

# A Vital Maritime Pinch Point: China, the Bab al-Mandeb, and the Middle East

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**Abstract:** *In 2013, Chinese President Xi Jinping announced the proposal of a “New Maritime Silk Road” in conjunction with China’s “Silk Road Economic Belt” project or “One Belt and One Road” (OBOR) initiative to support China’s growing economy and to expand the PRC’s economic influence and network across Eurasia on land and at sea. This article examines the Maritime Silk Road initiative and how it aligns with a larger Chinese maritime strategy to expand China’s maritime presence in the Indian Ocean and Middle East for economic, political, and security reasons. It also looks at how China might soon be well positioned to act as an additional stabilizing force for the broader Middle East. Through an in-depth case study, it will examine China’s increased presence and interest in the world’s most strategic chokepoints: the Bab al-Mandeb. China’s navy has been an important contributor to the Combined Task Force 150 counter-piracy exercises off the Horn of Africa and Arabian Sea and this might bode well for a larger footprint in Djibouti and into the Arabian Peninsula. Understanding China’s increased presence in Djibouti and at the Bab al-Mandeb, in addition to new and emerging regional economic and political partnerships with China, is vitally important for our understanding of future regional security and politics.*

**Key Words:** *China; Middle East; Maritime Security; Djibouti; Chokepoints; Base Politics; Bab al-Mandeb; Energy Security; PLAN*

In the fall of 2013, Chinese President Xi Jinping launched China’s “One Belt and One Road” initiative aligned with China’s general economic rise and broader expansion well beyond its territorial and maritime borders. It catapulted China onto the world stage. In a speech to the Indonesian Parliament in October, President Xi also announced his Maritime Silk Road Initiative and proposed the new Asian Infrastructure Investment Bank, to potentially rival, though not explicitly, the World Bank and International Monetary Fund. President Xi described plans to “strengthen maritime cooperation with ASEAN” and “build the Maritime Silk Road of the 21st century.”<sup>②</sup> In 2014, and in a sign demonstrating the importance of the Middle East, including its vital maritime chokepoints, as part of China’s

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<sup>②</sup> “Speech by Chinese President Xi Jinping to Indonesian Parliament,” [http://www.asean-china-center.org/english/2013-10/03/c\\_133062675.htm](http://www.asean-china-center.org/english/2013-10/03/c_133062675.htm).

larger strategy, President Xi articulated his “1+2+3 strategy” during the China-Arab States Cooperation Forum. The strategy aimed to bolster Sino-Arab ties with particular emphasis on the region’s geo-economics. He viewed the region’s traditional forms of energy plus trade and investment, and the three hi-tech and emerging sectors of nuclear power, aerospace technology, and other new energy forms as central to the “1+2+3 strategy”.<sup>①</sup>

President Xi’s OBOR, Maritime Silk Route, and “1+2+3 strategy” aligns with a larger trend: Between 2003 and 2014, Chinese international trade multiplied, growing from \$851 billion to more than \$4.16 trillion. In 2011, more than 60% of its trade traveled via the ocean.<sup>②</sup> To power this significant economic growth, China’s reach has gone global in the search for vital natural resources to fuel its economy. Such expansion, according to one analyst, shows President Xi’s initiative has “ended former paramount leader Deng Xiaoping’s foreign policy orthodoxy over the past 35 years of ‘hide your strength, bide your time, never take the lead.’” Today, China wields “a more vigorous, activist and assertive international policy to advance Chinese interests both in the region and beyond.”<sup>③</sup>

## I. Vital Maritime Pinch Points

With geostrategic and economic interests, however, come significant political and security interests. As a result, and unsurprisingly, the Middle East and Persian Gulf have become an increasingly economic and national security focal point for China’s newly formulated “far sea” strategy and as part of China’s larger maritime silk route and “1+2+3 strategy”. Rear Adm. Zhang Huachen, deputy commander of the East Sea Fleet, commented on the security implications in a recent interview, saying, “with our naval strategy changing now, we are going from coastal defense to far sea defense.” He added, “With the expansion of the country’s economic interests, the navy wants to better protect the country’s transportation routes and the safety of our major sea lanes.”<sup>④</sup> The Bab al-Mandeb certainly factors into this strategic configuration. It similarly explains why China has enhanced its political, economic, and military presence throughout the wider Gulf region. Moreover, with its increased focus on the horn of Africa, the Gulf and broader Middle East region, China’s presence has begun to influence the current regional status quo largely dominated by the US. Although the US presence will not dissipate in the near future, China’s thrust into the broader Indian Ocean region might assist in supporting greater regional stability and peace.

The guarantee of unimpeded maritime traffic flow through these narrow waterways has nearly always been an essential national strategic and security objective for global powers. Alfred Thayer Mahan, the naval historian and strategist, once defined “two classes of powers: those whose communication is by land, and those who depend upon the sea. The sea lines are the most numerous and easy, and they will probably be determinative of

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<sup>①</sup> Degang Sun, “China’s Soft Military Presence in the Middle East,” *Middle East Institute All About China Series*, March 11, 2015, [http://www.mei.edu/content/map/china's-soft-military-presence-middle-east#\\_ftnref2](http://www.mei.edu/content/map/china's-soft-military-presence-middle-east#_ftnref2); Embassy of the People’s Republic of China in the Republic of Turkey, “China-Arab States Cooperation Forum,” June 9, 2014, <http://tr.china-embassy.org/eng/xwtd/t1163623.htm>.

<sup>②</sup> Christopher D. Yung, Ross Rustici, “‘Not An Idea We Have to Shun’: Chinese Overseas Basing Requirements in the 21<sup>st</sup> Century,” *China Strategic Perspectives*, October 5, 2014, Washington, DC: National Defense University Press, 2014, <http://ndupress.ndu.edu/Portals/68/Documents/stratperspective/china/ChinaPerspectives-7.pdf>.

<sup>③</sup> David E. Sanger, Edward Wongmay, “As Obama Plays China Card on Trade, Chinese Pursue Their Own Deals,” *New York Times*, May 12, 2015.

<sup>④</sup> Edward Wong, “Chinese Military Seeks to Extend Its Naval Power,” *New York Times*, April 23, 2010.

the course of trade.”<sup>①</sup> According to one school of thought, the combination of China’s recent increase in global trade outreach and its strong desire for blue-water expansion caused the People’s Liberation Army Navy (PLAN) to adopt much of Mahan’s strategic playbook.<sup>②</sup> Other scholars, however, view China’s push into the Indian Ocean more in terms of China’s emergence as a “post-modern” navy, or one that supports “supervision of the sea” versus “command of the sea.” In other words, this school of thought views China’s desire of “good order at sea” as being more collaborative in nature to combat certain transnational security threats such as terrorism or piracy. It is not necessarily about controlling the world’s sea lanes of communication.<sup>③</sup> Nonetheless, China’s regional and maritime presence will likely continue to grow in the future and with this rise it may indeed provide a ripe opportunity to leverage for the greater good and peace of the region. This article studies these emerging dynamics through the focused case of China’s presence in or interaction with one of the world’s most strategic maritime pinch points: the Bab al-Mandeb. It also examines how China’s Maritime Silk Route initiative contributes to the broader geostrategic and changing political shifts related to China in the Middle East, including the initiative’s potential to support greater regional stability and security.

Maritime pinch points, narrow channels along global sea lanes of communications (SLOCs), transit high volumes of oil and natural gas, essential to global energy security and trade. The Bab al-Mandeb – linking the Indian Ocean to the Red Sea and Suez Canal – is one of the world’s most strategic maritime transit points. An estimated 3.8 million barrels traverse the Bab al-Mandeb every day, in addition to being an important jumping off point to the Arabian Peninsula and Africa alike. It is also in close proximity to the Strait of Hormuz, which accounts for an estimated 17 million barrels of oil that transit the strait per day.<sup>④</sup>

In 2013, total world oil production amounted to approximately 87 million barrels per day (b/d), with tankers moving 63% on fixed maritime routes.<sup>⑤</sup> The international energy market depends on safe and secure transport. In particular, China relies on the high-volume energy route across the Indian Ocean to the Strait of Malacca.<sup>⑥</sup> Even temporary blockage of a chokepoint can cause significant increases in energy costs around the world. A disruption or blockade by a menacing Iran or a non-state armed group from Yemen or Somalia, for example, would reverberate across the global economy. Additionally, maritime chokepoints leave oil tankers susceptible to pirates, terrorist attacks, and political unrest in the form of wars or hostilities. The narrow maritime straits are also prone to shipping accidents that can lead to disastrous spills.<sup>⑦</sup>

## II. A Thirst for Energy

<sup>①</sup> Reynolds B. Peele, “The Importance of Maritime Chokepoints,” *Parameters*, Summer 1997, pp.61-74, <http://strategicstudiesinstitute.army.mil/pubs/parameters/Articles/97summer/peele.htm>.

<sup>②</sup> Toshi Yoshihara, James R. Holmes, *Red Star Over the Pacific: China’s Rise and the Challenge of US Maritime Strategy*, Annapolis, Maryland: Naval Institute Press, 2010, pp.4-5.

<sup>③</sup> Andrea Ghisellia, “The Chinese People’s Liberation Army ‘Post-modern’ Navy,” *The International Spectator*, Vol.50, No.1, March 2015, pp.117–136.

<sup>④</sup> Energy Information Administration, “World Oil Transit Chokepoints,” January 2008, [http://www.eia.doe.gov/cabs/World\\_Oil\\_Transit\\_Chokepoints/Background.htm](http://www.eia.doe.gov/cabs/World_Oil_Transit_Chokepoints/Background.htm) l.

<sup>⑤</sup> Energy Information Administration, “World Oil Transit Chokepoints,” November 2014, <http://www.eia.gov/countries/regions-topics.cfm?fips=wotc&trk=p3>. See also, <http://www.energytrendsinsider.com/2014/07/10/world-sets-new-oil-production-and-consumption-records/>.

<sup>⑥</sup> Lirong Wang, “Sea Lanes and Chinese National Energy Security,” *Journal of Coastal Research*, Special Issue 73, Winter 2015, pp.572-576.

<sup>⑦</sup> Ibid.

China's increased Gulf focus is predicated on securing energy resources for its expanding economy even though its economy has experienced certain turmoil recently.<sup>①</sup> Nevertheless, due to the extraordinary growth in recent years of its industrial, petrochemical, and manufacturing sectors, as well as the rapid expansion of personal automobile use, China is currently the world's second-largest consumer of oil.<sup>②</sup> But in 2015, China finally surpassed the US as the world's biggest oil importer, averaging 7.4 million b/d compared to US 7.2 million b/d.<sup>③</sup> Since China became a net oil importer in 1993, an estimated 40 percent of its oil arrives via the sea.<sup>④</sup> By 2009, for instance, Saudi Arabia became the leading supplier of crude oil to China. China is also the top importer of oil and gas from Oman, while it is the UAE's second-largest trading partner.<sup>⑤</sup> As energy consumption increases, the importance of unimpeded flow of oil and gas through Arabian Peninsula chokepoints will only grow.

Despite aggressively pursuing supply diversity, as much as 70% to 80% of China's future oil imports could come from the Middle East and North Africa (MENA).<sup>⑥</sup> To meet growing demand, over the past decade China has actively courted Iran and the Gulf Arab monarchies through various economic and political inducements.<sup>⑦</sup> Recently, the 2013 proposal to establish the AIIB is also seen as an important inducement for closer alignment to the region for China. Saudi Arabia, for example, joined the AIIB as a founding member in 2015, joining 57 other nations.<sup>⑧</sup> In April 2015, Qatar became the first country in the Middle East to establish a "clearing bank to handle transactions in yuan."<sup>⑨</sup> China's relations to Gulf monarchies is likely to deepen significantly in coming years. Today, Gulf countries currently account for an estimated 43% of China's natural resource supplies and the relationship is likely to grow. Currently, Saudi Arabia remains as China's number one oil supply partner, producing roughly 15% of China's imports. Other top suppliers include the UAE, Iran, and Kuwait.<sup>⑩</sup>

In recent years, Iraq has also become an important strategic partner for China due to large Chinese investments in Iraq's oil infrastructure and wells. As a result, China has become Iraq's biggest international investor, surpassing the US. According to some estimates, "China's import of Iraqi crude oil jumped by almost 50% in 2013, reaching 165 million barrels, which was almost entirely attributable to the expanded investment in Iraq's oil wells."<sup>⑪</sup>

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<sup>①</sup> Noah Smith, "China Isn't Done Growing Yet," June 4, 2015, <http://www.bloombergview.com/articles/2015-06-04/china-s-economy-has-one-more-major-growth-run-to-go>.

<sup>②</sup> Matthew Nelson et al, "Fueling the Dragon's Flame: How China's Energy Demands Affect its Relationships in the Middle East," *US-China Economic and Security Review Commission*, 2006.

<sup>③</sup> Keith Johnson, "China Tops US as Biggest Oil Importer," *Foreign Policy*, May 11, 2015.

<sup>④</sup> Erickson and Strange, pp.74-75.

<sup>⑤</sup> Gulam Ali Khan, "Oman-China Bilateral Trade Volumes at \$23bn in 2013," *Muscat Daily*, March 4, 2014; Courtney Trenwith, "China-UAE trade: Enter the Dragon," *Arabian Business*, March 10, 2013.

<sup>⑥</sup> Geoffrey F. Gresh, *Gulf Security and the US Military: Regime Survival and the Politics of Basing*, Stanford: Stanford University Press, 2015, p.173; Chaoling Feng, "Embracing Interdependence: The Dynamics of China and the Middle East," *Brookings Doha Center Policy Briefing*, April 2015, <https://www.brookings.edu/wp-content/uploads/2016/06/en-embracing-interdependence-pdf.pdf>.

<sup>⑦</sup> "Officials Expect 5<sup>th</sup> China-Arab Cooperation Forum to Lay New Cornerstone for Ties," *Xinhua News*, May 30, 2012.

<sup>⑧</sup> Yelin Hong, "The AIIB Is Seen Very Differently in the US, Europe, and China," *The Diplomat*, May 8, 2015.

<sup>⑨</sup> "The Great Well of China," *The Economist*, June 20, 2015.

<sup>⑩</sup> Chaoling Feng, "Embracing Interdependence: The Dynamics of China and the Middle East," *General Information*, 2015.

<sup>⑪</sup> Ibid.

In the southern Arabian Peninsula, China has also been active in the exploration of Yemen's oil reserves, nearly 3 billion barrels of oil and approximately 17 trillion cubic feet of gas. Unfortunately, the current instability and violence that has ravaged Yemen in recent years make production and export a challenge. In 2014, it only produced 130,000 b/d compared to peak production of 440,000 b/d in 2001. The situation in Yemen has become so dire that a Chinese-owned oil company had to cease operations in early 2015 at the east Al Hajr field due to security concerns.<sup>①</sup>

The maintenance of security at the Arabian Peninsula's southernmost pinch point, not to mention the Strait of Hormuz, is a real concern for China and other international actors who rely on the region's maritime trade. Any disruption to the flow of oil and gas could have significant implications for China's economy. The effects of a small cutoff are worth quoting at length: Any abrupt loss of the five percent of China's oil imports that comes from Iraq, whether due to actions of the "Islamic State" (IS) group or other security issues, could paralyze the Chinese economy. This is because China does not have a sufficient emergency strategic petroleum reserve (SPR). As of December 2014, China only held a reserve equivalent to 16 days of foreign imports. A 5% drop in supplies means that China's SPR would be depleted within nine months, before China could renew yearly contracts with other suppliers.<sup>②</sup>

Due to the delicacy of the Arabian Peninsula's politics and security situation, President Xi's "One Belt and One Road" initiative and "1+2+3" strategy will likely gain strength as China seeks to solidify and protect new trade networks at sea and over land.<sup>③</sup> The PLAN, for example, placed greater emphasis on the protection of SLOCs, especially those flowing from the Persian Gulf, across the Indian Ocean, through the Strait of Malacca and into Pacific Asia.<sup>④</sup> In 2015, a defense strategy paper further emphasized this "far seas" strategy, detailing China's desire for greater and more proactive naval projection beyond its near seas, specifically the South China Sea.<sup>⑤</sup> As noted by one scholar, the white paper emphasized that "China has enhanced overseas interests, is building a blue water fleet to conduct far seas operations and the Indian Ocean is slated to become an active area of operations for the PLAN."<sup>⑥</sup>

### III. The Emergence of China's Maritime Silk Road

Energy security became a major focus for China on the high seas after recent and rapid expansion of its maritime sector, which transformed China into one of the world's greatest maritime powers. Starting in 2006, China's maritime economy and shipping industry reportedly accounted for 10% of China's GDP, including some 260 companies

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<sup>①</sup> Anthony McAuley, "Oil's Vulnerable Trade Route," *The National*, March 31, 2015.

<sup>②</sup> Feng.

<sup>③</sup> Christian Le Mière, "Presence through Partnership? PLAN Improves China's Middle East Links," *Jane's Navy International*, November 19, 2014.

<sup>④</sup> James R. Holmes, Toshi Yoshihara, "China's Navy: A Turn to Corbett?" *US Naval Institute Proceedings*, Vol. 136, No. 12, December 2010, pp.42-46.

<sup>⑤</sup> M. Taylor Fravel, "China's New Military Strategy: 'Winning Informationized Local Wars'," *China Brief*, Vol. 15, Issue 13, June 23, 2015, [http://www.jamestown.org/programs/chinabrief/single/?tx\\_ttnews%5Btt\\_news%5D=44072&cHash=c403ff4a87712ec43d2a11cf576f3ec1#.VaaFaodN3zI](http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=44072&cHash=c403ff4a87712ec43d2a11cf576f3ec1#.VaaFaodN3zI); Andrew Jacobs, "China, Updating Military Strategy, Puts Focus on Projecting Naval Power," *New York Times*, May 26, 2015.

<sup>⑥</sup> Himanil Raina, "China's Military Strategy White Paper 2015: Far Seas Operations and the Indian Ocean Region," July 1, 2015, <http://cimsec.org/chinas-military-strategy-white-paper-2015-far-seas-operations-in-dian-ocean-region/16906>.

across multiple sectors.<sup>①</sup> According to the United Nations Conference on Trade and Development, China currently possesses the largest number of maritime vessels in the world at more than 5,400, which amounts to transporting an estimated 12% of the world's dead weight tonnage. China has also remained above the Republic of Korea and Japan since 2011 as the world's largest shipbuilder with a market share of 36.9%.<sup>②</sup> Indeed, China's rise as a maritime power is noteworthy and likely to expand based upon recent trends. Between 2006 and 2010, for example, China's maritime economy witnessed an average of 13.5% annual growth and total output amounted to \$720 billion in 2011, more than double the estimates from 2006.<sup>③</sup> The maritime sector currently employs more than 34 million workers, including 20 ports that have some of the largest shipping capacities in the world.<sup>④</sup>

Such development explains President Xi's efforts to construct a new maritime silk road that will solidify a network for China's global economic ambitions. It also helps explain why the PLAN has been pushing for a greater presence and strategic role across the Indian Ocean region.<sup>⑤</sup> During the past two years, Chinese government officials have also spread the message about the importance of the "One Belt and One Road" project. In one recent speech, State Councilor Yang Jiechi laid out the historic and present importance of the maritime silk route initiative: In the early 15th century, the great Chinese navigator Zheng He who led the world's biggest fleet at the time on a total of seven expeditions, reaching as far as East Africa, the Red Sea and the Persian Gulf...touching stories about Zheng He are still being told to this day. What we want is to properly design cooperation pivots and economic corridors on the sea for all-round maritime cooperation in this age of economic globalization and multipolarity... China stands ready to work together with other countries to build maritime partnerships of win-win cooperation. Linking European and Asia-Pacific economic rims across four oceans, the Road focuses on the Southeast Asian countries, connects South Asia, West Asia and some African and European countries and naturally extends to the South Pacific.<sup>⑥</sup>

The new Maritime Silk Road holds great potential, with the Gulf and Horn of Africa in particular well-positioned for the windfall. To promote economic interconnectedness and development along the Maritime Silk Road, China and the Council of Foreign Ministers of the Gulf Cooperation Council (GCC) negotiated the establishment of a free trade area (FTA), including direct currency swaps with China. Currency swaps lower transaction costs and facilitate stronger financial cooperation, while the free trade zone increases China's competitive advantage against US and European businesses that already have strong regional ties and economic investments.<sup>⑦</sup> Additionally, the China-Arab Cooperation Forum is leveraged to continue promoting projects related to port development, energy security,

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<sup>①</sup> Jingdong Yuan, "China and the Indian Ocean: New Departures in Regional Balancing," in John Garafano, Andrea Dew, ed., *Deep Currents and Rising Tides: The Indian Ocean and International Security*, No.158, Washington, DC: Georgetown University Press, 2013; Erickson and Strange, pp.74-75.

<sup>②</sup> UNCTAD, "Review of Maritime Transport," 2014, [http://unctad.org/en/PublicationsLibrary/rmt2014\\_en.pdf](http://unctad.org/en/PublicationsLibrary/rmt2014_en.pdf).

<sup>③</sup> "China Maritime Economy becomes New Growth Engine," *China Daily*, October 5, 2012.

<sup>④</sup> UNCTAD, "China Maritime Economy becomes New Growth Engine," *China Daily*, October 5, 2012.

<sup>⑤</sup> Toshi Yoshihara, James R. Holmes, *Red Star Over the Pacific*, Annapolis, MD: Naval Institute Press, 2010, pp.18-26.

<sup>⑥</sup> Speech by State Councilor Yang Jiechi, "Jointly Build the 21st Century Maritime Silk Road by Deepening Mutual Trust and Enhancing Connectivity," March 29, 2015, At the Session of "Jointly Building the 21st Century Maritime Silk Road" and "Launching of the Year of China-ASEAN Maritime Cooperation," March 28, 2015, [http://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1249761.shtml](http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1249761.shtml).

<sup>⑦</sup> Chengwen Li, "One Belt and One Road," *Asharq Al-Awsat*, April 15, 2014.

transportation, and related investment opportunities, especially in recent years with the promulgation of the Xi's "1+2+3" strategy.<sup>①</sup>

In addition to negotiating an FTA, President Xi announced the establishment of a \$40 billion Silk Road Fund to promote trade, infrastructure projects, and other programs that will support the OBOR.<sup>②</sup> The initiative could affect some of the estimated 3 billion people across Eurasia. However, the Asian Development Bank predicts \$8 trillion in investment is required for infrastructure projects in order to sustain current economic growth.<sup>③</sup> The AIIB buoyed the Silk Road Fund by an estimated \$100 billion in initial capital, but more is still required. As noted by one scholar, "Beijing's call for a 'new model of great power relations' between China and the US is a clear signal that President Xi is seeking to change the regional order.... China does not want to rule the world, but it does want to take a much bigger leadership role in Asia."<sup>④</sup>

#### **IV. The Bab Al-Mandeb and Djibouti**

The critical maritime chokepoint and city-state for China just beyond the tip of the southern portion of the Arabian Peninsula are the Bab al-Mandeb and the small nation of Djibouti. With an estimated 873,000 inhabitants, Djibouti sits at the critical pinch point that connects the Red Sea to the Gulf of Aden, the Arabian Sea, and the Indian Ocean. Djibouti sits along one of the world's busiest shipping routes, but ships that traverse this major chokepoint remain vulnerable to either piracy off the Horn of Africa or potential violence spilling out from Yemen.<sup>⑤</sup> Since Djibouti is only 20 miles away from Yemen, further instability could spread into the Bab al-Mandeb, posing an additional threat to the shipping industry and a challenge for regional and international security. According to one analyst, "Minor naval incidents between Iranian and Saudi or Egyptian vessels off the coast of Yemen, including near Bab al-Mandeb, are increasingly likely, raising the risk of collateral damage to shipping in transit across the straits and disruption to strategic oil cargo routes, which will have an impact on the oil market."<sup>⑥</sup>

Despite these regional vulnerabilities, Djibouti endeavors to eventually establish itself as the Singapore of the Horn of Africa.<sup>⑦</sup> It is geostrategically important for China's regional rise due to its access to mainland Africa and close proximity to the Arabian Peninsula. According to some estimates, one million Chinese have already relocated to Africa where trade was projected at \$120 billion in 2011. In 2009, China also surpassed the US as Africa's largest trading partner.<sup>⑧</sup>

China's increased presence in Djibouti will bring it closer in contact with the US and might act as a possible testing venue by which to engage on shared national security and

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<sup>①</sup> Ibid.

<sup>②</sup> "Chronology of China's Belt and Road Initiative," [http://news.xinhuanet.com/english/2015-03/28/c\\_134105435.htm](http://news.xinhuanet.com/english/2015-03/28/c_134105435.htm).

<sup>③</sup> "China Announces \$40 bn Silk Road Fund," <http://thebricspost.com/china-announces-40-bn-silk-road-fund/#.VUpb4vnZUd9>.

<sup>④</sup> Peter Ford, "Does China-led Development Bank Make Beijing Renegade or Mainstream?" April 10, 2015, <http://www.csmonitor.com/World/Asia-Pacific/2015/0410/Does-China-led-development-bank-make-Beijing-renegade-or-mainstream>.

<sup>⑤</sup> "China 'Negotiates Military Base' in Djibouti," *Al-Jazeera*, May 9, 2015.

<sup>⑥</sup> Anthony McAuley, "Oil's Vulnerable Trade Route," *The National*, March 31, 2015.

<sup>⑦</sup> "Djibouti: Africa's Singapore?" *Capital*, December 16, 2014.

<sup>⑧</sup> Christina Lin, "China's Strategic Shift Toward the Region of the Four Seas: The Middle Kingdom Arrives in the Middle East," *ISPSW Strategy Series: Focus on Defense and International Security*, No. 226, April 2013, <http://www.isn.ethz.ch/Digital-Library/Publications/Detail/?id=163381>.

economic interests from the free flow of energy and maritime trade to combating terrorism and piracy. Djibouti has been critical for the US since the early 2000s when it first established a military base to assist in its regional operations in a post-9/11 world and due to a rise in Somali piracy. It might take a while for the US to adjust to seeing Djibouti become such an active hub for China and other emerging powers. With thousands of US troops, contractors, and other civilian personnel, Camp Lemonnier and additional in-country cooperative security locations currently support the US Special Forces operations and other US drone warfare activity in Yemen and Somalia.<sup>①</sup> Djibouti president Ismail Omar Guelleh almost doubled the basing rent recently but it did not deter the US military from concluding another ten-year agreement due to its strategic value.<sup>②</sup> In 2011, Japan also established its first base in Djibouti, the first of its kind outside of Japan since World War II for its Maritime Self Defense Forces. Similar to the US, Japan was drawn to Djibouti as an important hub to assist in CTF-150 naval operations and counter-piracy measures.<sup>③</sup>

The US has long held a monopoly over its military position in Djibouti but the security and basing landscape has changed in the last several years with the increased presence and influence of China in Djibouti.<sup>④</sup> Recently, and in an attempt to gain a greater regional foothold, China announced a bilateral security and defense cooperation agreement in February 2015 that established a Chinese military outpost and possible future base in the northern city of Obock, Djibouti.<sup>⑤</sup> It also includes support to build-up Djibouti's navy and air force, including the purchase of the Chinese weapons systems. The agreement was negotiated and signed by Chinese Defense Minister Chang Wanquan and his counterpart Defense Minister Hassan Darar Houffaneh.<sup>⑥</sup>

In many respects, this marks the culmination of many years of an active Chinese presence in Djibouti, beginning more formally with its arrival to participate in CTF-150 operations in late 2008 and early 2009. According to one assessment, CTF-150 "has been the first active operation beyond China's neighbouring waters in more than 600 years, and also has been a crucial component of the PLAN's recent development. The 18 rotational deployments to the Horn of Africa to date have allowed China to develop a number of core naval skills, including replenishment-at-sea capabilities, some of which are relatively new for a navy that was, until 10 years ago, confined to regional waters."<sup>⑦</sup> According to another estimate, China has deployed more than 10,000 navy personnel with just shy of 20 task forces. Since China began its participation in CTF-150, the PLAN has accompanied more than 6,000 Chinese or foreign ships.<sup>⑧</sup>

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<sup>①</sup> Bradley Klapper, "Kerry Trip to Djibouti Highlights Importance of Small Nation," *Associated Press*, May 5, 2015; Joseph Trevithick, "This Small Airstrip is the Future of America's Way of War," *Reuters*, January 5, 2016.

<sup>②</sup> John Lee, "China Comes to Djibouti: Why Washington Should be Worried," *Foreign Affairs*, April 23, 2015.

<sup>③</sup> Alex Martin, "First Overseas Military Base Since WWII to Open in Djibouti," *The Japan Times*, July 2, 2011.

<sup>④</sup> John Lee, "China Comes to Djibouti: Why Washington Should be Worried."

<sup>⑤</sup> "China 'Negotiates Military Base' in Djibouti," *Al-Jazeera*, May 9, 2015; Jane Perlez, Chris Buckley, "China Retools Its Military with a First Overseas Outpost in Djibouti," *New York Times*, November 26, 2015.

<sup>⑥</sup> "China Inks Defense Deal with Djibouti, Home of US Camp Lemonier." *Geo-Strategy Direct*, March 12, 2014, 8, International Security & Counter Terrorism Reference Center; Jeremy Binnie, "Djibouti, China Agree 'Strategic Partnership'," *Jane's Defence Weekly*, March 6, 2014. John Lee, "China Comes to Djibouti: Why Washington Should be Worried," *Foreign Affairs*, April 23, 2015.

<sup>⑦</sup> Christian Le Mièrè, "Presence Through Partnership? PLAN Improves China's Middle East Links," *Jane's Navy International*, November 19, 2014.

<sup>⑧</sup> Andrew S. Erickson, Austin M. Strange, "China's Blue Soft Power: Antipiracy, Engagement, and Image

Aside from its increased naval presence, Chinese investment in recent years has successfully targeted gaining a greater influence over local politics and development projects. In 2013, for example, China's Merchant Holding International purchased a 23.5% share in the Port of Djibouti. The price is valued at \$183 million and will enable China to play a more active role in Djibouti's expansion of its ports.<sup>①</sup> Other Chinese investment projects across Djibouti are estimated at \$9 billion.<sup>②</sup> With such support, Djibouti hopes that it will be operating at fifteen times its current size by 2017.<sup>③</sup>

According to Djibouti's Defense Minister Houffaneh, China is primed to play a potential leading role in future regional security.<sup>④</sup> It has already begun to enhance its regional naval operations for its increasingly frequent visits to regional ports such as Aden and Salalah.<sup>⑤</sup> China has also taken advantage of its greater presence by using Djibouti as an important replenishment port en route to the Suez Canal and Mediterranean Sea, including stops to Jeddah, Saudi Arabia and Istanbul, Turkey.<sup>⑥</sup> But an increased presence also comes with heightened responsibility for regional security. In Yemen, for example, an estimated 30,000 refugees are expected to flee for Djibouti in 2015 due to the ongoing internal conflict and war that has destroyed Yemen in recent years. Djibouti already houses approximately 20,000 Somali refugees.<sup>⑦</sup> If China wants to be seen as a legitimate security guarantor and legitimate stakeholder of the international system, it will need to adopt new measures that engage more proactively in the regional politics and security.

### **Conclusion: Regional Security and Beyond**

Due to China's enhanced focus on the broader Middle East and Africa in recent years, its security interests are rapidly following pace with its rising geo-economic interests and investments. Though only now emerging as an increasingly important regional influence, China has augmented its strategic chokepoint and regional presence in a substantial manner. This rising presence also aligns with China's "One Belt and One Road" initiative and its "1+2+3 strategy". Amid the spread of regional violence and religious extremism, the US should seek to leverage the increased Chinese presence and its regional interests to assist in seeking solutions for greater regional stability and security. China's new Maritime Silk Route initiative might indeed be a critical future piece to the equation, including its increased maritime and naval presence and greater regional infrastructure investment through the AIIB. As China increases its presence in such places as Djibouti, the Gulf, and elsewhere, China has a great potential to assist with regional security and stability.

China's Maritime Silk Road initiative is in its infancy but if the current momentum of greater trade and a more robust military presence continues it is only a matter of time before China evolves into a more transformative influence across the broader Gulf region and Arabian Peninsula. The Bab al-Mandeb will remain as essential strategic chokepoint

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Enhancement," *Naval War College Review*, Vol.68, No.1, Winter 2015, p.72.

① "Djibouti: Africa's Singapore?" *Capital*, December 16, 2014.

② "China 'Negotiates Military Base' in Djibouti," *Al-Jazeera*, May 9, 2015.

③ "Djibouti: Africa's Singapore?" *Capital*, December 16, 2014.

④ "China Inks Defense Deal with Djibouti, Home of US Camp Lemonier," *Geo-Strategy Direct*, March 12, 2014, p.8.

⑤ Christian Le Mière, "Presence Through Partnership? PLAN Improves China's Middle East Links," *Jane's Navy International*, November 19, 2014.

⑥ "Chinese Navy Fleet Begins 5-day Visit to Turkey," May 25, 2015, [http://news.xinhuanet.com/english/video/2015-05/25/c\\_134269051.htm](http://news.xinhuanet.com/english/video/2015-05/25/c_134269051.htm); Le Mière.

⑦ Bradley Klapper, "Kerry Trip to Djibouti Highlights Importance of Small Nation," *Associated Press*, May 5, 2015.

for trade and the free flow of oil and gas and remain as an important node or chokepoint for China's larger successes in the Middle East and Africa. Moreover, the Arabian Peninsula and Gulf Arab monarchies will likely continue looking eastward to China and other rising powers of Eurasia for partnership and support. For its part, China has similarly taken advantage of the current shifting security dynamics and will likely continue to expand its economic and security presence in the future whether in a Mahanian or post-modern like manner. The key, however, will be that China must accept the fact that it cannot sit idly by as the region continues to be wracked by war and conflict. China has significant interests and must lend a helping hand in a region consumed by war and instability. If it can take on a meaningful role as a stabilizing force, the US might welcome the added support in a region that will remain a foreign policy focal point for many years to come.