



Indo-Pacific Monitor No. 30

February 27, 2023 **Blake Kravitz**

Related Categories: International Economics and Trade; Warfare; Resource Security; Central Asia; China; India; South Korea; Southeast Asia

INDIA ANNOUNCES MAJOR INVESTMENTS IN GREAT NICOBAR ISLAND

Much has been made of China's "string of pearls" strategy to geographically encircle India and constrain its movement in the Indian Ocean Region (IOR). In late January, New Delhi announced a plan that could complicate Beijing's designs: massive economic investments in Great Nicobar, its southernmost island in the Andaman and Nicobar Islands archipelago. Great Nicobar, which sits even further to the south than the southernmost tip of mainland India, is a remote island with minimal investments. The closest airport is at Port Blair on the Andaman Islands, which is only accessible via helicopter or ship (a 24-hour voyage). The islands are strategically located, merely 40 nautical miles away from the Great Channel, which feeds into the Strait of Malacca. Thirty-five percent of global oil supplies, 25% of global sea trade, and 80% of China's energy shipments pass through this narrow waterway.

For years, however, India's advantage lay dormant. Now, Prime Minister Narendra Modi plans to launch a "holistic development" of Great Nicobar over the next thirty years. The planned investments, which include a port, an international airport, a township, and a power plant, total \$870 million. (The Economic Times, January 22, 2023)

MANILA OPENS ADDITIONAL MILITARY SITES TO WASHINGTON

In early February, the Philippines announced its intent to open up more military operating locations to the United States. The decision comes as Washington expands its military footprint in Australia, and Japan significantly increases its defense spending. Under the deal, the U.S. will base equipment and facilities at nine total locations, an increase of four over currently-available sites. The precise facilities have not yet been announced, but the U.S. had delivered its requests to the Philippines in late 2022: two sites in Cagayan, one in Palawan, one in Zambales, and one in Isabela. Cagayan is just south of Taiwan, and Zambales is due east from Scarborough Shoal, a longstanding flashpoint between Beijing and Manila in the South China Sea.

Philippine president Ferdinand Marcos, Jr. underscored the significance of America's presence in the Philippines when he recently stated that it would be "very hard to imagine a scenario where the Philippines is not somehow involved" in a war over Taiwan. The next day, reports emerged about a possible trilateral security pact between the U.S., the Philippines, and Japan. (Nikkei, February 12, 2023; Japan Times, February 13, 2023)

SOUTH KOREA FLIRTS WITH THE NUCLEAR ISSUE

In the wake of recent missile tests and forthcoming nuclear tests from North Korea, political leaders in South Korea have openly opined about basing American nuclear missiles on the Korean peninsula. Some, including President Yoon Suk-yeol, have suggested that Seoul could even develop its own nuclear deterrent "if the issue becomes more serious." The South Korean presidential office quickly clarified Yoon's remarks and insisted that nothing had changed about Seoul's alliance policies or defense posture.

A number of factors inform the increasingly jittery rhetoric emanating from South Korea. For one, reporting recently emerged that North Korea's nuclear missile stockpiles exceed American interceptor inventories, which complicates the basic math undergirding Washington's deterrence calculus. Furthermore, the memory of Beijing's economic coercion in 2017 continues to haunt Seoul with a lingering impression that Washington was inadequately supportive. Former President Donald Trump's suggestion to remove American troops from South Korea intensified these fears, and sowed doubts about America's reliability that persists today. (Associated Press, January 11, 2023; Wall Street Journal, January 12, 2023; Politico, February 8, 2023)

INDONESIA MOVES FORWARD WITH RESOURCE MINING IN SOUTH CHINA SEA

In early January, Indonesia announced its plan to develop a large natural-gas field near the Natuna Islands. The archipelago lies within Indonesia's 200-mile exclusive economic zone, giving Jakarta rights under international law to mine for natural resources there.

However, the PRC has claimed almost all of the South China Sea as its sovereign territory, an assertion that impinges on the legitimate economic claims of several countries, like the Philippines, Vietnam, and Malaysia. Beijing's expansive claims extend to the Natuna Islands, which lie roughly 1,000 miles from the PRC mainland. In recent years, the PRC has deployed its coast guard to the site of oil-and-gas offshore projects, making these types of projects high-risk. For their part, Indonesian authorities have deployed their own coast guard vessels to the area since 2020, and appear steadfast in their dedication to the project. (Wall Street Journal, January 11, 2023)