

# **The Straits of Malacca: the Rise of China, America's Intentions and the Dilemma of the Littoral States**

by

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## **China's Changing Maritime Defence Doctrine**

On 27 October 1994, the aircraft carrier USS Kitty Hawk while on routine patrol in the international waters off the Yellow Sea collided with a Chinese Han class nuclear submarine. In response the United States dispatched an S-3 Viking anti-submarine patrol aircraft to screen the movements of the Han class submarine. China meanwhile had earlier ordered two F-6 fighter to tail and monitor the S-3. As the tension at sea built-up an American attaché in Beijing was informed by the Chinese that China will take all necessary measures to defend its air and maritime space from being violated. This incident signaled China's intention to operate its navy in the high seas beyond its coastal waters – an area that has traditionally been the preserve of the Americans.

During the Cold War, China adopted a defense strategy based on protecting its coastal waters. The People's Liberation Army Navy (PLA Navy) adopted the naval doctrine of the former Soviet Union which calls for the deployment of coastal submarines, torpedo boats and other coastal vessels supported by aircrafts which operate only within the coastal confines. After three decades this doctrine translated into a virtual "wall-at-sea" comprising of hundreds of small combat vessels.

After the Cold War, China began to modernise its navy in earnest, transforming it from a “brown-water” to a “blue-water” navy capable of force projection hundreds of miles beyond its coastal waters into the international waters and the South China Sea, and moving from a passive naval defence to an active naval defence posture.

It was also during this time that China adopted the market economy. According to the Chinese scholar Professor Ji Guoxing, China’s economic growth requires an enabling environment which is secure and peaceful. As a corollary, he argues that China is not interested in expanding its influence or in establishing a hegemony in the South China Sea and Southeast Asia. China however is concerned about the security of its southern maritime realm particularly over threats from Southeast Asia and the South China Sea.

### **China’s Growth, Oil and Shipping Routes**

The RAND Corporation has estimated that based on the previous two decades of growth, China’s economic output in 2010 will total USD 11.3 trillion compared to the USD 10.7 trillion of the United States. Because of the high economic growth, China has been able to apportion more funding for defence. In March of 2004, China announced an 11.6 per cent increase in defence spending amounting to USD 25 billion. The Pentagon however argues that this amount is not the total amount of China’s defence budget and excludes research and development costs as well as the cost of purchasing weapons outside of China. By Pentagon’s estimation, China’s actual defence budget is between USD 50 billion and USD 70 billion, third highest in the world after the US and Russia and higher than Japan’s defence budget.

China’s rapid economic development however, comes with a heavy price – a high dependence on the import of raw materials especially oil. Since 1993 China has had to import large volumes of crude oil to satisfy economic demands particularly

from its industries. This year, China's demand for oil is expected to reach 100 million metric tones, 32 per cent of which is imported. The International Energy Agency estimated that China's fuel consumption in 2030 will be equal to that of the US today. Any disruption in oil supply will have a significant impact on China's economic growth and will be as a threat to China. While China is not entirely without its own sources of oil it will continue to be depended on imported oil especially from the Middle East. China's import of Middle East oil now constitutes 58 per cent of and is expected to increase to 70 per cent by 2015.

The bulk of the Middle Eastern oil to China passes through the Straits of Malacca, Lombok and Sunda. However, the Straits of Malacca is the preferred route for many as it offers the shortest distance and the most secure route replete with navigational aids. This makes the Straits of Malacca an important shipping route for China and the other Northeast Asian economies such as Japan, Taiwan and South Korea. Given its importance to China's economic survival it comes as no surprise when Beijing indicated that it is prepared to protect the shipping routes which are important to China's economy. This is bolstered by China's statement that China has strategic interest in these important sea routes and would use its naval might to ensure that these sea lanes remain open. Zhao Yuncheng, an expert from China's Institute of Contemporary International Relations went even further and suggested that whoever controls the Straits of Malacca and the Indian Ocean could threaten China's oil supply route. His conclusions were echoed by President Hu Jiantao who said that the "Malacca-dilemma" is the key to China's energy security. Hu hinted that several powers (the US included) has tried to enlarge their scope of influence in the Straits of Malacca by controlling or attempting to control navigation in the Straits of Malacca.

China's fast-paced economic growth and the strengthening of its defensive capabilities placed in a position to challenge the US's global leadership in the

future - the only country with the capability to do so after the demise of the Soviet Union. The latent competition for global leadership would likely see the US adopting strategies to curtail China's challenge in the East Asian region. This would include controlling vital sea-lines of communication (SLOC) and strategic maritime chokepoints such as the Straits of Malacca thus indirectly controlling the movement of raw materials and goods to China.

### **Threats to Navigation in the Straits of Malacca, How Big and How Bad?**

One of the biggest issues in the Straits of Malacca today is the threat to maritime security from piracy and terrorism and the nexus between the two activities. While there is no denying that such threats do exist, questions need to be asked as to the magnitude and scope of these threats and the extent to which these two are linked. Moreover, while it is generally acknowledged that the Straits of Malacca is more important to international navigation than Lombok, Sunda and Makassar, the threats to navigational safety is not exclusive to the Straits of Malacca and terrorist attacks could occur in any waterways in any part of the world as illustrated in the attacks on the USS Cole and MV Limburg. This brings to question the real intentions of the US and its allies in highlighting the Straits of Malacca as a possible location for maritime terrorism. Questions could also be asked as to why the issue was highlighted only recently, two years after the attack on the USS Cole?

The nexus between piracy and terrorism while worrying remains unproven and thus far there has been no hard evidence that it exists. To most the spectre of terrorists-cum-pirates commandeering fully laden tankers into targets in the littoral States seems more fitted for a Tom Clancy novel. This is not to say that it could not happen. After September 11, no method of terrorist attack should be discounted. However, in fashioning our response to the problem, Malaysia needs to weigh not only the views of the US and its allies but also examine the

strategic importance of the Straits of Malacca to the US and its rival in East Asia – China.

Perhaps, herein lies the real reason why the US wants to bolster its presence in the Straits of Malacca. If this is the situation, then it is not impossible to envisage a future “worst-case-scenario” where the US would use the threat of terrorism and piracy or both to instigate an inspection regime that would also have the effect of limiting China’s access to oil, other raw materials, technology and industrial equipment. And it would not be difficult also to foresee China’s response to such a situation by exerting its rights to secure uninterrupted passage of goods and service to and from China.

A shooting war between China and the US in the Straits of Malacca may seem far-fetched but there would no doubt be tension between the two powers if China perceives that there are attempts to limit its growth potential by limiting its access to vital chokepoints such as the Straits of Malacca. It is therefore in Malaysia’s and the other littoral States’ best interest to ensure that the Straits of Malacca remains open to international navigation in line with the principles of transit passage embodied in the United Nations Convention on the Law of the Sea.

### **Malaysia’s Position**

As a littoral State and a country which maintains cordial relationships with the US and China, Malaysia’s position is not exactly enviable. While it has not reached a stage where Malaysia would have to choose between “the devil and the deep blue sea”, maintaining the equilibrium between the overt US attempt to increase its presence in the region and China’s more covert approach to defending its SLOC would require a delicate balancing act on the part of Malaysia and the other littoral States. The pressure exerted by the US on the littoral states is enormous. The US Secretary of Defence’s visit to Singapore for example

coincided with the Prime Minister's visit to China and was intended partly to highlight US naval superiority. Similarly, China is also likely to exert pressure on Malaysia and the other littoral States for unfettered and uninterrupted access to the Straits of Malacca.

So far the littoral States have managed to curtail the enthusiasm of the US to contribute "actively" to ensuring maritime security in the Straits of Malacca. This does not come cheap though, and the price is more presence of the maritime forces of the littoral States in the area. Already joint patrols have been inaugurated and executed. The big question is whether these patrols could be sustained. The failure to do so would again bring about the pressure from the US and its allies to demand that they also be given the right to patrol the Straits of Malacca. Much therefore depends on the wisdom of Malaysia and the other littoral States in balancing the interest of the world's only superpower and a powerful neighbour.

**Maritime Institute of Malaysia  
April 2005**