to extract minerals from the deep

sea bed. Under the law of the sea, by adding up the sea waterways comprising territorial zone of 20 km, contiguous zone 40 km, an Exclusive Economic Zone (EEZ) of 320 km, India has exclusive rights to explore mineral wealth in an area of 150, 000 square km in the Indian Ocean[3].

India imports 70 % of its oil requirements, 4000 tankers come to Indian ports annually and almost 95 % of Indian trade moves by sea. Any interference to our sea lanes, coastal offshore areas and ports, will have a crippling impact on the country's economic growth. Almost 3. 5 million Indians work in Gulf countries and it is in India's interest to ensure that the environment in Gulf remains stable[4]. The IO is a critical waterway for global trade and commerce. This strategic expanse hosts heavy international maritime traffic that includes half of the world's containerized cargo, one third of its bulk cargo and two third of its oil shipment. Its waters carry heavy traffic of petroleum and petroleum products from the oilfields of the Persian Gulf and Indonesia, and contain an estimated 40% of the world's offshore oil production. In addition to providing precious minerals and energy source, the ocean's fish are of great importance to the bordering countries for domestic consumption and export.

## **Oil.**

Persian Gulf caters for 61% of oil reserves and 26 % of gas reserves of the entire world. The Strait of Hormuz is by far the world's most important oil choke point with an estimated 15. 5 million barrels of oil flow through it each day. The other critical choke point is Malacca Strait and over 60, 000 vessels and 10 million barrels of oil is transported through it[5]. In addition to US, bulk of oil for Japan, South Korea and China passes through the Indian Ocean

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which makes their concern for ensuring the free access and a certain degree of influence in the region an absolute necessity.

Oil demand in developing countries is expected to grow at a fast rate. By 2020 China is expected to be the largest energy consumer and its dependence on the import is likely to be of tune of 80% in 2010. Japan currently imports 95% of its oil from the Middle East. Thus, the relevance of Gulf as an energy centre in the foreign policies of China and Japan is going to continue in the future. A study of the trends in oil consumption has shown a distinct rise in all countries.

## **Geo-Strategic Imperatives**

The Indian Ocean provides major sea routes connecting the Middle East, Africa and East Asia with Europe and the Americas. It carries a particularly heavy traffic of petroleum and petroleum products from the oilfield of the Persian Gulf and Indonesia. Large reserves of hydrocarbons are being tapped in the offshore areas of Saudi Arabia, Iran, India and Western Australia. An estimated 40% of the world's offshore oil production comes from the Indian Ocean. Beach sands, rich in heavy minerals, and offshore deposits are actively exploited by bordering countries, particularly India, South Africa, Indonesia, Sri Lanka and Thailand.

Today, nearly 20 million shipping containers are moving around the globe - earned by fewer than 4000 hulls. The explosion of trans-oceanic trade has made commerce more vulnerable, not only in the obvious sense that economies have grown more interdependent, but also because, even as the volume of shipped loads increased, the number of significant cargo carriers

has reduced because of the increasing size of commercial vessels, from supertankers to container ships. The Straits of Malacca, the world's second busiest sea lane, assume relevance here. 80% of Japan's oil supplies and 60% of China's oil supplies are shipped through the Straits of Malacca. US\$ 70 billion worth of oil passes through the straits each year. Almost half the world's containerized traffic passes through this choke point. Most of the ships approach the straits through the 10 degree channel between the Andaman and Nicobar islands. India, thus, has the potential to dominate a strategic sea lane. India has established its first tri-service command, the A&N Command at Port Blair in the Andamans. It plans to develop Port Blair as a strategic international trade centre and build an oil terminal and transshipment port in Campbell Bay in the Nicobar islands.

India is a member of the Antarctic Treaty Parties Consultative Group and has already set up two permanently staffed scientific bases there. It has constructed a 10, 000 foot runway in Antarctica to service future missions, having completed several successful landings there.

The Laccadive islands, likewise, offer the possibility of India projecting its power westwards. India is just 800 km away from OS military facilities in Oman. Trade with the Gulf States is an important facet of the Indian economy from ancient times.

With increasing trade relations with the countries of the East, India has higher stakes in the region, in the years to come, Trade volumes with the ASEAN countries have more than doubled in a decade, from a mere \$1484 million in 1993, the Indian market has emerged as one of the largest

importers of South East Asian goods with imports touching \$10, 942 million in 2004[6]. The recently concluded Free Trade Agreements with countries like Thailand and Singapore are set to contribute to this trend. Expanding markets and larger import flows imply not only economic prosperity but also vulnerability at sea. The incidence of piracy, armed robbery and maritime terrorism are on the rise and has placed a premium on the complexity of sea-lane defence.

The northern area of the Indian Ocean is the area of great significance in economic and strategic terms. India's foreign policy orientation towards its eastern neighbours has spurred interest and attention there. India's burgeoning economy, now forecasted to become one of the three fastest growing economies in the world entails expansion of existing export and import markets. Being a sea faring nation with island neighbours has added to the need for safe sea-lanes in the inter-lying waters. The world's busiest choke point in the straits of Malacca located here adds complexity to a strategic factor.