



Delhi Policy Group

Advancing India's Rise as a Leading Power

INDO-PACIFIC MONITOR

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INDO-PACIFIC MONITOR

This publication is a monthly analytical survey of developments and policy trends that impact India's interests and define its challenges across the extended Indo-Pacific maritime space, which has become the primary theatre of global geopolitical contestation. It is authored by Cmde. Lalit Kapur (Retd.), DPG Senior Fellow for Maritime Strategy based on open source reports and publications. Your comments and feedback may be addressed to the author at lalit@dpg.org.in. To subscribe, please [click here](#).

Cover Image:

INS Kadmat Refuels from JS Towada off Okinawa, November 28, 2023. Source: Indian Navy

Prime Minister Shri Narendra Modi Welcomes H.M. Haitham bin Tarik, Sultan of Oman at Hyderabad House, December 16, 2023. Source: MEA Photo Gallery

Imphal test-firing an Extended Range Brahmos Supersonic Missile, November 2023. Source: Indian Navy

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INDO-PACIFIC MONITOR

December 2023

Abstract

The Middle East conflict took on a new dimension with Iran-backed Houthi rebels disrupting commercial sea lanes running through the Red Sea, using drones and missiles. Ships carrying cargo to and from India were also targeted, including in the Arabian Sea. In response, major shipping companies re-routed traffic around South Africa. The Pentagon responded by launching the US-led multinational Operation Prosperity Guardian and India was called upon to join, even as some US allies announced their decision to act independently or under NATO command. Sri Lanka joined the Combined Maritime Force in Bahrain.

India deployed three IN ships to counter threats to commercial shipping in the western Indian Ocean.

China continued its coercive assertions in the Second Thomas Shoal, while the US, Japan and Australia continued voicing support for the Philippines. China also convened the Second Indian Ocean Development Cooperation Forum at Kunming. The forum has objectives similar to those of the Indian Ocean Rim Association. Heads of government from Kenya, Seychelles and Sri Lanka participated online. North Korea tested an ICBM on December 18. Japan announced relaxation of its rules for arms exports to provide Patriot missiles manufactured under licence to the US.

Five summits involving Indo-Pacific countries indicated continued jockeying for influence in the region during the month: India-Kenya, India-Oman, China-Vietnam, Australia-PNG and Japan-ASEAN.

India maintained its mutually beneficial relationship with Russia, with External Affairs Minister Dr. S. Jaishankar visiting the country from December 25-29. India also continued its long-distance maritime deployments, with ships showing India's flag in the Northern Pacific, South China Sea, the Persian Gulf, the Red Sea, and East African ports during the month. The commissioning of stealth destroyer INS Imphal added to the Indian Navy's strength.

The US Congress passed the National Defense Authorization Act for FY 2024 and President Biden signed it into law. The Act allocates \$841.7 billion to the Department of Defense, out of a total budget of \$886.3 billion. Allocations include of \$ 9.1 billion for the Indo-Pacific Deterrence Initiative and a series of actions directed towards constraining China. The Act also authorised the sale of three Virginia class submarines to Australia.

Australia continued strengthening its new forward defence posture, including through decisions taken at the Second AUKUS Defense Ministers' Meeting and continued measures towards the creation of AUKUS facilities.

NDAA 2024 and the Indo-Pacific

The US Congress reached a bipartisan and bicameral consensus on the US National Defense Authorisation Act (NDAA) for the 63rd consecutive year, with Senate passing the legislation 87-13 on December 13 and the House passing it 310-118 on December 14. President Biden signed NDAA 2024 into law, with some reservations on sections that constrain the Executive Branch, on December 22¹.

NDAA 2024 authorises a total expenditure of \$ 886.3 billion, as compared to \$857.6 billion in 2023². The Department of Defense (DoD) allocation is \$841.4 billion (\$24.7 billion higher than last year's level of \$ 816.7 billion, and \$200 million more than was sought by the Biden Administration). \$32.4 billion goes to the Department of Energy, while \$12.1 billion goes to defense related activities outside NDAA jurisdiction. Procurement allocation (2023 figures in brackets) is over \$169.2 billion (\$163 billion); R&D allocation is \$145.9 billion (\$138 billion), operations and maintenance account for \$288.8 billion (\$278.8 billion); Personnel costs are \$176.8 billion (\$172 billion); and military construction costs are \$18.2 billion (\$19.5 billion). Procurement thus takes up 20.1% of DoD's 2024 budget, R&D 17.3%, operations and maintenance 34.3%, manpower 21%, others 7.3%

The authorised strength of the US Armed Forces shrinks as compared to FY 2023. The size of the US Army, at 452,000 personnel remains the same as last year. The USN shrinks by 7000 personnel from the 354,000 sanctioned for FY 2023. The USAF shrinks from 325,334 last year to 324,700 in FY 2024. USMC

¹ Statement from President Joe Biden on H.R. 2670, National Defense Authorization Act for Fiscal Year 2024, December 22, 2023, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/12/22/statement-from-president-joe-biden-on-h-r-2670-national-defense-authorization-act-for-fiscal-year-2024/>

² HR 7776, <https://www.congress.gov/117/bills/hr7776/BILLS-117hr7776enr.pdf>

strength goes down from 177,000 to 172,300 personnel. The Space Force expands from 8,600 to 9,400 personnel. A pay increase of 5.2% for military service members and the DOD civilian workforce, as compared to the 4.6% authorised by NDAA 2023, means that personnel costs are only marginally higher than in FY 2023.

The Act authorises multi-year buy contracts for up to 13 Virginia-class nuclear attack submarines. It provides a shipbuilding budget of \$ 32.29 billion, \$ 290 million less than in FY 2023, to build one Columbia-class ballistic missile submarines, two Virginia class attack submarines, two Arleigh Burke-class destroyers, two Constellation-class frigates, two support vessels and miscellaneous smaller ships. It also provides funds for the next two Gerald Ford class aircraft carriers and one San Antonio class LPD. The US shipbuilding industrial base has visible capacity constraints, and the Act sets aside \$ 88 million for expansion of the submarine industrial base, apart from authorising acceptance of Australian funds for this purpose. On the other hand, it allows the reduction of Carrier Air Wings maintained by the US Navy from ten to nine, for 11 aircraft carriers.

NDAA 2024 extends the Ukraine Security Assistance Initiative by providing \$ 300 million each for FY 2024 and FY 2025. It directs the President to task the National Security Council to develop an interagency strategy for the Black Sea Region, inter alia to bolster US security and energy assistance and mitigate the impact of economic coercion by Russia and China on the Black Sea states. It prescribes that the President shall not suspend, terminate, denounce, or withdraw the US from NATO except with the consent of the Senate or pursuant to an Act of Congress. It prescribes a number of measures to strengthen US support to Israel and directs the Secretary of Defense to develop a Middle East Integrated Maritime Domain Awareness and Interdiction Capability. Effectively, the US re-balance to the Pacific remains constrained by the demands of Europe and the Middle East.

The Act defines "foreign adversary" to mean China (including the Hong Kong and Macau Special Administrative Regions), Cuba, Iran, North Korea, Russia and Venezuela. It directs the Defense Secretary to strengthen US defense alliances and partnerships in the Indo-Pacific and further the US comparative advantage in strategic competition with the PRC by enhancing cooperation with Japan; South Korea; Australia; the Philippines, Thailand and other ASEAN countries; India through the Quad; Taiwan; Singapore; Micronesia; and Canada, UK and France, in that order. It extends the Indo-Pacific Deterrence

Initiative by two years and provides an additional \$ 9.1 billion for it in FY 2024³. It also establishes an Indo-Pacific Campaigning Initiative, to enable the strengthening of Indo-Pacific alliances and partnerships, deter aggression by potential adversaries and shape their perceptions of US capability, dissuade strategic competitors, and improve the understanding of the US Armed Forces of the operating environment and improve their ability to coordinate and operate with foreign partners and allies.

A number of measures are directed towards denying China access to US funding and institutions. These include an audit to identify diversion of DoD funds to China's research labs, prohibition of training of junior officers at educational institutions operated by the Chinese Communist Party, prohibition on procurement from Chinese military companies operating in the US, restrictions on usage of Confucius Institutes by the DoD, prohibition on the use of funds to support entertainment projects with ties to the PRC, and the ending of China's developing nation status. The Act mandates a study of the implementation of a naval blockade on shipment of fossil fuels to China in the event of armed conflict, including the study of choke points for such a blockade. Another study is directed to ascertain the extent of China's involvement in the Mexican fentanyl trade, a third of China's defense budget, and yet another of the comparative defense budgets of China and the US. The Act also directs a CIA assessment of China's efforts to increase influence in the Middle East and a DIA assessment of strategic competition involving China or Russia in Latin America and the Caribbean. It directs the Director of National Intelligence to designate a senior official from his office to serve as the intelligence community coordinator for accountability of atrocities of the PRC. It also directs the DNI to establish an interagency working group to analyse the tactics and capabilities of the PRC in Africa. Another DNI group is to be established to carry out a comprehensive assessment of how the lack of reciprocity between the PRC and the US provides advantages to the PRC.

The Act sets out the sense of Congress that the US decision to establish diplomatic relations with the PRC rests upon the expectation that the future of Taiwan will be determined by peaceful means. It specifies that the increasingly coercive behaviour of China towards Taiwan, including boycotts and embargoes, is contrary to this expectation. The capacity of Taiwan to resist any resort to force or other forms of coercion should thus be maintained and the US should support Taiwan in the development of capable, ready and modern defensive forces to maintain sufficient deterrent capability. The Act expands

³ Fact Sheet: Department of Defense Concludes 'Decisive Year' in the Indo-Pacific Region, December 27, 2023, <https://www.defense.gov/News/Releases/Release/Article/3626886/fact-sheet-department-of-defense-concludes-decisive-year-in-the-indo-pacific-re/>

oversight measures to ensure this objective is met, and directs the Secretary of Defense to establish a comprehensive training, advising and institutional capacity building programme for the military forces of Taiwan.

The Act contains a number of provision pertaining to AUKUS. It establishes an AUKUS partnership oversight and accountability framework. It directs the Defense Secretary to designate a senior official responsible for oversight of DoD activities relating to AUKUS. It prescribes the AUKUS related reports to be provided to appropriate congressional committees. It spells out measures to streamline and protect transfers of US military technology to Australia and UK from compromise. It provides for expedited review of export licenses for Australia, the UK and Canada. It authorises the transfer of up to two used and one new Virginia Class submarines on sale basis to Australia during the period 2024-2044, with all costs for transfer to be borne by Australia.

The purpose of broadening the engagement with India is to advance the shared objective of a free and open Indo-Pacific region through bilateral and multilateral engagements and participation in military exercises, expanded defense trade, collaboration on humanitarian aid and disaster response, and to enable greater cooperation on maritime security. In other India-related sections, the Secretary of Transportation is directed to conduct negotiations with India (along with allies and Taiwan) so as to prevent the automatic access by China of logistics information data of the United States, including by port authorities, marine terminal operators and the maritime transportation system. It directs the Secretary of Defense to establish an Indo-Pacific Maritime Domain Awareness Initiative (including but not limited to Australia, Japan and India) to enhance the ability of allies and partners to monitor the Indo-Pacific maritime domain. It also directs him to enhance the major defense partnership with India along four lines of effort: cooperative R&D or evaluation projects in ISR, undersea domain awareness, air combat and support, munitions and mobility; cooperative training to build capacity in counterterrorism, counter WMD operations, countering illicit drug trafficking and transnational crime, military intelligence operations, air domain awareness operations, and cyberspace security and defensive cyberspace operations; cooperative R&D projects on defense equipment and munitions; and to enable Indian entities to bid on contracts for the maintenance, repair or overhaul of equipment located outside the US.

In sum, NDAA 2024 continues providing resources that will enable continued competition with China, without enhancing them sufficiently to ensure that the US will prevail. It will enable the US to further incentivise its allies and partners in the region, without convincing them of US commitment.

China's Indian Ocean Region Forum on Development Cooperation

In November 2022, the China International Development Cooperation Agency (CIDCA) had convened the First China Indian Ocean Region Development Cooperation Forum at Kunming, Yunnan Province⁴. That event was attended by delegates from Afghanistan, Australia, Bangladesh, China, Djibouti, Indonesia, Iran, Kenya, Madagascar, Maldives, Mauritius, Mozambique, Nepal, Oman, Pakistan, Seychelles, South Africa, Sri Lanka and Tanzania, as well as representatives of three international organizations.

The second edition of this forum was convened at Kunming on December 09, 2023⁵. President William Ruto of Kenya, President Wavel Ramkalawan of Seychelles, President Ranil Wickremesinghe of Sri Lanka and Prime Minister Mostafa Madbouly of Egypt participated online⁶. Vice President Hussain Mohamed Latheef of the Maldives and ministers from Djibouti, South Africa, the Comoros, and senior UN officials attended physically.

CIDCA is chaired by Mr Luo Zhaohui, China's former Ambassador to India (2016-2019), Canada and Pakistan, who also served as China's Vice Minister for Foreign Affairs from 2019-2021. In 2022, the chair had stated that China would strengthen cooperation with IOR countries to grow the blue economy, advance implementation of GDI in the region, embark on the path of shared development and accelerate cooperation to build a maritime community with a shared future. He had expressed China's willingness to work with IORA to strengthen ocean governance and expand cooperation in areas such as seawater desalination, marine monitoring, pollution control, ecological conservation, sustainable fisheries, green shipping and marine spatial planning. In this year's forum, he said that China will continue to invest more resources in the Indian Ocean Region to advance blue cooperation. Yunnan would continue to leverage its geographic advantage as China's gateway for opening up towards South and Southeast Asia and the Indian Ocean Region, and provide a platform for development of the region.

⁴ Kunming Joint Press Statement of China-Indian Ocean Region Forum on Development Cooperation, http://en.cidca.gov.cn/2022-11/22/c_832998.htm

⁵ Joint Statement on Blue Economy Development Cooperation of the China-Indian Ocean Region, December 09, 2023, http://en.cidca.gov.cn/2023-12/09/c_946388.htm

⁶ 2nd China-Indian Ocean Region Forum on Development Cooperation opens in Kunming, December 09, 2023, http://en.cidca.gov.cn/2023-12/09/c_946533.htm

The forum identified ten deliverables, as follows:

1. Establishing the China-Indian Ocean Region Disaster Prevention and Mitigation Alliance and developing a marine disaster warning and prediction system.
2. Building the China-Indian Ocean Region Blue Economy Think Tank Network and injecting vitality into blue economy cooperation in the region.
3. The establishment of the China-Africa Cooperation Centre on Satellite Remote Sensing Applications.
4. Development of the China-Africa Marine Science and Blue Economy Cooperation Centre.
5. The execution of 200 "small yet smart" livelihood projects for IOR countries.
6. Launching of the Blue Talent Program and training 20,000 IOR professionals in the next three years.
7. Setting up of the China-Indian Ocean Region Maritime Cooperation and Training Centre.
8. Launching a climate information and early warning system project in cooperation with the UNDP.
9. Implementing a programme of sustainable fishery development for IOR countries.
10. Proposing a new energy Indian Ocean initiative that supports photovoltaic and hydroelectric power generation and marine renewable energy as well as electric vehicles in the Indian Ocean Region.

All of CIDCA's deliverables fall within identified IORA priority areas of fisheries management, disaster risk management, academic, science and technology cooperation and the blue economy. However, unlike IORA, which is consensus driven and led by a regional troika and where China is an observer, CIDCA initiatives are China-funded, China-led and designed to shape the Indian Ocean regional environment in China's favour.

The forum thus creates a China-dominated alternative to IORA. It enables propagating a narrative whereby China is the key player in developing the Indian Ocean Region. This is an evident counter to India's SAGAR vision. In parallel, it seeks to upstage the Quad's initiatives to provide public goods in the region.

Apex level participation from IORA members such as Kenya, the Seychelles, Sri Lanka and the Maldives indicates that the CIDCA forum finds resonance in IOR countries. It points to the need for India and democratic partners to step up

their game in the region, lest China's deep pockets and faster decision-making undercut their initiatives, thus destabilising the regional balance.

Red Sea Developments

Recent Houthi actions against shipping in the Red Sea suspected to have Israeli links began on November 19, when a British-owned Japanese operated merchant ship, *Galaxy Leader*, was seized⁷. They escalated on December 03, when USS *Carney*, operating in the Southern Red Sea, reported four attacks against commercial vessels operating in the region⁸. In the first, an anti-ship ballistic missile impacted close to MV *Unity Explorer*, in the Southern Red Sea. Hours later, the ship was struck by an anti-ship missile, resulting in "minor damage"⁹. Later that afternoon, MV *Number 9* was struck by an anti-ship missile, resulting in damage but no casualties. In the fourth, MV *Sophie II* was struck by a missile. The physical damage to the vessels was not significant and there were no casualties, but the psychological impact was large. A Houthi spokesperson said the ships were Israeli and were targeted after they rejected warnings from the group's navy¹⁰. Meanwhile, USS *Carney* also shot down a number of other unmanned aerial vehicles fired at ships in the region.

By mid-December, shipping companies had begun re-routing their vessels around South Africa instead of using the Suez-Red Sea route. Maersk and Hapag-Lloyd paused all planned transits of the Red Sea on December 15, calling for immediate action and a stop to the flagrant breach of international law¹¹. MSC and CMA CGM followed suit a day later¹². The Chinese container carrier OOCL suspended all shipments to and from Israeli seaports¹³. On December

⁷ Houthi seize ship in Red Sea with links to Israeli company, November 20, 2023, <https://www.reuters.com/world/middle-east/israel-says-houthis-seize-ship-red-sea-no-israelis-among-owners-or-crew-2023-11-19/>

⁸ Houthi Attacks on Commercial Shipping in International Water Continue, December 03, 2023, <https://www.centcom.mil/MEDIA/PRESS-RELEASES/Press-Release-View/Article/3605010/houthi-attacks-on-commercial-shipping-in-international-water-continue/>

⁹ Ibid.

¹⁰ Yemen's Houthis say they targeted two Israeli ships in the Red Sea: Report, December 03, 2023, <https://www.aljazeera.com/news/2023/12/3/yemens-houthis-say-they-targeted-two-israeli-ships-in-red-sea-report>

¹¹ Maersk and Hapag Pause Red Sea Runs as Industry Calls for Immediate Action, December 15, 2023, <https://maritime-executive.com/article/maersk-and-hapag-pause-red-sea-runs-as-industry-calls-for-immediate-action>

¹² MSC and CMA CGM Suspend Red Sea Transits, Joint Hapag and Maersk, December 17, 2023, <https://maritime-executive.com/article/msc-and-cma-cgm-suspend-red-sea-transits-as-us-and-uk-down-multiple-drones>

¹³ OOCL Stops Serving Israel Because of "Operational Issues", December 17, 2023, <https://maritime-executive.com/article/oocl-decides-not-to-serve-israel-for-operational-reasons>

18, US Defense Secretary Lloyd Austin announced the establishment of Operation Prosperity Guardian, a new multinational security initiative under the Combined Maritime Forces and the leadership of Task Force 153, to focus on security in the Red Sea¹⁴. The operation brought together multiple countries including the UK, Bahrain, Canada, France, Italy, Netherlands, Norway, Seychelles and Spain to jointly address security challenges in the southern Red Sea and the Gulf of Aden. The capacity of these countries to make meaningful contributions is questionable. Bahrain was the only Arab nation to join the operation. A joint statement from the US, NATO, Australia, the Bahamas, Japan, Liberia, New Zealand, Republic of Korea, Singapore and Yemen condemned the Houthi attacks and called for release of Galaxy Leader and its crew¹⁵.

On December 14, the Malta-flagged MV Ruen reported boarding in the Arabian Sea by six unknown personnel. An Indian P-8I located the ship on December 15, and INS Kochi, mission deployed in the Gulf of Aden, intercepted her on December 16¹⁶. The hijacked vessel entered Somali waters on December 17. Negotiations enabled the release and evacuation of a crew member who had suffered a gunshot injury: he was provided first aid and then transferred to Oman for further treatment¹⁷. A second destroyer was deployed by the Indian Navy to the region. In a separate incident on December 23, a suspected drone hit MT Chem Pluto, with a crew of 21 Indians and one Vietnamese citizen, carrying crude from Saudi Arabia to Mangalore¹⁸. A Gabon-flagged tanker with a predominantly Indian crew, MV Sai Baba, was targeted by drones in the Southern Red Sea on December 24¹⁹.

The incidents point to a substantial increase in threats to commercial shipping in the Arabian and Red Seas. In effect, they are an escalation of the terrorism and piracy threats that bedevilled the Horn of Africa and led to the

¹⁴ Statement from Secretary of Defense Lloyd J Austin III on Ensuring Freedom of Navigation in the Red Sea, December 18, 2023,

<https://www.defense.gov/News/Releases/Release/Article/3621110/statement-from-secretary-of-defense-loyd-j-austin-iii-on-ensuring-freedom-of-n/>

¹⁵ Joint Statement on Houthi Attacks in the Red Sea, December 19, 2023,

<https://www.state.gov/joint-statement-on-houthi-attacks-in-the-red-sea/>

¹⁶ Indian Navy's Mission Deployed Platforms Respond to Hijacking Incident in the Arabian Sea, December 16, 2023, <https://pib.gov.in/PressReleasePage.aspx?PRID=1987060>

¹⁷ Piracy Attack on MV Ruen in Central Arabian Sea, December 21, 2023,

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1989252>

¹⁸ Iran Strikes Tanker 200 NM Off India as Attacks from Yemen Resume, December 23, 2023,

<https://maritime-executive.com/article/iran-strikes-tanker-200-mn-off-india-as-attacks-from-yemen-also-resume>

¹⁹ Drone attack on Merchant Vessel in the Arabian Sea: what we know so far, December 26, 2023, <https://www.indiatoday.in/india/story/merchant-vessel-indian-crew-arabian-sea-drone-mumbai-harbour-attack-latest-developments-2480466-2023-12-26>

establishment of the Combined Maritime Force in 2001²⁰. The establishment of Operation Prosperity Guardian should, theoretically, provide reassurance: Maersk, in a vote of confidence, said on December 24 that it was resuming vessel transits through the Red Sea, although it would re-route them again if so required²¹. The Houthi spokesman, however, has said that they would continue their attacks and questioned whether the US operation can succeed²². Nor does re-routing shipping around the Cape of Good Hope resolve security concerns, as the attack off Mumbai indicates. Reports indicate that Iran has developed a number of drone carriers masquerading as merchant ships.

India has, for over a decade, seen itself as the Net Security Provider in the Indian Ocean. After the enunciation of SAGAR, it has also projected itself as the first responder. It is now a full member of the Bahrain based and US-led Combined Maritime Force²³. Should India join Operation Prosperity Guardian, as recommended by some sections of the media²⁴?

Consider first the drone attack on MV Chem Pluto off Mumbai, which has been ascribed to Iran. The ship's location at the time of attack was about 1000 Km from Iran, and over 1500 Km from the nearest point in Yemen. Iran does possess drones with the requisite range, but the question of guidance of a relatively slow UAV to a precise location at sea remains to be resolved. Another vessel or aircraft in the vicinity of the target could act as a relay, or as a drone carrier. Alternately, it is possible that the target vessel's Automatic Identification System response was used to provide homing. Whatever the method used, there is need for a thorough investigation before deciding on countermeasures.

Will deployment of Indian warships in the Red Sea help in protection of commercial traffic? To some extent, particularly if sufficient ships can be

²⁰ Combined Maritime Forces, <https://www.ukmto.org/-/media/ukmto/mievom-notes-pdf/indian-ocean/2020/dec/cmef-update---final.pdf>

²¹ More Than 280 Boxships Have Diverted Away From Red Sea, December 24, 2023, <https://maritime-executive.com/article/more-than-280-boxships-have-diverted-away-from-red-sea>

²² Houthi Leaders Vow to Keep Up Attacks on Shipping, December 19, 2023, <https://maritime-executive.com/article/houthi-leaders-vow-to-continue-attacks-on-shipping-despite-us-coalition>

²³ Joint Statement: Fifth Annual India-US 2+2 Ministerial Dialogue, November 10, 2023, https://www.mea.gov.in/bilateral-documents.htm?dtl/37252/Joint_Statement_Fifth_Annual_IndiaUS_22_Ministerial_Dialogue

²⁴ Choppy waters: Houthi attacks on Red Sea shipping pose a global challenge; India must work with US to protect interests, December 26, 2023, <https://timesofindia.indiatimes.com/blogs/toi-editorials/choppy-waters-houthi-attacks-on-red-sea-shipping-pose-a-global-challenge-india-must-work-with-us-to-protect-interests/>

found to create a protective bubble against drones and cruise missiles throughout the danger area. For the bubble to work against ballistic missiles, also reported to have been used²⁵, ships defending it must possess ABM capability: India's warships do not have this yet.

Nor have reports indicated that non-kinetic, cheaper soft kill measures have proved effective for area defence. Assuming a strike range of about 300 Km from Houthi controlled areas for drones or anti-ship missiles (it is actually much larger), the bubble would have to be nearly 2000 Km long. A weapon range of about 80 Km would necessitate at least 25 ships on station for a fixed bubble, more taking into account the needs of operational turn-around and maintenance. These numbers are not achievable. It would be far more effective to use a moving bubble and operate convoys, but that would result in convincing operators to accept consequential delays and enforcing the necessary convoy discipline. Moreover, the long-term sustainability of using expensive missiles, costing millions of dollars, to take down drones costing a small fraction is questionable.

If defensive measures alone are not likely to work, can the Houthis be deterred? That will at the minimum need the certainty of their launch platforms and command centres being hit before they can carry out their strike. The tools for this exist – surveillance assets that can locate and identify such platforms and centres and precision strike weapons to take them out. But can they be found in adequate numbers? Their usage will also necessitate the acceptance of collateral damage, with its political consequences. The experience of history suggests that deterring sub-conventional aggressors through conventional means is a difficult proposition, requiring a long commitment, for success.

Finally, the politics of joining the US in such an operation have to be considered. Reports indicate that France, Spain and Italy have already expressed reservations about participating in an operation under US command²⁶. Arab countries (except Bahrain), whose trade is directly impacted by the Houthi attacks have not joined. Nor has China, which depends on the Red Sea Corridor for its exports to Western Europe and the Atlantic coast of the Americas. Australia is also reported to have declined participation. Any Indian decision to join must be based on operational considerations, including the efficacy of the operation, and not just the political impact. India's spokesperson

²⁵ MV Maersk Gibraltar was targeted by a ballistic missile on December 14, 2023. See <https://www.centcom.mil/MEDIA/STATEMENTS/Statements-View/Article/3618401/centcom-statement-of-the-attack-on-the-mv-maersk-gibraltar/>

²⁶ What is US-led Red Sea Coalition and which Countries are backing it? December 22, 2023, <https://www.reuters.com/world/us-red-sea-taskforce-gets-limited-backing-some-allies-2023-12-20/>

was thus understandably guarded in his response to a question about whether India would join the US-led operation or not²⁷. For the present, prudence would dictate a wait and watch approach, rather than reinforcement of an operation with limited chances of success.

Australia Related Developments

Four developments in December 2023 pertaining to Australia and its external relationships impacted Indo-Pacific security. These relate to AUKUS, France, Papua New Guinea, and the Government's assessment of Australia in the world.

AUKUS

The US Defense Secretary hosted the Second AUKUS Defence Ministers' Meeting in California on December 01. The ministers jointly made a series of announcements regarding Pillar I (the nuclear attack submarines) and Pillar II (Advanced Capabilities)²⁸.

In Pillar I, they reaffirmed that the US would begin selling Virginia-class submarines to Australia from the early 2030s, the first SSN-AUKUS would be delivered to the Royal Navy in the late 2030 and the first Australian-built SSN-AUKUS would be delivered to the Australian Navy in the early 2040s. Six Australian officers have graduated from the US Nuclear Power School, three more will graduate from the UK Nuclear Power School in January 2024. Australian industry personnel have commenced work at the Pearl Harbour Shipyard and the Barrow-in-Furness Shipyard to develop their skills to build and sustain nuclear submarines. Australian sailors will commence duty in Guam in early 2024 to build their SN maintenance skills. The US agreed to increase the frequency of SSN visits to HMAS Stirling, with the next visit planned in the first half of 2024. The UK will begin SSN port visits to HMAS Stirling in 2026. The third quarter of 2024 will see maintenance work on a US SSN in Australia for the first time, enabling the identification of gaps in the skills and infrastructure of Australia's submarine base facilities²⁹. Enabling legislation to ensure the success of AUKUS has been introduced in both the

²⁷ Transcript of Weekly Media Briefing by the Official Spokesperson (December 21, 2023), https://www.mea.gov.in/media-briefings.htm?dtl/37474/Transcript_of_Weekly_Media_Briefing_by_the_Official_Spokesperson_December_21_2023

²⁸ AUKUS Defense Ministers' Meeting Joint Statement, December 1, 2023, <https://www.minister.defence.gov.au/statements/2023-12-02/aukus-defense-ministers-meeting-joint-statement>

²⁹ AUKUS Defense Ministers' Joint Press Briefing, December 1, 2023, <https://www.defense.gov/News/Transcripts/Transcript/Article/3604674/aukus-defense-ministers-joint-press-briefing/>

US and Australia. The US State Department notified Congress of its approval for the sale of AUKUS Pillar I training and training devices worth an estimated \$ 2.0 billion on December 01³⁰.

For Pillar II, the ministers announced that AUKUS partners will begin a series of trilateral exercises and experiments involving autonomous systems in the maritime domain aimed at enhancing capability development and improving interoperability, and to refine their ability to jointly operate uncrewed systems to share and process maritime data and provide real time maritime domain awareness. They will deploy common advanced artificial intelligence (AI) algorithms, including on their P-8A aircraft, to process data from each other's sonobuoys, improving ASW capability. They are integrating the ability to launch and recover undersea vehicles from torpedo tubes on current classes of submarines. They are accelerating the development of quantum technologies for positioning, navigation and timing in military technologies. They are also developing Resilient and Autonomous Artificial Intelligence Technologies (RAAIT) to enhance force protection, precision targeting and ISR. A Deep Space Advanced Radar Capability is being developed to provide round-the-clock all weather coverage to detect, track and identify objects in deep space: the first site near Exmouth in Western Australia will become operational by 2026³¹, while two others, in UK and the US respectively, will become operational by 2029. AUKUS partners are collaborating with critical suppliers to their naval supply chains to deploy advanced tools that will uplift cyber security of their supply chains. A collaborative forum co-chaired by the Vice Chiefs of Defence from the three countries has been established for identifying and validating operational requirements common to the three countries. A series of AUKUS innovation challenges will be launched commencing with Electronic Warfare in 2024, whereby companies will be able to compete in delivering solutions. Policies and processes, including the legislative changes required, are being streamlined to facilitate deeper and more rapid defence trade between the three partners. The partners will convene an AUKUS Advanced Capability Industry Forum, to facilitate the development and delivery of advanced capabilities, with the first meeting of the forum to occur in the first half of 2024.

³⁰ Australia – AUKUS Pillar I Training and Training Devices, December 01, 2023, <https://www.dsca.mil/press-media/major-arms-sales/australia-aukus-pillar-i-training-and-training-devices>

³¹ New Defence space capability boosts regional security, December 2, 2023, <https://www.minister.defence.gov.au/media-releases/2023-12-02/new-defence-space-capability-boosts-regional-security>

The announcement that Australian made steel would be used in the construction of Australian SSNs was the next significant development³². The Australian Submarine Agency has entered into a contract with Australia's Bisalloy Steels for the qualification of Australian steels for the construction; the process is expected to be completed in the first half of 2025.

The US Congress passed the National Defense Authorisation Act (NDAA) on December 14³³. The Act provides for the transfer of three Virginia-class SSNs to Australia commencing the 2030s. This includes two in-service submarines and one from the production line. The Act also authorises the maintenance of US submarines by Australian personnel in Australia, the training of Australian industrial personnel in US shipyards, and establishes a mechanism for the US to accept Australian funds to lift the capacity of the US submarine industrial base. It includes exemption for Australia from US export control licensing requirements, directs expeditious decision-making for Foreign Military Sales and exports not covered by the national exemption, and adds Australia and UK to Title III of the US Defense Production Act, incentivising US industry to expand production and supply of critical materials and goods.

Australia France Foreign Ministers' Meeting

The Foreign Ministers of Australia and France met in Canberra on December 04 to take forward their cooperation initiatives in the Indo-Pacific³⁴. The ministers adopted the France-Australia Bilateral Roadmap based on the three pillars of defence and security, resilience and climate action, and education and culture³⁵.

³² Australian Hull Steel for Australian SSN-AUKUS Nuclear-Powered Submarines, December 09, 2023, <https://www.minister.defence.gov.au/media-releases/2023-12-09/australian-hull-steel-australian-ssn-aukus-nuclear-powered-submarines>

³³ Passage of priority AUKUS submarine and export control exemption legislation by the United States Congress, December 15, 2023, <https://www.minister.defence.gov.au/media-releases/2023-12-15/passage-priority-aukus-submarine-and-export-control-exemption-legislation-united-states-congress>

³⁴ France-Australia Joint Statement on the Official Visit to Australia by French Minister for Europe and Foreign Affairs, Catherine Colonna, December 04, 2023, <https://www.foreignminister.gov.au/minister/penny-wong/media-release/france-australia-joint-statement-official-visit-australia-french-minister-europe-and-foreign-affairs-catherine-colonna>

³⁵ Australia – France Roadmap: A New Agenda for Bilateral Cooperation, <https://www.dfat.gov.au/sites/default/files/australia-france-bilateral-roadmap-eng.pdf>

Australia PNG Bilateral Security Agreement

Australia and Papua New Guinea signed a bilateral security cooperation agreement on December 07³⁶. The agreement is directed towards expanding bilateral cooperation to deal with a range of traditional and non-traditional security priorities; enhancing PNG capacities, capabilities and infrastructure and reducing limitations to effective action; deepening the bilateral security partnership and contributing to Pacific-led regional security³⁷. The wide-ranging agreement covers a range of sectors including defence, police, law and justice, national security, border, maritime and aviation security, critical infrastructure, cyber security, humanitarian assistance and disaster relief, climate change and the environment, violence against women and children, health security, biosecurity, information and assessment exchanges, and cooperation on regional and UN-authorized police and peacekeeping operations. It effectively gives Australia a dominant role in PNG security affairs and partially closes a door that inaction had opened to Chinese influence.

Australia in the World – Annual Lowy Lecture

Australian Prime Minister Anthony Albanese delivered the Annual Lowy Lecture at the Sydney Town Hall on December 2019³⁸. Speaking of the need to maintain and strengthen a strategic balance that can adapt to the changing region, he identified Indonesia as the first place for deepening bilateral ties and spoke of remarkable progress towards a Defence Cooperation Agreement that will be binding in international law, elevate the defence partnership and enable new ways to work together. He linked this to Australia's new Strategic Partnership with the Philippines, observing that Australia was seeking security in Asia, not from it. On the 'prosperity' front, he prioritised Australia's strong and continuing commitment to ASEAN centrality and to making ASEAN economies central to Australia's economic thinking. India was the other Australian priority being addressed both bilaterally and through the Quad. Australia was also strengthening ties with Japan and South Korea as well as with Pacific Island countries. He observed that China does not see itself as a status quo partner and seeks a region and a world that is much more

³⁶ Joint Leaders' Statement on the Australia-Papua New Guinea Bilateral Security Agreement, December 07, 2023, <https://www.pm.gov.au/media/joint-leaders-statement-australia-papua-new-guinea-bilateral-security-agreement>

³⁷ Agreement Between the Government of Australia and the Government of Papua New Guinea on a Framework for Closer Security Relations, <https://www.dfat.gov.au/sites/default/files/australia-papua-new-guinea-bilateral-security-agreement.pdf>

³⁸ 2023 Lowy Lecture Prime Minister Anthony Albanese, December 19, 2023, <https://www.lowyinstitute.org/event/2023-lowy-lecture-dinner>

accommodating of its ambitions and interests, and his government's focus on rebuilding dialogue and managing this important relationship.

Conclusion

The steady progress made by Australia in improving its security environment is particularly notable in the AUKUS agreement, where Australia appears to be on track to achieving SSN capability beginning the early 2030s. Integration of the US-UK-Australia defence industrial base is proceeding ahead. Whether this integration will survive a return of Donald Trump as President, or other political changes in the long gestation period involved, is for the future to answer. The reality, however, is that the impact of this integration will become visible only from the 2030s. In the interim, the likelihood that far from being deterred, China may advance the time table to achieve its objectives and present a fait accompli, albeit primarily through grey zone activity, must be addressed.

The Australia-France relationship continues to improve incrementally, without indications of major movement. The security agreement with PNG could give Australia an outsize role on PNG security affairs, including domestic law enforcement and the judicial process. Australia can be expected to continue strengthening its security and economic environment, including the partnership with India.

Maritime Developments Related to India

Dates	Location	Event	Participating Units	Remarks
Dec 02-05	Yokosuka	East Asia deployment, operationalisation of reciprocal provisioning of supplies and services agreement	INS Kadmatt ³⁹	Refuelled from JS Towada on 28 Nov
Dec 04-06	Antsiranana	Mission Deployment	INS Sumedha ⁴⁰	On way back from West Africa deployment
Dec 04	Kolkata	Delivery of first large survey vessel	Sandhayak ⁴¹	Built by GRSE as part of contract for four vessels.

³⁹ INS Kadmatt at Yokosuka, Japan (02-05 Dec 23), <https://pib.gov.in/PressReleasePage.aspx?PRID=1982026>

⁴⁰ INS Sumedha – Mission Deployed at Antsiranana, Madagascar, <https://pib.gov.in/PressReleasePage.aspx?PRID=1982360>

⁴¹ First Ship of Survey Vessel (Large) Sandhayak Delivered to Indian Navy, <https://pib.gov.in/PressReleasePage.aspx?PRID=1982348>

Dates	Location	Event	Participating Units	Remarks
Dec 05-07	Dammam, Saudi Arabia	Port Call	INCGS Sajag ⁴²	To enhance cooperation with Saudi Arabian Border Guard
Dec 07	Southern Kyushu, Japan	Bilateral Exercise and refuelling	INS Kadmatt and JS Towada ⁴³	
Dec 09	Port Lamu, Kenya	Long range deployment	INS Sumedha ⁴⁴	Maiden visit by an Indian warship to Port Lamu.
Dec 12-15	Manila, Philippines	Port visit as part of long range deployment	INS Kadmatt ⁴⁵	Exercise with Philippine Navy in South China Sea on departure
Dec 13	New Delhi	IN RFI to lease product tanker for 30 months, extendable by two years	INQ MoD (Navy) ⁴⁶	Highlights shortage of support vessels with the IN
Dec 14	Visakhapatnam	Recommissioning of INS Tarmugli	INS Tarmugli ⁴⁷	Former INS Tillanchang gifted to Maldives as MCGS Huravee, decommissioned by Maldives May 2023
Dec 19-22	Bangkok, Thailand	Long range deployment to North Pacific and South China Sea	INS Kadmatt ⁴⁸	MPX with Thai Navy on departure; acted as platform for CNS in Bangkok

⁴² Indian Coast Guard Offshore Patrol Vessel Sajag makes port call at Dammam, Saudi Arabia, <https://pib.gov.in/PressReleasePage.aspx?PRID=1982837>

⁴³ Japan – India Bilateral Exercise, https://www.mod.go.jp/msdf/en/release/202312/20231208_02en.pdf

⁴⁴ INS Sumedha Maiden Entry at Port Lamu, Kenya, <https://pib.gov.in/PressReleasePage.aspx?PRID=1984670>

⁴⁵ INS Kadmatt Arrived at Manila, Philippines, <https://pib.gov.in/PressReleasePage.aspx?PRID=1986090>

⁴⁶ Request for Information (RFI) for Lease of Product Tanker by Indian Navy for a period of Two Years and Six Months, <https://www.indiannavy.nic.in/sites/default/files/RFI%20for%20Leasing%20of%20Product%20Tanker.pdf>

⁴⁷ Commissioning of Indian Naval Ship Tarmugli, <https://pib.gov.in/PressReleasePage.aspx?PRID=1986363>

⁴⁸ INS Kadmatt in Bangkok, Thailand, <https://pib.gov.in/PressReleasePage.aspx?PRID=1988795>

Dates	Location	Event	Participating Units	Remarks
Dec 19-22	Bangkok, Thailand	CNS visit for IONS Conclave of Chiefs	CNS ⁴⁹	
Dec 20	New Delhi	MOD signs contract for procurement of six Next Generation OPVs for Indian Coast Guard	MOD, Mazagon Docks Limited ⁵⁰	
Dec 26	Mumbai	Commissioning of INS Imphal by RM	INS Imphal ⁵¹	Third of four Visakhapatnam class destroyers

Competing with China in Kenya

Located on the East Coast of Africa, across the Arabian Sea from India, Kenya is a maritime neighbour with a shared heritage of colonial exploitation. Independent India established the office of the Commissioner for British East Africa in Nairobi in 1948; this was upgrade to a High Commission when Kenya gained independence in December 1963. Jomo Kenyatta, who led the country from independence till his death in 1978 was pro-west, anti-communist, and brought Kenya into the non-aligned movement in 1964. India's relations with Kenya were cordial, largely focused on the economic and people-to-people aspects, with incremental improvements. But that was a different era, when the Cold War was still on, the Indian Ocean was largely a strategic backwater, Indian Ocean countries were underdeveloped, and the primary theatre of global contestation was the Atlantic, with the Pacific as a subsidiary. That there were no high-level exchanges between India and Kenya from 1981-2016 speaks for itself⁵².

China established diplomatic relations with Kenya on December 14, 1963 (the same day as India). Ties were severed in 1967 due to Jomo Kenyatta's conviction that China was backing a coup attempt against him. They were restored only after his successor, Daniel Arap Moi, set about repairing them in 1978, leading to a number of high-level exchanges and agreement to promote

⁴⁹ Indian Ocean Naval Symposium (IONS) 2023 Conclave of Chiefs (19-22 Dec 23), <https://indiannavy.nic.in/content/indian-ocean-naval-symposium-ions-%E2%80%93-2023-conclave-chiefs-19-22-dec-23-bangkok-thailand>

⁵⁰ Ministry of Defence signs Rs 1,614.89 crore contract with Mazagon Dockyard Shipbuilders Ltd. For procurement of six Next Generation Offshore Patrol Vessels for Indian Coast Guard, <https://pib.gov.in/PressReleasePage.aspx?PRID=1988688>

⁵¹ Raksha Mantri commissions stealth guided missile destroyer INS Imphal in Mumbai, <https://pib.gov.in/PressReleasePage.aspx?PRID=1990408>

⁵² India Kenya Bilateral Relations HCI Nairobi, <https://www.mea.gov.in/Portal/ForeignRelation/Kenyaaug21.pdf>

trade, investment, technological and military exchanges. China established the Forum for China Africa Cooperation in October 2000⁵³, upgraded its relationship with Kenya to a Strategic Partnership in 2006 and raised this to a Comprehensive Strategic Partnership in May 2017⁵⁴. China is now Kenya's largest trading partner, largest source country of contracted projects, largest provider of concessional loans and largest lender⁵⁵.

Among China's biggest projects in Kenya is the Standard Gauge Railway (SGR). This was intended to connect Mombasa Port with the capital, Nairobi and extend further west to Uganda and the Democratic Republic of the Congo. The first phase of the SGR, linking Nairobi with Mombasa became operational in 2017. The Madraka Express carries passenger traffic between Nairobi and Mombasa. Cargo traffic, however, is too low to make the railway economically viable: the SGR reported an income of \$ 84 million in 2022, far below the semi-annual payment of \$ 356 million needed service China's debt⁵⁶. Debt repayment concerns led to Chinese lenders stopping further financing in 2019, when the line was about 300 Km short of the border with Uganda. Consequently, the flow of landlocked Uganda's oil and the DRC's minerals to Mombasa, which could have made the SGR viable, is not in sight. Kenya's President William Ruto attended the Third Belt and Road Forum in Beijing⁵⁷, seeking an additional \$ 1 billion loan to complete stalled projects⁵⁸. He also participated in the 2nd China-Indian Ocean Region Forum on Development Cooperation at Kunming on December 09, 2023⁵⁹. He doesn't appear to have received the funding he sought. The China-Kenya relationship thus faces headwinds.

India set about responding to the increased Chinese influence in Kenya with the State visit of PM Narendra Modi in July 2016. This resulted in agreements for cooperation in defence, housing, avoidance of double taxation and prevention of fiscal evasion with respect to income tax, exemption of visas for holders of diplomatic passports and the announcement by India of lines of credit for the development of Kenyan small enterprises and for upgrade of a

⁵³ Beijing Declaration of the Forum for China-Africa Cooperation, October 12, 2000, <http://www.china.org.cn/english/features/focac/185148.htm>

⁵⁴ Xi Jinping Meets with President Uhuru Kenyatta of Kenya, May 15, 2017, http://bw.china-embassy.gov.cn/eng/zfgx/201705/t20170517_5718291.htm

⁵⁵ China and Kenya, <http://cn.invest.go.ke/kenya/china-and-kenya/>

⁵⁶ Kenya's SGR Drives up Debt, Falls Short on Profits, November 07, 2023, <https://adf-magazine.com/2023/11/kenyas-sgr-drives-up-debt-falls-short-on-profits/>

⁵⁷ Xi Jinping Meets with Kenyan President William Ruto, October 19, 2023, <http://www.beltandroadforum.org/english/n101/2023/1019/c130-1218.html>

⁵⁸ Kenya seeks more Chinese loans at 'Belt and Road' forum despite rising public debt, October 16, 2023, <https://apnews.com/article/kenya-china-loans-economy-belt-road-debt-97e352532bf5db3bc40a7370116f4410>

⁵⁹ 2nd China-Indian Ocean Region Forum on Development Cooperation opens in Kunming, December 09, 2023, http://en.cidca.gov.cn/2023-12/09/c_946533.htm

textiles factory⁶⁰. Agreement to pursue initiatives towards the sustainable management and extraction of ocean-based resources and on the importance of IORA were notable developments even then. When President Uhuru Kenyatta visited India in January 2017, leaders of the two countries agreed to enhance cooperation in maritime surveillance, maritime security, sharing of white shipping information and joint hydrographic surveys, among other areas⁶¹. India could not, however, compete with China's deep pockets. Bilateral relations thus remained tepid, with no significant advances to show.

The State Visit of Kenya's current President, Dr. William Samoei Ruto to India from December 4-6, 2023 provided a renewed thrust to the India-Kenya bilateral relationship and could mark the beginning of a new chapter⁶². The two sides unveiled a Joint Vision Statement on Maritime Cooperation in the Indian Ocean Region – BAHARI (Ocean in Swahili) as the blueprint for scaling up maritime engagement between the two countries⁶³. The vision comprises six elements: boosting maritime trade and industry; advancing maritime security; harnessing blue economy potential; accelerating connectivity; reinforcing capability development; and improving information sharing.

In addition, the two sides have agreed to enhance bilateral dialogue through Joint Commission Meetings at Foreign Ministers' level and bilateral meetings between leaders. They directed the bilateral Joint Trade Committee to enhance trade and investment ties and convene earliest to discuss expansion of bilateral trade and investment. India agreed to a new Line of Credit of \$250 million for agricultural mechanisation projects. Both agreed to work towards project financing between India and Kenya in Indian Rupees; Kenya agreed to provide land to Indian companies and institutions for cultivation of crops. India announced the increase of the number of scholarships it offers Kenyan students to 80 annually and agreed to share expertise on space-based

⁶⁰ Joint Communique between India and Kenya during the visit of Prime Minister to Kenya (July 11, 2016), https://www.mea.gov.in/bilateral-documents.htm?dtl/27011/Joint_Communique_between_India_and_Kenya_during_the_visit_of_Prime_Minister_to_Kenya_July_11_2016

⁶¹ India-Kenya Joint Statement during the State Visit of President of Kenya to India (January 10-12, 2017), https://www.mea.gov.in/bilateral-documents.htm?dtl/27923/IndiaKenya_Joint_Statement_during_the_State_Visit_of_President_of_Kenya_to_India_January_1012_2017

⁶² Joint Statement during the State Visit of the President of Kenya to India (December 04-06, 2023), December 05, 2023, https://www.mea.gov.in/bilateral-documents.htm?dtl/37340/Joint_Statement_during_the_State_Visit_of_the_President_of_Kenya_to_India_December_0406_2023

⁶³ India-Kenya Joint Vision Statement on Maritime Cooperation in the Indian Ocean Region – "BAHARI", December 05, 2023, https://www.mea.gov.in/bilateral-documents.htm?dtl/37341/India_Kenya_Joint_Vision_Statement_on_Maritime_Cooperation_in_the_Indian_Ocean_Region_BAHARI

applications, including developing a geo-spatial information portal with India's remote sensing data sets and thematic layers.

Both sides expressed happiness about IORA cooperation and agreed to enhance maritime domain awareness, as well as cooperation between Kenya's maritime agencies and IFC-IOR. They also called for increased cooperation between their defence industries and welcomed the MoU between Goa Shipyard and Kenya Shipyard, which will support Kenya's interest in developing shipbuilding, repair and maintenance capacities. India agreed to depute an Indian Navy officer as an instructor at Kenya's Navy Training College in 2024, and offered a slot to Kenya for an International Liaison Officer representing Djibouti Code of Conduct – Jeddah Amendment at IFC-IOR.

Kenya has a population of about 57 million and a GDP of \$ 112.75 billion in 2023, projected to grow to \$ 146.6 billion by 2028⁶⁴. This makes Kenya the second largest African economy with an Indian Ocean coast, after South Africa. Kenya hosts about 80,000 overseas Indians including 20,000 NRIs⁶⁵. India's trade with Kenya 2022-23 was \$3.39 billion, comprising exports of \$ 3.27 billion and imports of \$ 116 million⁶⁶, accounting for less than 0.3% of India's total trade. It is, however, an important member of the East African community and acts as a gateway into the mineral rich landlocked countries in Africa's interior.

It is maritime cooperation that will make the difference in the coming era as India-China competition in the Indian Ocean escalates. As the Indian Ocean's security provider, India must strengthen regional ocean governance mechanisms and regional ability to respond to potential coercion. Kenya must become an important East African node for this.

Notably, Kenya has never volunteered to chair IORA nor been a member of the Troika despite having been one of the founding members. It doesn't have a strategic partnership agreement with India yet. Its outlook towards China will be very different from that of India, owing both to the greater distance and its focus on the investment required for development. India must move carefully in building its bilateral relationship, avoiding expectation of support against China's designs in the Indian Ocean. The best that can be hoped for at present is neutrality.

⁶⁴ IMF statistics, October 2023

⁶⁵ Population of Overseas Indians, <https://www.mea.gov.in/population-of-overseas-indians.htm>

⁶⁶ Department of Commerce Export Import Data Bank, <https://tradestat.commerce.gov.in/eidb/iecmt.asp>

The China Vietnam Summit

Hanoi was again in the geopolitical limelight during the month. Three months after US President Joe Biden visited the country and upgraded the bilateral relationship to a comprehensive strategic partnership⁶⁷, and two weeks after Vietnam's President Vo Van Thuong visited Tokyo to make it his country's sixth comprehensive strategic partner⁶⁸, China's President Xi Jinping was in Hanoi to further strengthen the China-Vietnam comprehensive strategic partnership. The visit on December 12-13 was Xi's fourth. It was also his final visit abroad in 2023 (after Moscow in March, Johannesburg/Pretoria in August and San Francisco in November). It saw him meeting the General Secretary of the Communist Party of Vietnam (CPV), the President, the Prime Minister and the Chairman of the National Assembly, Vietnam's top political leaders.

The visit may be seen as President Xi's effort to make a first-hand assessment of how far Hanoi has gone with strategic rivals and to lay down red lines. His expectations were set out in a signed article, published on the day of his arrival in Hanoi⁶⁹. It drew heavily on the benefits that had accrued to Vietnam during its 15-year long comprehensive strategic partnership with China. It spoke of Xi's signature visions, of a community with a shared future for mankind and the Belt and Road Initiative, and of China's willingness to better align its development with that of its neighbours. It then set out four prescriptions for strengthening the China-Vietnam community with a share future: maintain strategic communications and reinforce the political foundations; use complementary strengths to cement the cooperation foundation; step up friendly exchanges to cement popular support; and properly manage differences and expand consensus. In effect, the prescriptions provide the framework for Vietnam to become China's satellite.

The visit resulted in 36 agreements that collectively set out the framework to expand the Vietnam-China partnership. Three of these pertain to cooperation between the two communist parties; five to cooperation in the fields of

⁶⁷ For an overview, see Lalit Kapur, "The US-Vietnam Comprehensive Strategic Partnership" in the Indo-Pacific Monitor, Volume IV, Issue 9, September 2023, https://www.delhipolicygroup.org/uploads_dpg/publication_file/indo-pacific-monitor-4977.pdf

⁶⁸ See Lalit Kapur, "Vietnam-Japan Comprehensive Strategic Partnership" in the Indo-Pacific Monitor, Volume IV, Issue 11, November 2023, https://www.delhipolicygroup.org/uploads_dpg/publication_file/indo-pacific-monitor-5028.pdf

⁶⁹ Xi Jinping, "Building a China-Viet Nam Community with a Shared Future That Carries Strategic Significance And Writing Together a New Chapter in Our Modernization Drive", December 12, 2023, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202312/t20231212_11199875.html

defence, foreign affairs, security and justice; and 28 to the economic, cultural, scientific and environmental fields. Of greater import, however, was the Joint Statement⁷⁰, structured around six pillars: strengthening political trust, enhancing practical defence and security cooperation, more developmental cooperation, strengthening the social foundations, coordination of position on global issues, and better management and settlement of differences. The joint statement also recorded the agreement of both sides that the visit was a success!

As a smaller continental neighbour that effectively gained freedom from Chinese rule only in the tenth century AD, Vietnam has a long history of both conflict and cooperation with China. PRC assistance helped the CPV in winning the Vietnam War. Vietnam, however, was uncomfortable with the Nixon-Mao summit of 1972 and consequential rapprochement between the US and China. China used the opportunity provided by potential warming of ties with the US to seize the Paracel Islands in January 1974 (it retains de facto control over these islands to this day, even though Vietnam proclaims them to be part of its territory). Vietnam's invasion of Cambodia to evict the China supported Khmer Rouge led to the China Vietnam War of 1979, while its continued occupation of Vietnamese territory led to border clashes that lasted till relations were normalised in 1991 (the territory was returned in 1992). The peace since then has seen China becoming Vietnam's largest trading partner, while Vietnam is China's fourth largest trading partner globally and the largest in ASEAN. China's BRI investment has been instrumental in developing Vietnam's infrastructure, more has been promised by Xi during his visit this month.

Nevertheless, Vietnam remains the only nation in the Indo-Chinese Peninsula that has resisted China in the past and could do so again. It thus becomes an important player in today's era of great power strategic competition. In a reversal from the 1970's, Beijing is now uncomfortable with Hanoi's warming ties with the US and its allies and partners, including Japan, South Korea and India. The defence cooperation agreements that Vietnam and China have concluded address non-traditional security areas. Hanoi will gladly accept security and economic assistance from the US, Japan and India, while continuing to develop its other relations with the PRC. It can be expected to continue the balancing act, without choosing sides or transgressing China's red lines. How long Beijing can continue to suppress territorial differences (without any move towards solving them and addressing Vietnam's legitimate

⁷⁰ Vietnam – China Joint Statement, December 14, 2023,
<https://en.dangcongsan.vn/international-cooperation/vietnam-china-joint-statement-607702.html>

claims in the South China Sea), and how much freedom it will allow Hanoi in dealing with other great power competitors remains to be seen.

Other Indo-Pacific Developments

A terror bomb attack at a Catholic mass in Marawi, Philippines on 03 Dec resulted in the death of at least four people and injured more than 50 others⁷¹. Islamic state militants claimed responsibility for the attack.

The Japan US bilateral army exercise Yama Sakura, the first edition of which was held in 1982, became a trilateral with the induction of Australia as a full partner in the edition that commenced on December 04. The ten-day exercise marks an attempt by the three partners to integrate their defensive capabilities in the Indo-Pacific⁷².

The Combined Maritime Force in Bahrain welcomed Sri Lanka as its 39th member⁷³. The Sri Lankan CNS reportedly said that Sri Lanka is eager to cooperate with the CMF and other partner nations in joint exercises, patrols and operations.

A US Navy P-8A Poseidon transited the Taiwan Strait, remaining within international air space, on 06 Dec⁷⁴. China continues to claim the Taiwan Strait as its internal waters.

The US Department of Defense and Singapore's Minister of Defence entered on December 05 into a non-binding Security of Supply Arrangement that will enable both countries to acquire industrial resources they need to quickly meet defense requirement, resolve unanticipated disruptions that challenge defense

⁷¹ Islamic State claims responsibility for deadly Philippine bombing, December 4, 2023, <https://www.reuters.com/world/asia-pacific/three-dead-southern-philippines-university-gym-blast-media-2023-12-03/>

⁷² Ceremony Opens Yama Sakura 85 for Australian, US Troops and JGSDF Members, December 04, 2023, <https://www.pacom.mil/Media/News/News-Article-View/Article/3606420/ceremony-opens-yama-sakura-85-for-australian-us-troops-jgsdf-members/>

⁷³ Sri Lanka Joins Combined Maritime Forces in the Middle East as 39th Member, December 05, 2023, <https://www.cusnc.navy.mil/Media/News/Display/Article/3606898/sri-lanka-joins-combined-maritime-forces-in-middle-east-as-39th-member/>

⁷⁴ US Navy P-8A Poseidon Transits Taiwan Strait, December 06, 2023, <https://www.c7f.navy.mil/Media/News/Display/Article/3608042/us-navy-p-8a-poseidon-transits-taiwan-strait/>

capacities and promote supply chain resiliency⁷⁵. Singapore becomes the 17th SOSA partners of the US.

The Philippines reported on December 10 that PRC Coast Guard ships employed water cannon and reckless manoeuvres, including forcing a collision, to turn away Philippines' vessels undertaking supply missions to the Second Thomas Shoal. A media report indicates that the Philippines supply boat was carrying the country's military Chief of Staff⁷⁶. The US State Department condemned the Chinese action and reiterated that the 1951 US-Philippines Mutual Defense Treaty extends to armed attacks on Philippine armed forces, public vessels and aircraft anywhere in the South China Sea⁷⁷. Lawmakers in the Philippines were reported to have allocated funds to build a permanent structure on the Second Thomas Shoal⁷⁸. China's state-controlled People's Daily warned the Philippines that it had repeatedly infringed on China's territory in the region and risked making a serious miscalculation⁷⁹. China seems to have no intention of backing down despite expressions of support from the US and Japan, making the Second Thomas Shoal a critical flashpoint.

The State Visit of Oman's Sultan Haitham bin Tariq to India on December 16, the first visit by the ruler to India in over 25 years, resulted in a joint statement covering political and security cooperation, defence, trade, energy security and renewables, healthcare, education, culture and people-to-people relations⁸⁰. A joint vision document 'A Partnership for the Future' was adopted. The leaders noted the substantial progress in the India-Oman Comprehensive Economic Partnership Agreement and announced numerous areas of cooperation.

⁷⁵ DoD, Singapore Ministry of Defence Enter Into Security of Supply Arrangement, December 8, 2023, <https://www.defense.gov/News/Releases/Release/Article/3612431/dod-singapore-ministry-of-defence-enter-into-security-of-supply-arrangement/>

⁷⁶ Rhetoric escalates in China-Philippines South China Sea dispute, December 24, 2023, <https://www.aljazeera.com/news/2023/12/25/rhetoric-escalates-in-china-philippines-sea-dispute>

⁷⁷ China-Philippines Relations: Major events in South China Sea dispute, December 21, 2023, <https://www.reuters.com/world/asia-pacific/rift-deepens-between-philippines-china-over-south-china-sea-2023-12-21/>

⁷⁸ Checkmate China! Philippines To Build Structures on Second Thomas Shoal Amid PA's Belligerence; Tensions Intensify, December 17, 2023, <https://www.eurasiantimes.com/ncb-checkmate-china-philippines-sets-aside-funds/>

⁷⁹ Rhetoric escalates in China-Philippines South China Sea dispute, December 25, 2023, <https://www.aljazeera.com/news/2023/12/25/rhetoric-escalates-in-china-philippines-sea-dispute>

⁸⁰ India-Oman Joint Statement during the State Visit of His Majesty Sultan Haitham bin Tarik of the Sultanate of Oman, December 16, 2023, https://www.mea.gov.in/bilateral-documents.htm?dtl/37457/India_Oman_Joint_Statement_during_the_State_Visit_of_His_Majesty_Sultan_Haitham_bin_Tarik_of_the_Sultanate_of_Oman

Japan, Italy and the UK had, through a joint leaders' statement in December 2022⁸¹, announced the joint development of the next-generation fighter aircraft⁸². The US Department of Defense had, the previous day, supported this cooperative programme⁸³. A year later, the three partners signed the convention on establishment of the Global Combat Air Programme – GCAP International Government Organisation (GIGO)⁸⁴. GIGO is to comprise a steering committee to provide overall guidance, and a GCAP Agency, which will manage the programme as directed by the Steering Committee⁸⁵. Headquarters of GIGO are to be in the UK. Additional parties may be involved in the GCAP with the unanimous consent of the Steering Committee.

North Korea fired an Inter-Continental Ballistic Missile (ICBM) with a potential range of 15,000 Km on December 18. The flight lasted 73 minutes and the missile reached a maximum altitude of 6000 Km, giving North Korea the ability to target anywhere in the Continental United States⁸⁶. National Security Advisors of the US, Japan and South Korea jointly condemned the test and underscored the importance of their work to share missile warning data and coordinate responses⁸⁷.

The US announced the outer limits of its Extended Continental Shelf Dec 19. The announcement covers seven regions: the Arctic, the Atlantic, the Bering Sea, the Pacific, the Mariana Islands and two places in the Gulf of Mexico. The announcement will necessitate the US establishing maritime boundaries with Canada, the Bahamas and Japan, which have overlapping claims⁸⁸.

⁸¹ Joint Leaders' Statement, <https://www.mofa.go.jp/files/100432107.pdf>

⁸² Announcement of joint development of next-generation fighter aircraft by the leaders of Japan, Italy and the United Kingdom, December 9, 2022, https://www.mofa.go.jp/fp/nsp/page6e_000318.html

⁸³ US Department of Defense and Japan Ministry of Defense Joint Statement on Cooperation for Japan's Next Fighter Aircraft, December 8, 2022, <https://www.mofa.go.jp/files/100432108.pdf>

⁸⁴ Signing of Convention on the Establishment of "Global Combat Air Programme – GCAP International Government Organisation", December 14, 2023, https://www.mofa.go.jp/press/release/pressite_000001_00047.html

⁸⁵ Convention on the Establishment of the "Global Combat Air Programme – GCAP International Government Organisation, <https://www.mofa.go.jp/files/100595078.pdf>

⁸⁶ North Korea fires ICBM after condemning US "war moves", December 18, 2023, <https://www.reuters.com/world/asia-pacific/north-korea-fires-ballistic-missile-south-korea-says-2023-12-17/>

⁸⁷ Readout of National Security Advisor Jake Sullivan's Call with the National Security Advisors of the Republic of Korea and Japan Following the DPRK's ICBM Test, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/12/17/readout-of-national-security-advisor-jake-sullivans-call-with-the-national-security-advisors-of-the-republic-of-korea-and-japan-following-the-dprks-icbm-test/>

⁸⁸ Announcement of US Extended Continental Shelf Outer Limits, December 19, 2023, <https://www.state.gov/announcement-of-u-s-extended-continental-shelf-outer-limits-2/>

Japan announced on December 22 the decision to permit export of weapons produced under license back to the country of origin, and transfer Patriot interceptor missiles to the US to replenish inventories⁸⁹. The US welcomed the announcement⁹⁰. A former Japanese Defence Minister said Japan must further loosen arms export restrictions and permit its own technology to be sold overseas⁹¹.

External Affairs Minister Dr. S. Jaishankar visited Moscow from December 25-29. Speaking of the strength of India – Russia relations, he observed they were based on strategic convergence, geopolitical interests and were mutually beneficial⁹². He noted that bilateral trade had crossed \$ 50 billion last year and expected this figure to be exceeded in the coming year. He noted that discussions had included the global strategic situation, covering Ukraine, Gaza, the Indo-Pacific, ASEAN, Afghanistan and UN-related matters.

Japan's land minister said that the central government would approve a design change for a US military base relocation project in Okinawa Prefecture on behalf of the prefectural government. The central government action comes after the governor of Okinawa prefecture rejected a court order for him to approve the design change⁹³.

⁸⁹ Japan prepares for missile shipments after easing arms export restrictions, December 22, 2023, <https://www.reuters.com/world/asia-pacific/japan-eases-arms-export-restrictions-first-major-overhaul-decade-2023-12-22/>

⁹⁰ US Department of Defense Statement on Japan's Decision to Transfer Patriot Missiles to the United States, December 22, 2023, <https://www.defense.gov/News/Releases/Release/Article/3625683/us-department-of-defense-statement-on-japans-decision-to-transfer-patriot-missi/>

⁹¹ Japan must further ease arms export rules, ex-defense chief says, December 25, 2023, <https://www.japantimes.co.jp/news/2023/12/25/japan/ex-defense-chief-arms-exports-boost/>

⁹² Press Conference of EAM Dr. S. Jaishankar with FM Sergey Lavrov of Russia (December 27, 2023), https://www.mea.gov.in/Speeches-Statements.htm?dtl/37483/Press_Conference_of_EAM_Dr_S_Jaishankar_with_FM_Sergey_Lavrov_of_Russia_December_27_2023

⁹³ Japan to OK base relocation project design change by proxy, December 27, 2023, <https://www.japantimes.co.jp/news/2023/12/27/japan/govt-proxy-execution-henoko-base/>



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