CHAPTER III

EMERGING AUSTRALIAN MARITIME INTERESTS

IN THE INDIAN OCEAN
The Indian Ocean has been significant to Australia since the earliest times. Even today, the trend is one of increasing Australian maritime interests and involvement not only in the Indian Ocean but also in the littoral and the island states. Australia's role in the Indian Ocean has various facets such as political, trade, aid, cultural and scientific cooperation for national defence, and an awareness of the need to have stability and security in the region.¹

Australia is a maritime nation and has one of the longest coastlines in the world (36,735 km),² the second largest continental shelf and the fourth Exclusive Economic Zone (EEZ) (2.6 million square nm), even though it has not yet been formally declared. Australia is an important trading nation in world terms behind only the USA and Saudi Arabia by volume. Australia has important offshore interests in the Indian, Southern and South Pacific Oceans. Indeed, Australia has been a most active trading nation and the exposure of India's economy to greater international influence will undoubtedly result in a significant expansion of Indian trade and have significant impact on Australia's trade. Recently, Australia expressed its interest in the region in the form of a proposal by Broken Hill Proprietary Limited to link Iranian gas fields to India via an underwater pipeline passing through Pakistan's territorial waters, and which might even be tapped by Pakistan.³ The Indian Ocean seabed, about 10 million sq. kms., is said to be covered with some of the richest known concentrations of nodules: manganese, iron, manganese, iron,


2 *Year Book 1992 - Australia* (Canberra, 1992), p.3.

nickel, cobalt and copper, for which India has been granted pioneer investor status in an area some 2000 km south of the peninsula. This could be significant for Australia, a major producer of land-based minerals, particularly if the prospect of mining the deep seabed is realized in future.

Being an Indian Ocean nation, Australia’s maritime interests are essentially strategic and commercial. Her main security concerns lie in the eastern Indian Ocean: to protect maritime approaches, ocean resources and the strategically important Cocos and Christmas Islands and Heard and Mcdonald Islands. Australia also focusses its interest in the Indian Ocean in the economic potential of northwest Australia’s reserves of minerals, oil and gas and on the potential seabed resources of the continental shelf.

Australia had realised the geostrategic importance of the Indian Ocean and has made several attempts in the past to utilize the Indian Ocean. The first of these was in the mid-1970s when the superpowers increased their naval presence in the Indian Ocean. The Senate Committee stated that "Australia is a member nation of the Indian Ocean littoral and as such is dependent on the viability of the ocean and the region for sea and air communication links, trade, cultural and political relations and regional progress to ensure our own development. Any disruptions to the security and development in the region will have repercussions in Australia." The report went on to make a number

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7 Report for the Senate Standing Committee on Foreign Affairs and Defence, Australia and the Indian Ocean Region (Canberra, 1970).
of suggestions of a higher Australian profile in the region. There was little evident change, however, until the Soviet invasion of Afghanistan in 1979 which led to a flurry of increased operations by the Royal Australian Navy (RAN) and the Royal Australian Air Force (RAAF) in the Indian Ocean, combined with measures to expand military support facilities in Western Australia. During the early 1980s, RAN units undertook regular deployments in the northwest Indian Ocean with routine port visits to the island states and along the East African littoral. Similarly, RAAF P-3C maritime surveillance aircraft expanded their Indian Ocean operations with routine surveillance flights from Learmonth in Western Australia, the Cocos Island and Butterworth in Malaysia.\(^8\)

The year 1984 witnessed another benchmark in Australia's policy towards the Indian Ocean when Bill Hayden, the then Minister for Foreign Affairs, delivered a speech in Perth. He called for Australia "to adopt a higher and busier profile in the region."\(^9\) The 1987 Defence White Paper acknowledged the broader strategic interests that included the eastern Indian Ocean. The then Minister for Defence, Kim Beazley said, "Not all events in the Indian Ocean affect Australia's security equally. Australia's area of broader strategic interests includes the areas of the Indian Ocean bounded by the 'ninety east ridge' in the West, Indonesia in the north and Diamentina Trench in the South."\(^10\) This statement recognized more the limited ability of Australia to influence events in the Indian ocean than the geographical extent of Australia's interests. Paul

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9 Speech of the Minister for Foreign Affairs, Mr. Bill Hayden, M.P to the Australian Institute of International Affairs, Perth, 20 June 1984.

Dibb further defined in the 1987 Defence White Paper that the area to the northeast of Australia is equally vital to the country’s security.\textsuperscript{11} In recognition of this more focussed regional interest, the RAN’s submarine fleet was to be based at Cockburn Sound and half the surface fleet at Stirling, both on the west coast. Dibb had defined Southeast Asia as an area of primary strategic interest.\textsuperscript{12} Map 3.1 delineates roughly the areas of direct military concern and primary strategic concern as defined by the Dibb report and subsequent White Paper in relation to the wider Indian Ocean.

I. THE INDIAN OCEAN INTERESTS IDENTIFIED

Australia being an Indian Ocean nation, her maritime interest lies in the eastern Indian Ocean. Apart from the general strategic significance of the ocean to Australia’s security, three specific interests can be identified in the Indian Ocean. These are shown in Map 3.1.

(a) Offshore Territories in the Indian Ocean

Australia has several offshore territories in the Indian Ocean, some of which are thousands of miles away from the Australian mainland. Cocos, Christmas and Heard and McDonald Islands are the most significant of these, from the strategic point of view as all generate large EEZs. All in all, Australia’s area of offshore jurisdiction in the Indian Ocean is about 70 percent that of the mainland itself.\textsuperscript{13} According to Babbage the strategic importance of Cocos and Christmas Islands lie in the fact that “these forward

\begin{enumerate}
\item Sam Bateman, \textit{The Indian Ocean in Australia's Maritime Strategy}, The Australian Centre for Maritime Studies, Queen Victoria Terrace, no.71, July/August 1993.
\end{enumerate}
Primary Strategy Interests
Direct Military Interests

island outposts could be made a painful thorn in the opponent's side in a wide range of contingencies"14 and concludes that they are "more of a defence asset than a liability." He makes a central point of the potential importance of the islands as air bases but recognises difficulties of re-supplying fuel to the islands.

These difficulties are due to the remote location of the Cocos and Christmas Islands. Christmas Island is located 987 km east northwest of the Cocos group. It is 1,408 km from northwest Cape, the closest point on the Australian mainland, 2,623 km from Perth and 360 km south of Java Head.15 The area of Christmas Island is about 135 square kilometres and the greatest distance both north-south and east-west is 17 km. During the Second World War Christmas Island played a significant role when the Japanese navy captured the island from the British army. The island was retained after the end of the war by Britain.

In the 1970s a 7,000 feet sealed airstrip was completed, permitting regular air charter services to commence to Perth, Singapore and Jakarta. One of the main problems of Christmas Island is the aviation fuel supply system which involves delivery by ship. The Island is sometimes cut off for weeks at a time by bad weather which prevents ships from approaching the landing area at Flying Fish Cove. The airfield is shorter in length and hence cannot support all RAAF aircraft operations at full load. Nevertheless, F/A 18, F-111 and other tactical combat aircraft are capable of operating from the Christmas Island airfield with useful loads on both day and night operations.16

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16 ibid, p.23.
Map 3.2 shows F/A-18s, F-111s and P-3C Orion coverage (unrefuelled) provided by access to Christmas Island beyond that available from other parts of Australia territory. In fact, Christmas Island can be strategically significant to check the enemy submarine movement in the region, especially those that transit between the Pacific and Indian Oceans (normally) through the Malacca Strait.

Christmas Island would possibly provide a valuable site for a wide range of other defence installations in the future. It might provide a useful site for Jindalee ground beacon to sharpen the resolution of over-the-horizon radar (OTH). A conventional ground-based microwave radar based on the island could substantially enhance surveillance of Australia's north-western approaches, as seen in the Map 3.2. Christmas Island could also in the future provide a valuable site for a wide range of national security, intelligence or scientific research and new technologies may enhance the range of important functions that could most usefully be performed from this location.

The Cocos Islands are located 2,768 km north-west of Perth, 3,785 km west of Darwin and 1,200 km South-West of Iowa Head at the Sundra Strait.¹⁷ Cocos Island, however, is another proposition. It is more dependable, being further out from archipelagic air threats and also having natural terrain which would inhibit covert landings. Resupply of fuel is easier at Cocos than at Christmas Island, although one should not underestimate the extent of the maritime operations which would be required to maintain Australian occupation of Cocos Island in the face of a sustained threat by even a moderately-capable adversary.

At present, the primary strategic significance of the Cocos Island to Australia flows from the value of its airfield, located in the same latitudes as Darwin but a third

¹⁷ ibid, p.3.
of the way across the Indian Ocean. The island is presently maintained 8,000 ft. runway, is capable of supporting operations by all types of RAAF aircraft. It also provides a well-located staging point for operations across Australia and the north-western approaches from the central Indian Ocean to the Bay of Bengal and the South China Sea. Access to Cocos could be critical in supporting air operations to assist the defence of Indonesia, Malaysia and Singapore from external attack. Map 3.2 shows the airspace coverage access that Cocos Island provides to fighter/ground attack and long range maritime patrol aircraft, F-111s, F/A-18s and P-3C without aerial refuelling. Besides this the Cocos island is also attached with reliable detection and tracking capabilities of ground based and balloon-borne radars against surface vessels and aircraft flying at 10,000 feet.\textsuperscript{18} In the longer term, the Cocos Islands could possibly provide a useful site for a range of intelligence collection facilities which will provide more advantage to Australia in order to counter the adversary.

In the Southern Ocean, Australia possesses two offshore territories. They are, Heard and McDonald Islands (see Map 3.1). These islands are sub-antarctic islands located 4100 km southeast of Fremantle midway between Australia and South Africa. They are inhospitable places and very difficult to land upon, but they are located on the Kerguelen Plateau with an extensive continental shelf. Although the continental shelf around Heard and McDonald Islands is extensive, there is some doubt over the resource potential of the area.\textsuperscript{19} Being south of the Antarctic convergence; there is not a lot of fish and in view of the sea conditions, seabed mining would be difficult. From the

\textsuperscript{18} \textit{Aviation Week and Space Technology}, vol.125, no.2, 14 July 1986, pp.144-9.

\textsuperscript{19} Bateman, n.8, p.11.
geostrategic point of view, the inclement nature of the weather makes these islands unimpressive due to the related difficulties in settling down.

Thirdly, Ashmore and Carrier Islands form the Australian territory which is closest to Indonesia (see Map 3.1). They gain importance because of their potential effect on delimitation of the outstanding maritime boundaries with Indonesia and because of their proximity to the offshore oil and gas fields in Timor Sea. The islands themselves are small coral cays with scant defence significance except perhaps as fixed forward operating base to support protection operations for the Timor Sea offshore oil and gas installations which are likely to multiply in numbers in the years ahead.

(b) Sea-borne Trade

Australia's major national interest is maritime commerce, both coastal and overseas. As a trade route the Indian Ocean is significant to Australia, as demonstrated by the fact that well over 50 percent of its total trade (by tonnage) passes through the region. According to world standards, Australia rates highly as a major shipping nation in terms of total tonnage of cargoes loaded and discharged. In recent years Australia's sea-borne trade has represented nearly 8 percent by weight of total international sea-borne trade, although Australia's overseas trade is equivalent to only about 1 percent by value of total world trade. On a tonne-mile basis, Australia's share in world sea-borne trade is rather more impressive—about 13.35 percent of the total. This is because of the long distances involved in shipping cargoes from and around Australia and because virtually all her sea-borne exports consist of heavy bulk ores, particularly iron ore, coal

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and bauxite. Crude petroleum and refined petroleum products make up about 40 percent of total Australian seaborne imports in terms of tonnage.

The amount of Australian trade moving across the two oceans is evenly balanced. The Pacific caters for about 50 percent of its exports and imports. The remaining 50 percent is divided between trade moving across the Indian Ocean and that directed to the north-west through the Sundra, Tombok and Ombal Straits of Indonesia. Figure 3.1 highlights shipping routes to and from Australia. Among the commodities that trade across these routes, are strategically important materials such as ferrous and non-ferrous metals and ores, energy minerals, agricultural products, oil chemicals and industrial and electrical equipment. It is believed that Australia could survive significant disruption to overseas trade in the event of war. Currently there is no regional power which has the capability to seriously threaten its international trade routes. In case it is disrupted this would have a serious effect on its economy especially since bulk cargo can only be transported effectively by sea. Therefore, protection of the movement of coastal cargo is a high priority for Australian maritime forces.

According to defence assessments, resupply is a dominant factor in planning military operation especially in northern Australia. Most of the fuel used in the north in peacetime is supplied by sea. This would be unlikely to change in time of conflicts when the area experiences a high level of military operational activity, when such aircraft as F/A-18s and F-111s are deployed. Because of the economies of scale available from sea transport of liquid fuels, it seems inseparable in any defence contingency in the north. The other potential major vulnerabilities in coastal shipping are the Weipa-Gladstone

AIR COVERAGE PROVIDED BY ACCESS TO THE CHRISTMAS AND COCOS ISLANDS (assumes no aerial refuelling)

Source: R. Sabbage, Christmas and the Cocos Islands Defence Liabilities or Assets? W/P.no.129, pp.12-24

SHIPPING ROUTES TO AND FROM AUSTRALIA Figure 3:1
bauxite trade, which is of high economic importance through the value added contribution of the alumina exports from Gladstone and domestic aluminium smelters. And in northern Australia which is not linked to its external environment by developed roads, significant military planning and operations could be difficult.\textsuperscript{23}

(c) Offshore Resources

Australia has an extensive continental shelf extending into the Indian Ocean, which is potentially rich in resources and very significant to Australia's future. Australia's economy has become increasingly reliant on offshore oil and gas in its northern region. Most supplies are now coming through the Bass Strait to the south of Australia which is wholly dependent on these supplies that have to pass through the Indian Ocean between Australia and Indonesia. Australia's current net self-sufficiency in crude oil supplies exceeds 90 percent but producing fields plus proven and probable reserves available for development will not be able to maintain this level in the face of the decline of existing fields - particularly Bass Strait. Unless new discoveries are made, Australia's level of self-sufficiency could be down to about 65 percent and Australia could then be importing a quarter of a million barrels of oil a day.\textsuperscript{24} The offshore continental shelf is regarded by industry and government geological experts as the area having the greatest potential for the future discovery of oil. More than 70 percent of Australia's undiscovered oil reserves are thought to be offshore.

The part of the continental shelf in the Timor Sea, including the territory of Ashmore and Cartier Islands and adjacent waters, is emerging as a very important oil-


\textsuperscript{24} ibid, p.9.
producing area that will contribute significantly to Australia's oil self-sufficiency in the 1990s. The Jabiru field alone already contributes 9 percent of Australia's total oil production. Considerable exploration activity is likely in the Timor Gap area in the next few years, particularly in view of recent trends in world oil prices and the agreement reached with Indonesia on a Joint Development Zone in an area of high prospectivity, where the seabed boundary between Australia and Indonesia was earlier in dispute. Australia's dependence on the north-west shelf and the Timor sea will in the future be a major strategic vulnerability for the nation and the security of the installations there would involve extensive maritime operations at any level of threat.

Australia's maritime interests stand to grow significantly in importance in the years to come. Pressures on land resources have contributed to the refocussing of increased attention on the largely untapped potential of the world's oceans. Technological advances in many fields are marking feasible a whole range of activities on and under the sea. Australia, indeed, has one of the longest coastlines in the world and with an EEZ that is the fourth largest in the world, the prospects are particularly exciting. Australia's marine industry is already worth over $A 16 billion annually and earns approximately $A 45 billion in gross export income. These figures have the potential to increase dramatically as Australia takes up the marine opportunities available to it.

(d) **Persian Gulf Interest**

The Persian Gulf is of no direct military strategic importance to Australia, since the north-west Indian Ocean is well beyond the area of Australia's primary strategic interest. It is a matter of fact that the Persian Gulf is a key strategic region of the world that connected to the Indian Ocean, provides approximately 30 percent and 60 percent of Western Europe's and Japan's oil needs, respectively. Therefore, Australia's interest in the Persian Gulf has two main characteristics. In the area of trade, Australia is essentially concerned with ensuring that the oil supply is not threatened or interrupted and that their export markets remain safe from external or internal disruption. Secondly, as a full-fledged member of the Western alliance Australia has political, military and economic interest in ensuring that the Persian Gulf conflict does not threaten their allies' economic interests. As a minimum, their economic 'self-interest' position should remain stable and free from any possible disruption of oil supply from the Persian Gulf.26

During the last fifteen years the Persian Gulf has become increasingly important to the Australian economy as a market for its primary produce, manufactured goods and services. In 1986, the Persian Gulf area joined Australia's list of suppliers, mainly as their major source of imported oil. In 1986 the total amount of Australian exports to the region amounted to a 57 percent increase over the 1980 period and imports took an opposite direction with a drop of 48 percent in total imports over the same period.27

The region has been the leading market for live animals, cheese, curd and barley, with Saudi Arabia being the main destination for these exports. The Gulf is also a major market for the sale of wheat especially in Iran and Iraq, and mutton and lamb in United


27 *Australia: Composition of Trade 1986*, Department of Trade, June 1987.
Arab Emirates, Iran and Saudi Arabia. Whereas Australia’s imports from the region is mainly composed of crude petroleum oil and refined petroleum products, the amount they import is certainly not significant. In 1986 Australia needed to import approximately 20 percent of its total oil need, 66.5 percent of which came from the Persian Gulf. The maximum crude oil imported from that region comes from Saudi Arabia which alone supplies about 45 percent of Australia’s oil imports.28

Australia has sought to establish closer formal relations with the region by signing a number of Trade, Economic and Technical Cooperation Agreements with the countries of the area. Australia had signed such agreements with Bahrain in 1979, Iraq and Saudi Arabia in 1980, and with Oman, Kuwait and the UAE in 1981, 1982, 1985, respectively. Australia is also presently negotiating with Iran for a new trade agreement which would supersede the 1974 agreement. There is a possibility that another one will be established with Iran in the year ahead.

II. DEFENCE INFRASTRUCTURE: BEGINNING AND DEVELOPMENT

In the 1970s, Australia had taken much maritime interest in the Indian Ocean, building up the defence infrastructure to support maritime operations to the north and west of the continent including the eastern Indian Ocean. It is only in the last decade or so that it has built up defence infrastructure north and west from its present concentration in the southeast. Therefore, the three services, viz., Navy, Air Force and Army had already been tasked and deployed in the region.

(a) Navy

HMAS Stirling, on Cockburn Sound has been developed to become the Navy Headquarters in Western Australia (see Map 3.3). Other centres like training establishment, submarine construction facility and reserve port division have been set up. In the north of Australia there have been constructions for new patrol boat bases at Darwin and Cairns with a possible forward operating base at Port Hedland. The Headquarters for the north is at Darwin and besides this reserve port division, communications base and major fleet bases were established in both Darwin and Cairns. The development of HMAS Stirling as the main base for about half the fleet has proceeded on that basis. A further extension of that plan will see all the Collins class submarines based in the west, and the closure and sale of HMAS Platypus when the last Oberon class submarines is paid off in 1998, subject to a cost effectiveness study into providing alternative specialised berthing and support facilities in Sydney for up to two Collins class submarines.

(b) Air Force

Tindal, three hundred kilometres south of Darwin, has been established as a major air base with an F/A-18 Hornet squadron permanently based there (see Map 3.3). The RAAF is also based at Geraldton in Western Australia. The construction of other unmanned (‘bare’) bases are going on at Derby in Western Australia and Weipa and Cape York Peninsula. Also an OTHR network is being set up across northern Australia.

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especially at Jindalee and Pine Gap,\textsuperscript{30} to provide air and maritime surveillance of the northern approaches to Australia. Government has endorsed the need for a chain of northern air bases from Learmonth to Townsville. The bare bases at Learmonth, Curtin and Scherger (when built) have only caretaker staff. A plan is being developed to relocate the \textit{B 707s} from Richmond to Amberly. The \textit{C 130} will be relocated,\textsuperscript{31} early next century. HQ Air Force Logistics Command will be relocated to Laverton from central Melbourne.

(c) \textbf{Army}

The 2nd Calvary Regiment, a reconnaissance unit currently based outside of Sydney, is to be re-located to Darwin and re-equipped as an independent rapid reaction unit with an aviation element and wheeled armoured fighting vehicles (while retaining some of its existing tracked APCs) (see Map 3.3). A small detachment of tanks is also to be moved to Darwin and integrated regular and reserve regional force surveillance units have been raised for the north west (based in Darwin) the Pilbara and Far North Queensland, and for the longer term, consideration is also being given to re-locating an infantry brigade to Darwin. Australia Defence Forces (ADF) are based at Derby and Geraldton in western Australia.

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\textsuperscript{31} \textit{The Defence Corporate Plan 1991-1995}, n.29, p.27.
(d) Communication Station

During 1991, Australia and the United States will continue to develop plans for the phased transition of the joint naval communication station at North West Cape to sole Australian control and management (see Map 3.3). Both governments had agreed in principle to a seven year transition period in October 1990. This communication station, nearly 1,400 kilometres, north of Perth, was built following an agreement signed in 1963. It allows both the US and Australia to maintain contact with submarines operating in the Indian and Pacific Oceans.32

III. INDIAN OCEAN TRADE

The Indian Ocean is of great importance for both the world trade and strategically too. It is a major highway of international trade carrying a considerable proportion of the world's shipping traffic. The countries of North East Asia, particularly Japan, are heavily dependent on Middle East oil and raw materials from countries in the Indian Ocean including from north west Australia. Oil for Europe and North America is routed from the Gulf around the Cape of Good Hope and into the Atlantic. There are also focal areas of high shipping traffic density in the Indian Ocean with commensurate risks of marine accidents and pollution, such as areas in the north east within the Malacca Strait, the strait through the Indonesia archipelago and their approaches. Secondly in the northwest with the Gulf of Oman and the approaches to the Red Sea, and thirdly in the southwest, particularly in the vicinity of the Aguthas Banks.33

32 ibid, p.27.

DEFENCE INFRASTRUCTURE IN
WESTERN AUSTRALIA

Map 3:3


PERTH: HMAS Sterling
  - major base (Surface Sub)
  - air base
  - army HQ
CURTIN: air base
TINDALLE: OTHER
PINE GAP: Control Station
  for SIGINT Satellites
  joint US Australia.
NORTH WEST CLOAD: VLF comm.s facility
  - Learmonth airfield
  - MR refuelling
  - H.F. Transmitter/receiver.

GERALDTON: Kojarena satellite
  monitoring SIGINT
DARWIN: air base
  - patrol boat base
  - Shoal Bay SIGINT and comm.s facility
  - army HQ
EDINBURGH: MR Base, Orions
  - army HQ
NURRUNGAR: satellite comm.s
  facility joint US/Australia.
The problem of the safety of merchant shipping is becoming more serious, due to the increasing age of the world's merchant fleet and the pressure on shipowners to cut costs to the absolute minimum, their inability to control the safety standards of ships flying their national flags and the growing number of sub-standard merchant ships at sea which are potentially unseaworthy and often operated by poorly-trained crews. Therefore, Australia has a particular interest and concern in marine safety for many resources. Firstly, oceanic shipping, particularly in bulk trades, in the large area of the Indian Ocean is Australia's responsibility for marine search and rescue, and concerns over the protection of the numerous environmentally sensitive marine areas around the coasts.

Besides marine safety in the Indian Ocean, Australia also looks into the Indian Ocean trade, especially in the eastern Indian Ocean. The eastern Indian Ocean is one of the most important regions and of considerable geopolitical, economic and strategic significance. From an economic perspective the eastern Indian Ocean is an extremely busy highway. On any given day, more than US $1 billion worth of goods pass through this region on their way to or from East and Southeast Asia and to a lesser extent, North America. The eastern Indian Ocean is also an extremely valuable route for military forces. As a matter of fact, in this context is the United States' use of this region - so-called 'West-about' route for rapidly moving military units and supplies from the Middle East. It offers a valuable alternative to the trans-Atlantic route, which is dependent for the most part, on European acquiescence and unrestricted passage through


35 The Indian Ocean Challenges and Opportunities Seminar, Hosted by the Navy Foundation. New Delhi, 29-30 September 1992, p.2.
the Suez Canal. This region is of primary strategic value because of its role as a border between South Asia and Southeast Asia and East Asia and its multi-lane freeway states for international trade. Basically, this type of boundary region frequently contains a number of exposed or partially-exposed 'nerve endings' but it all depends on special handling and care. For instance, the case of Timor Gap seabed which was until recently the cause of conflicting claims by Australia and Indonesia, was resolved by both sides in an amicable fashion.

Examining the overall Indian Ocean trade, it appears to be ‘stitched together’ as it were, by the trade routes that cross it. There are three major components to the Indian Ocean trade. First, trans-oceanic trade that is, trade, passing through the Indian Ocean, largely between Europe and Asia. This trade passes mostly through two routes, either through the Suez Canal and thence up through the Southeast Asian Straits of Malacca, Sundra or Tombok, or else around the Cape of Good Hope, and thence joining the former route. Alternatively having passed through Suez or around Africa, the route might branch off to Australia. The vast bulk of trans-oceanic trade is carried through the Indian Ocean. Easterly and westerly trade flows in the Indian Ocean trade routes and annual tonnage carried during 1990 are illustrated in Figures 3.2-A and 3.2-B.

The second type of Indian Ocean trade is in oil. This trade flows mainly out of the Hormuz Straits and then splits roughly 50:50 between Europe and East/Southeast Asia. Following the closure of the Suez Canal at the time of the 1967 Middle-East War, most of the oil bound for Europe now passes around the Cape of Good Hope. Oil

37 ibid, p.24.
bound for East Asia follows a similar route to other cargo. Oil trade routes are shown in Figure 3.3.

A third type of Indian ocean trade consists of traditional intra-regional trade. This reflects patterns that go well back into historical times. Traditional routes for intra-regional trade followed the coasts up the East African coast to the Gulf, from the Gulf through the Arabian Sea to South Asia and then around South Asia to Aceh in Indonesia and on to the rest of Southeast Asia (see Map 3.4). This Indian Ocean basin trade is changing in character in recent years with the emergence of important regional trading 'hubs'. Of these Singapore is by far the most noteworthy, but other centres such as Colombo are rapidly making their mark as points from which regional trade distribution takes place.38

In the Indian Ocean a considerable volume of trade passes through straits and this is known as 'choke points'. There are six straits which play the most important role in the Indian Ocean. The Straits of Hormuz at the entrance to the Persian Gulf, the Straits of Malacca between Sumatra and the Malay Peninsula and the Sunda and Tombok Straits between the Indonesian islands of Sumatra/Java and Bali Tombok respectively. The Suez Canal and Sab al Mandab, which are in northernly and southernly entrances of Red Sea respectively, are also important. The Indian Ocean trade now, however, foster around the Cape of Good Hope. Table 3.1 given below shows the information on major Indian Ocean Straits.

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MAJOR NON-OIL TRANS-OCEANIC TRADE ROUTES
IN THE INDIAN OCEAN AND ANNUAL TONNAGE

AFRICA
US$6.4 bn

ASIA - NORTH AMERICA
US$203.1 bn

NORTH AMERICA
US$13.4 bn

SOUTHEAST ASIA
US$42.6 bn

SOUTH ASIA
US$13.3 bn

CHINA & TAIWAN
US$36.8 bn

JAPAN
US$50.6 bn

KOREA
US$45.0 bn

NORTH AMERICA
US$13.4 bn

SOUTHEAST ASIA
US$48.9 bn

EUROPE
US$156.7 bn

MIDDLE EAST
US$272.4 bn

AFRICA
US$5.3 bn

AUSTRALIA & NZ
US$11.6 bn

### Table 3.1
Length, Width, Depth and Tonnage Carried Annually of Major Indian Ocean Straits

<table>
<thead>
<tr>
<th>Strait</th>
<th>Length</th>
<th>Width</th>
<th>Depth</th>
<th>Tonnage (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hormuz</td>
<td>-</td>
<td>20 n. miles</td>
<td>235 ft.</td>
<td>246784638 (W to E)</td>
</tr>
<tr>
<td>Malacca</td>
<td>40 n.mile</td>
<td>8 miles</td>
<td>25 ft.</td>
<td>624082054 (W to E)</td>
</tr>
<tr>
<td>Sunda/Tinbok</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>165292958 (N to S)</td>
</tr>
<tr>
<td>Suez</td>
<td>103 miles</td>
<td>179 ft.</td>
<td>38 ft.</td>
<td>375307103 (W to E)</td>
</tr>
<tr>
<td>Bab al Mandab</td>
<td>-</td>
<td>26 km.</td>
<td>200 m</td>
<td>375307103 (W to E)</td>
</tr>
</tbody>
</table>


In the Indian Ocean, the most significant from the strategic point of view is the Strait of Hormuz because it is very difficult to by-pass should the Strait, for any reason, be closed to traffic. Although some oil could be piped out of the Gulf to the Red Sea and Mediterranean, these pipelines would not be capable of carrying the requisite volumes to meet the global requirement. On the other hand, even if all three major Southeast Asian Straits be closed (an unlikely event), the international trading system could cope with the need to re-direct sea lines of communications (SLOCs) around Australia, which would entail an additional 3,000 nautical miles, just as it adapted to the need to re-direct Suez trade around the Cape of Good Hope after the closure of Suez following the 1967 Middle East war, a closure that entailed an additional sea voyage of about 4,500 nautical miles. This basic flexibility of Indian Ocean trade underlines the fact that there is considerable latitude in which to ply trade in the waters to the south of the principal choke points. This degree of latitude would make it very difficult for any littoral nation actually to interdict trade over an extended period in these expanses of water.
OIL TRADE ROUTES IN THE INDIAN OCEAN

Figure 3:3

North America 189.7
Caribbean 121.1
South America 59.3
North Africa 99.4
West Africa 89.3
Southeast Asia 88.8
Japan 185.5
Northwest Europe 170.6
Mediterranean 107.5
Middle East 447.5

Exports 89.8 millions tonnes
Imports 127.3 million tonnes

1980 figures in millions of tonnes


TRADITIONAL INTRA REGIONAL TRADE

Map 3:4

The Strait of Malacca is an extremely important international waterway by virtue of the sheer volume of traffic that passes through it, a situation that has earned the Strait the title of 'iron highway'. The Strait is of extreme importance to Japan which imports approximately 70 percent of its crude oil from the Gulf.\textsuperscript{39} It is, however, perhaps an exaggeration to describe the Strait as a dagger at the Japanese heart.\textsuperscript{40} In a recent move, Malaysia has also put forward a scheme involving oil refineries and pipelines designed to transfer trade across the Malay peninsula. This scheme appears to have more to do with the desire to divert some of Singapore's valuable petrochemical and oil refining business than it has with any purely strategic consideration.

The Suez Canal is also vulnerable as a strategic waterway. Its importance lies in its role as a link between US and European Mediterranean forces and the Gulf theatre. For example, at the start of the 1990-91 Gulf crisis, the \textit{USS Dwight D.Eisenhower} carrier battle group was quickly despatched to the Gulf through the Canal as part of the 'trip wire' force initially interposed by Washington.\textsuperscript{41} It is not hard to envisage other circumstances, however, in which Egypt would not allow the waterway to be used in this way.

\section*{IV TRADE IN THE INDIAN OCEAN AND SOUTHEAST ASIA}

The nature of Australia's trading relationship with most non-oil producing, Indian Ocean littoral nations, including India also contributed to the view that the region was a source of instability rather than one of opportunity. Australia's Indian Ocean policy,

\textsuperscript{39} Gordon, n.36, p.27.
\textsuperscript{40} J.P.Anand, "Indian Ocean: Strategic Waterways", \textit{Strategic Analysis}, vol.16, no.4, April-June 1984, p.371.
\textsuperscript{41} \textit{The Indian Ocean}, n.38, p.22.
to this extent, came to be seen as Gulf policy and closely related to this Cold War policy at large. In 1980, bilateral trade between Australia and India totalled only US $333 million, with Australian exports amounting to US $202 million.\footnote{IMF, \textit{Direction of Trade Yearbook}, Washington, D.C., 1982, p.97.} Southeast and East Asia, in contrast, were clearly areas of growing opportunity. The contrast between Australia’s trade with the Indian Ocean and north and Southeast Asia is illustrated by Figure 3.4 which compares the growth of Australia’s exports by region in the 1972-90 period.\footnote{Sandy Gordon, \textit{Australia-India Relations into the Nineties and Beyond}, The Australian National University 1993, Australian Foreign Policy Papers, p.14.} It can be seen that by the end of the period Australia’s exports to north and East Asia were over eight times greater than to the Indian Ocean littoral and that they were growing more rapidly.

The nature and intensity of the linkage between South Asia and Southeast Asia may change. So, then the extent of Australian maritime interest in the Indian Ocean would to an extent be ‘pushed out’ toward South Asia.\footnote{Sandy Gordon, "Australia’s Perspective on Indian Ocean," \textit{Maritime Security}, Institute for Defence Studies and Analysis (New Delhi, 1993), p.58.} But the linkage of South-Southeast Asia cannot be analysed in isolation from the sets of relationship between East and Southeast Asia on the one hand and South and Southeast Asia on the other. The Southeast Asian region is not only a meeting point between the strategic entities of the Indian Ocean and the Pacific, it is also the point of confluence of the cultural influences of South and North Asia. It would not be surprising, therefore, if we were to discern a relationship between the intensity of the links between North Asia and Southeast Asia and those between South Asia and Southeast Asia.
V. AUSTRALIA’S MARITIME CLAIM

Prior to 1990, Australia claimed a three mile territorial sea, a continental shelf based on the limits prescribed by the 1958 Convention on the Continental Shelf and a 200 mile Australian Fishing Zone (AFZ). Following the Offshore Constitutional Settlement (OCS) the States got substantial control over the waters of the territorial sea, while with respect to minerals activity on the continental shelf and the AFZ fishery various forms of joint Commonwealth-State administration were in place.

In accordance with the UN convention’s Articles 55-57, Australia proclaimed on 1 August 1994, an EEZ over which it has the right to explore and exploit the marine mineral resources and to harvest the marine biotic resources of the seabed, substratum and superjacent. The EEZ extends for 200 nautical miles (370 km) from the state’s baseline from which the breadth of the territorial sea is measured (see Map 3.5). The Australian EEZ delineation is essentially formed by a suite of acres of 200 nm radius 8.6 million square kilometres. The convention also defines those seabed areas where the continental shelf extends beyond the 200 nm limit. In Australia’s case nearly 3-8 million sq. km. of legal continental shelf has been added to the extensive claim. Under the new Law of the Sea Treaty which came into force on 16 November 1994, Australia became responsible for what will become one of the world’s largest territories - the Australian Ocean Territory (AOT) of 16.1 million square kilometres, including an EEZ of 11.0 million square kilometres. As a result of the United Nations Convention of the Laws of the Sea (UNCLOS), Australia’s maritime territory is nearly twice as large as the land


GROWTH OF AUSTRALIA'S EXPORTS TO SOUTHEAST AND SOUTH ASIA

Figure 3:4

Source: IMF, Director of Trade Statistics 1990

AUSTRALIA'S MARITIME CLAIM

Map 3:5

Source: Maritime Studies, Nov/Dec 1994, p.17
under her care. Australia’s Oceanic territory extends from just south of the equator to the ice shelf of Antarctica, and from the Pacific to the Indian Ocean.\textsuperscript{47}

Under the new international law of the extension of the territorial sea from 3 to 12 miles is the significant expansion of the geographical area over which Australia has sovereignty. The 1990 proclamation extends to all Australian territories, including internal territories and numerous external territories and countless islands that are regarded as forming of the territory of particular Australian states.

VI. AUSTRALIA’S CONCERNS

Regional Security Capability

Australia is deeply concerned about evolving strategic capabilities of the Indian Ocean region. There are a number of elements that are behind the rising capabilities of the regional powers. Firstly, the end of the Cold War, secondly, Southeast Asia is experiencing rapid economic growth and acquiring modern fighters and naval vessels and considering the purchase of submarines for the first time. West Asian and Central Asian countries already possesses a range of ballistic missiles like the intermediate-range Chinese-origin SS-20s of Saudi Arabia, Iran’s 1000 km range Tondar 68, Iraq’s 900 km Badr-2, Kazakhastan’s nuclear-armed SS-18 and ‘Model 4’ 16BMs. In South Aisa Pakistan’s acquisition of Chinese M-11 short-range missiles\textsuperscript{48} and India’s IGMDP are cause for concern. Thirdly is the increasing capability of the larger regional powers to develop indigenously important defence capabilities. Australia perceived that the current development in the Indian Ocean are going to affect its national interests and national

\textsuperscript{47} ibid, p.3.

security in the next century. Therefore Australia is also developing its maritime capabilities to protect its territories against any attack originating from the region.

(a) South Asia

Both India and Pakistan are developing indigenous ballistic missile capabilities. India successfully test-fired its first ballistic missile called *Prithvi* with a range of 250 km. Its overall take-off weight is the highest for any missile in its class.49 *Agni*, a ballistic missile, was first launched in 1989. It is an intermediate range missile (2500 km) with a weight of 4,000 kg and payload of 1,000 kg.50 Another missile is the *Nag*, an anti-tank missile with a range of 4 km. It is a formidable answer to a variety of battle tanks in the region. The *Akash* is a surface-to-air missile with a range of 27 km and expected to counter the threats posed by Pakistan's F-16s. It is also called India's Patriot. The *Trishul* is a surface-to-air missile with a range of 9 km.51 *Agni* provides India the capabilities to target Pakistan, most of the Indian Ocean, many cities in southern China and Southeast Asia as illustrated in Figure 3.5. The *Trishul* and *Akash* deployed as anti-tactical ballistic missile (ATBM), could provide India the capability of protecting itself from incoming missiles. The other South Asian states like Sri Lanka, Nepal and Bangladesh do not possess any indigenous ballistic missiles capabilities.

Pakistan already possesses short and medium range ballistic missiles (IRBM)s called *Hatf-I*, *Hatf-II* and *Hatf-III* with a range of 80 km, 280 km and 1000 km respectively. These missiles were developed with assistance from France and possibly

China. In the early 1990s, Pakistan acquired several Chinese ballistic missile called M-11 with a range of 300 km. These missiles could be deployed near the international border and they could destroy high value Indian targets within minutes of launch. The Haf-III covers the northern part of India as shown in Figure 3.5. India is also seeking to acquire cruise missile capabilities, probably with Israeli assistance. It has already designed and built unmanned aerial vehicles (UAVs), which could be transformed into cruise missiles by upgrading precision guidance, navigation and propulsion. Survivable data links have also been developed.

In addition, Pakistan and India have substantially upgraded their maritime power, although, India is the only Indian Ocean power with a potential strategic reach in South Asia. Stephen Cohen states that

it is the only Indian Ocean power that has the potential to be a balance power to the neighbouring countries, that is, a power with a full range of capabilities in technology, the economy, the defence industries and the military.

In the 1980s the Indian Air Force (IAF) underwent extensive modernisation with the introduction of the sophisticated Jaguars, Mirage-2000 and MIG-29s, the MIG-25 reconnaissance and MIG-27 fighter planes 11-76 and An-32 transport, Mi-17 and Mi-25 helicopters and a host of other Soviet weapons systems and technologies. The navy has acquired 85 ships and submarines and over 80 aircraft from the Soviet Union. The Indian Defence Minister said that "We will constantly build our navy so that the

persuasion is not in words.\textsuperscript{55} Schelling and Halperin have observed that in the case of India's navy,

advance in technology often defined defence needs. In effect, India's extended strategic interests in the Middle East, Southeast Asia and the Indian Ocean arise as much from India's growing military reach, based on an autonomous arms build-up, as from perceptions of indirect threats prevailing in distant theatres of war that may affect the sub-continent.\textsuperscript{56}

On the other hand, the Indian navy has acquired the capability to project power from the Persian Gulf to the Straits of Malacca.\textsuperscript{57} There is no difficulty for Indian naval power to extent up to the waters of Southern Africa and intervening in that region for a limited period because it has significant resources in the Bay of Bengal through its facilities in the Andaman and Nicobar Islands and on the eastern side of peninsular India, as shown in Map 3.6. The map also shows Indian force projection capabilities, maritime capabilities and schematic deployment against intra-regional threats. These resources enable it to stage major surface combat aided by Jaguars and Bears into the northeastern reaches of the Indian Ocean.\textsuperscript{58}

In the post Cold War era, the Indian navy has focussed its interests in the eastern Indian Ocean to protect its fishing rights, offshore energy, mineral resources and unpopulated territory in the Andaman and Nicobar Islands. The naval operation has been extended to the eastern Indian Ocean by Trilander aircraft operating from the Indian base

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{57} J.Mohan Malik, "India's Security After the Cold-War", M.Vicziancy and K. McPherson (eds.), \textit{Australia and South Asia a Blueprint for 2000?}, National Centre for South Asia Studies, 1994, p.286.
\item \textsuperscript{58} Gorden, n.36, p.19.
\end{itemize}
\end{footnotesize}
Figure 3.5

Source: Asian Strategic Review 1991-92, IDSA
New Delhi, p. 176.

Map 3.6

Source: R. Babbage, The Modern Indian Navy and the
INDIAN OCEAN, see W/P.no.291.
Besides this, Kamorta and Car Nicobar Islands are also the main naval base in the Bay of Bengal. India will continue to build-up its naval facilities and assists in eastside of peninsular India (such as Charbatia, Visakhapatnam, Arrakonam and Ramanathapuram) as well as in the Andaman and Nicobar Islands to enable her to exercises sea control in its territorial waters and perhaps eventually sea denial in the northeastern as a whole (see Map 3.7). In recent years, Australia had identified the northeast part of the Indian Ocean as being of primary strategic importance also.

It is predicted that by 2000 the Indian navy will constitute a better balanced force, carrying a more sophisticated mix of weapons as shown in Table 3.2. It will not be significantly larger than it is today.

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59 Uday Bhaskar, "The Indian Navy 1990", *Quarterdeck* 90, p.71.
Source: Sandy Gordon, The Search for Substance: Australia-India Relations in the Nineties and Beyond, ANU, 1993
### Table 3.2
Present and Projected Numbers of Major Vessels in the Indian Navy

<table>
<thead>
<tr>
<th>Vessel</th>
<th>Present no.</th>
<th>Projected no.</th>
<th>No. by 2000</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carriers</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>Vikrant retired</td>
</tr>
<tr>
<td>Destroyers</td>
<td>5</td>
<td>3</td>
<td>8</td>
<td>3 Delhi class (modified Kashin) under constru-</td>
</tr>
<tr>
<td>Frigates</td>
<td>9</td>
<td>3</td>
<td>12</td>
<td>3 modified Godawari class under construc-</td>
</tr>
<tr>
<td>Corvettes</td>
<td>18</td>
<td>6</td>
<td>24</td>
<td>5 Petya class and 3 Nanuchka class assumed non-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>operational by 2000.</td>
</tr>
<tr>
<td>Landing ship tank (LST)</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Landing ship Medium (LSM)</td>
<td>8</td>
<td>0</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Landing Craft Utility (LCU)</td>
<td>7</td>
<td>0</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Minesweepers</td>
<td>18</td>
<td>0</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Support</td>
<td>9</td>
<td>1</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Submarines</td>
<td>18</td>
<td>0</td>
<td>18</td>
<td>4 Foxtrots may retire by 2000</td>
</tr>
<tr>
<td>Total</td>
<td>95</td>
<td>14</td>
<td>108</td>
<td></td>
</tr>
</tbody>
</table>


Apart from these external threats India also needs to protect her territories in the Indian Ocean. As Uday Bhasker writes:

India has a 7,562 km long coastline, nine major and over 100 minor ports, 1,200 far-flung island territories spread over the Bay of Bengal and the Arabian Sea, a 2.5 million sq. km. of exclusive economic zone (EEZ), Rs.24,000 crore worth investment and in off-shore oil well assets. Her international maritime boundary extends up to Indonesia, Malaysia,
Thailand, Myanmar, Sri Lanka and Pakistan, as also 95 percent of India's trade is by sea.\textsuperscript{60}

Therefore, it is expected that Indian navy might undertake a massive development policy in the coming years. This probably might affect the Indian Ocean region.

Pakistan's maritime interest in the Indian Ocean are dominated by its competition with India. In fact, Pakistan does not have a power-projection capability because she is largely confined to the Arabian Sea. However, Pakistan possesses some formidable weapons that give considerable punch, such as, the Exocet missile and Harpoon missile equipped P-3C Orion maritime reconnaissance (MR) aircraft and artillery radars, recently received from USA. Pakistan had bought 40 odd Mirage fighter aircrafts from France to strengthen its defence and also use as nuclear delivery systems.\textsuperscript{61} Pakistan also decided to replace its ageing Daphne submarines with the French Agosta 90B,\textsuperscript{62} these ships are to be fitted with Exocets, SM 39 missiles and eventually, an air-independent propulsion system. Pakistan has already acquired remote-controlled pilotless aircraft of Chinese origin with a maximum speed of 205 kmph and it can fly at an attitude of 3200 metres.\textsuperscript{63} So far Bangladesh has only one naval base at Chittagong and is yet to explore maritime strategy in the Indian Ocean.

\textsuperscript{60} Dinesh Kumar, "The Millennium Will Find the Navy a Weaker Force", \textit{Times of India}, 4 December 1996, p.11.


\textsuperscript{62} Sandy Gordon, n.36, p.71.

\textsuperscript{63} \textit{Times of India}, 4 March 1997, p.9.
(b) Gulf States

After the Kuwait War, Iraq was severely weakened as a regional power. Its navy was virtually destroyed and ballistic missiles, possibly armed with chemical or biological weapons has also been destroyed by the allied forces. Currently, it has only one frigate and several coastal patrol craft. Still it has 300 fighter and FGA aircrafts though most of these are less capable models. Its ground forces are still formidable by Gulf standards but without effective air cover their capability is severely handicapped especially if they again have to be ranged against a Western force.

Iran has been seeking to rebuild its naval power, after the Iran-Iraq war. Currently the Iranian navy is the most powerful indigenous navy in the Gulf comprising 2 Kilo submarines recently acquired from Russia, three destroyers, five frigates and ten 70 tonne fast attack craft with HY-1 Styx missiles, recently purchased from China. Iran also has a number of surface-to-surface ballistic missiles capable of being fired from land at surface vessels. These missiles include modern Italian missiles, Silkworms, and Chinese CSS-N-2 HY-2 missiles. In 1992 Iran acquired eight SS-N-22 supersonic anti-ship missiles from Ukraine, for which the US navy has no electronic counter measure (ECM) capability. Iran’s air force is of about 115 fighters but suffer from lack of spare parts due to the US embargo.

Saudi Arabia is militarily stronger in terms of high-technology equipment than Iran, but Saudi Arabia is nevertheless fearful of Iran because of its much larger population and the forces of Islamic radicalism it appears to represent. In order to


prompt Iran in the CARs, Saudi Arabia is applying itself diplomatically and financially in that area. It also attempts to offset its small population by developing strategic linkages with Pakistan, a more populous and technologically capable nation.

Currently Iran's naval power is the only one emerging in the Gulf region. However, Iran's strategic interests will not affect the Australian national interests because Iran is now vulnerable and weak, with its economy in severe difficulties. Indeed, Australia is way beyond Iran's power projection capability and naval reach.

(c) South Africa

In the western Indian Ocean Australia do not have direct military strategic importance because it is beyond her primary strategic interests. In fact, South Africa is currently playing a significant role in eastern Africa. Concurrently, South Africa is also pursuing modern maritime capabilities because the South African Navy (SAN) needs to protect territorial waters including 300 kms of EEZs as well as deter subversion or direct naval attack on the Republic.

In fact, strategically South Africa has no real maritime threat to her flanks. None of her neighbours can mount any sort of naval operation which is outside the SAN's capabilities. However, this may not be the case for ever. Therefore, presently, SAN is acquiring modern maritime capabilities to strengthen naval role in the region. The strike craft and submarines are currently undergoing a major upgradation further upgraded for the improvement of the weapons system, a major upgraded of the periscopes, improved user-interface on current systems and a new communications

system. Torpedoes will undergo a complete overhaul, which is to be completed in 2005. Medium-terms planning calls for acquisition of 14 ships during the next decade. Four patrol corvettes of about 2,250t by 1999, six smaller combatants of up to 1,200t by 2003 and four submarines by 2005.\textsuperscript{68} The South Africa Air Force (SAAF) had 395 aircraft in 1996 and new acquisitions will bring with it 60 pilots \textit{PC-7 MkII} training aircraft to replace its \textit{WW-II - Vintage Harwards}.\textsuperscript{69} The next two major acquisition plans are for new jet and lead-in fighter to replace the \textit{Impala} and new utility helicopter to replace the \textit{Alouette-III} both of which are due for replacement by 2000 AD.\textsuperscript{70} The SAAF plans to acquire a number of suitable helicopters to operate from the four patrol corvettes that the navy plans to acquire by 1999. In 1997, plans are on to acquire an evolution batch of four \textit{Rooivalk} attack helicopters. Also SAAF is engaged with several aircraft and weapons programmes.

South Africa's growing regional role will make yet more demands on the navy, which is in effect only coastal combatant force. The SAN has already in recent years assisted Namibia with fisheries patrol, Zaire with reconstruction of harbour facilities and Mozambique with coastal surveys. It has also transported relief supplies to Mozambique and Kenya.

In fact, the SAN is playing a strategically significant role in eastern Africa and also foresees that in the near future SAN will dominate in the region. However, the SAN's acquiring maritime capabilities will not be a threat to Australia and South Africa does not have the capability of power projection in the Indian Ocean region. Indeed.


\textsuperscript{69} \textit{The Statesman's Year Book 1996-97}, pp.1195-96.

\textsuperscript{70} \textit{SIPRI Yearbook, 1996-97}, p.352.
both the countries look towards economic development and regional cooperation rather than naval power in the Indian Ocean. The ultimate desire of Australia and South Africa in fact, is to maintain peace and stability in the region.

(d) Strategic Relevance in the Northeast Segment of the Indian Ocean

Recently Australia is witnessing a clear growth in the strategic potential of the northeast segment of the Indian Ocean. Each of the countries in that area has built-up a major naval base in Indian Ocean and most of these bases acquired modern combatant aircrafts, submarines, war ships etc. and facilities such as satellite communication, signal intelligence, OTHR, maritime reconnaissance etc. which have been extensively developed (see Map 3.7).

Currently, Thailand's security interests in the Indian Ocean and concurrently its concerns with India are centred on the Andaman Sea and in particular the Andaman and Nicobar islands. Indeed, in the past, Thai defence planners had neglected the Andaman Sea coast but is now attracting a much higher priority and expanded defence activity. There have been a number of catalysts for Thai interest. There is incursions allegation into Thai waters by the Indian submarines as a result of this, the Thai navy is procuring both submarines and extensive anti-submarine warfare capability.\(^{71}\) A regional fleet headquarters has been established on the west coast, the naval facilities at Phang Nga and Sattahip have been upgraded and major new facilities at Krabi are to be developed as shown in Map 3.7. In the west coast, submarine fleets have been already based, air

\(^{71}\) Gordon, n.36, p.81.
defence radar coverage and the second F-16 squadron has been installed in the southern Thai provinces.72

Indonesia's main security concerns are directly to the north rather than west and south in the Indian Ocean. The dispute over the South China sea has reinforced Indonesia's traditional concern about China. The Indonesian concern also has been caused by the emerging nuclear capabilities in South Asia. Therefore, Indonesia is pursuing to acquire new weapons that give it greater maritime and land based maritime reach, including surveillance capabilities. These include parts of the old East German fleet, 12 F-16 aircrafts, 44 Hawk 100/200 ground support aircraft, three type 209 GDW submarines on order and three Boeing maritime surveillance aircraft. Surabaya, Jakarta, and Belawan are the main naval base in Indonesia and Teluk Ratai is under construction to be turned into the main naval base (see Map 3.7).

Gradually, Malaysia has also progressed in its defence policy. Recently Malaysia acquired a mix of FA-18s and MIG-29MS both of which have air defence and maritime attack capabilities. It has also acquired two British frigates and is about to embark on a major ocean patrol vessel acquisition. The coastal surveillance and response capabilities on both side of the peninsula has been upgraded. Sabah and Sarawak have been included in the area covered by FPDA. It is seeking to acquire two to three submarines. Besides this two bases, Butterworth and Lumut are also the main naval bases in Malaysia.

Myanmar possesses two naval bases at Coco and Hianggyi islands with Chinese development of the port. China has become Myanmar's largest aid donor. China has also sold Myanmar more than $1 billion worth of arms including jet fighters, tanks.

72 "Regional Impact of Navy's Expanded Role", The Nation, 15 November 1992, p.86.
rocket launchers, *Hainan*-class patrol gunboats etc. Myanmar also aims to protect the sizeable maritime oil and gas deposits it wants to exploit with foreign companies.

Singapore has had one major naval base at Singapore consisting of Brani and Tuas. Singapore had already acquired submarines, *F-5F Tigers* II, *F-16A/Bs*, *A-4SU Skyhawks* etc. About 6 large patrol boats (Fearless class) is under construction, an aircraft 18 *F-16 C/Ds* are on order, to be delivered in 1998. *A-4s* are being modernised to the *A-4SU* super Skyhawk and six *CH-47D Chinooks* are also on order, for deliveries in 1996-97.

In the northeast of the Indian Ocean, disputes had already erupted between India and Indonesia in 1965,\(^73\) when Indonesia claimed the Andaman and Nicobar Islands. Even today the problem is continuing, especially with fishermen trespassing into Indian waters. The relationship between Indonesia and Australia are cordial, and this process has a strategic impact on Australian security. Moreover, as the range of capabilities in each of the three countries is extended, each will need to give greater consideration to the requirements of interaction than has been necessary to date. There are some ASEAN nations deeply concerned about the rapid Indian naval build-up and the development of India's naval facilities at Port Blair.\(^74\) One of the major concerns of India was of China as an imminent threat to India in the region. At present India is the more capable naval power. But India does not have power to take on China without the assistance of other major powers in the region.

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\(^73\) Sandy Gordon, *The Search for Substance: Australia-India Relations into the Nineties and Beyond*, ANU (Canberra, 1993), p.81.

Besides the pursuit of security capabilities in the Indian Ocean by regional actors, Australia focussed its attention on China which has the most highly developed IRBMs in the region. Indeed, next to the forces of the former Soviet Union it has the largest missile force in Asia. It has a stockpile of around 175 strategic land based ballistic missiles and around 38 submarine-based missiles. China has also contributed in a significant manner to missile proliferation in Asia and has become the first country to export IRBMs, barely a year after the USA and USSR signed the INF Treaty to abolish these missiles. Pakistan, Syria and Iran are the main countries to which China sells M-9 missiles which have a range of 375 miles (600 km.). However, Chinese missiles are defined as short-range (less than 1000 km.), medium-range (1000-3000 km), long-range (3,000-8,000 km.) and continental (over 8,000 km.). The intercontinental range missiles can cover Australia, Africa and the whole of the central region of Russia, as shown in Figure 3.5.

Australia has clearly identified its strategic interests in the Indian Ocean. These developments are pragmatic attempts to overcome the historical imbalances in its defence infrastructure which ignored the reality of the geo-politics around the region. The western tilt or western Australia is going to be upgraded by increasing Australian naval activity in the next few years in the Indian Ocean which was neglected in the past. All these developments took place in the context of an increasing awareness in Australia of the importance of maritime power to Australia. In 1990, the then Minister for Defence, Senator Ray stated at the Canberra conference that

75 Beri, n.49, p.172.
76 Defence and Foreign Affairs Weekly, B-14, August 1988.
Australia's increased naval involvement in the ocean is related simply and directly to the defence of Australia. The shift in strategic focus to include the Indian Ocean seaboard is not a reflection of the increase in other countries activities in the Indian Ocean, or of any perceived development of threat from the Indian Ocean. Our interest in the region is based on our wish to protect our interests there.78

After the Cold War, Australia was greatly disturbed by the Indian Ocean littoral states, which are developing maritime capabilities and possess indigenous ballistic missiles. Most of the states also acquired the latest aircrafts, submarines, warships etc. and created uncertainty in the region. The dismissal of Soviet naval capabilities and the withdrawal of the US Seventh Fleet from the region has caused serious problems. The immediate threat in this region is the emergence of Chinese hegemony in South China Sea, which has become more complex and potentially more volatile. However, the Defence White Paper (1987) document identified specific threats, "they did point out that it was most likely that any direct and substantial threat to continental Australia would arise from or through the region immediately to Australia's north and north-west."79

In fact, Australia had such an experience in the Second World War, Vietnam War, the threats throughout the Cold War and the collapse of the communist threat. However, Australia has been basically a secure nation that has not faced any formidable threat. But after the end of the Cold War the region would be subject to a period of uncertainty. Therefore, China, Japan and India are highly capable as potential agents of outside influences in Australia's region.80

79 Dibb, n.13, p.9.
80 Australia's Strategic Planning in the 1990s, Australian Department of Defence (Canberra, 1992), pp.213-17.
Australia perceives that given the trends in the development of maritime capabilities in the South East Asian region, the North East Indian Ocean (particularly the Bay of Bengal) and the South China Sea, they will be more complex operating areas in the future. There will be more active involvements on the maritime scene and some fairly sophisticated maritime capabilities such as ships, submarines and aircraft will be available. The risk of local miscalculation and misunderstanding will be heightened significantly compared with what it is at present and what it has been in the past.