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Is the Naval Blockade of the Straits of Malacca a Realistic Option for India: An Assessment



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Introduction

The Straits of Malacca is the shortest sea route between Persian Gulf suppliers of oil and key Asian markets. It links major economies such as Middle East, China, Japan, South Korea, etc. Being the 500 nautical mile funneled waterway, the Strait is only 1.5 nautical miles (2.8 km) wide at its narrowest point— the Phillips Channel in the Singapore Strait. The Strait is not deep enough to accommodate some of the largest ships, mostly oil tankers, but it is significant as through the South China Sea it connects the Indian Ocean with the Pacific Ocean.

Very often, the blockade of the Straits of Malacca for disruption of Chinese energy sources and trade is being offered as a possible Indian strategic deterrence option against China in a conflict scenario.¹ With hardly any other deterrence

Key Points

- The Straits of Malacca is a key corridor of global trade and commerce, which through the South China Sea connects the Indian Ocean with the Pacific Ocean.
- The blockade of the Straits of Malacca for disruption of Chinese energy sources and trade is seen as a possible option for India's strategic deterrence against China.
- If the Straits of Malacca is blocked, nearly half of the world's shipping fleet would require to be rerouted through the Lombok Strait or the Sunda Strait.
- India Navy can easily cut off the narrow Straits of Malacca; however, blocking a strait is not a viable strategic goal.
- There are serious issues which need to be carefully wargamed before taking any action on naval blockade of the Straits of Malacca.



options available to India, this strategic perception is gaining prominence in India's own deterrence discourse. But opting for such measures would, at the foremost, require careful deliberations. In this process, a thorough analysis is required about this option of naval blockade of the Straits of Malacca.

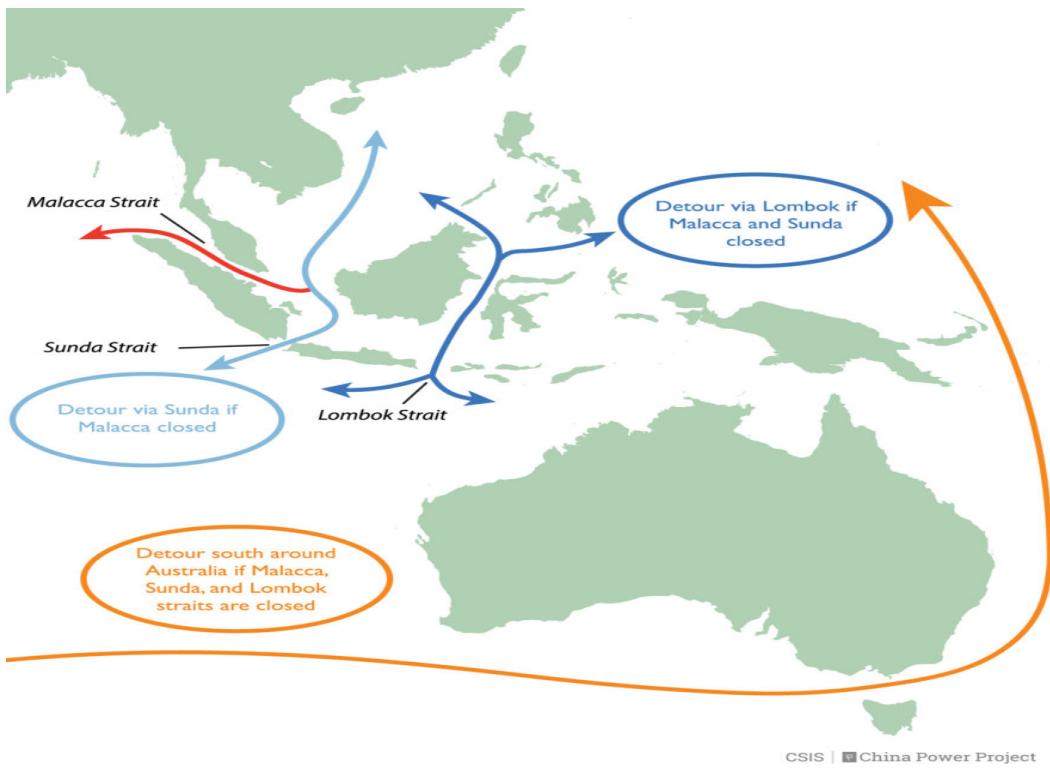
Importance of the Straits of Malacca

As per the United Nations Conference on Trade and Development (UNCTAD) estimates,² roughly 80 per cent of global trade by volume and 70 per cent by value is transported by sea. Of that volume, 60 per cent of maritime trade passes through Asia, with the South China Sea carrying an estimated one-third of global shipping. Its waters are particularly critical for China, Taiwan, Japan, and South Korea; all of which rely on the Straits of Malacca, which connects the South China Sea and, by extension, the Pacific Ocean with the Indian Ocean. Most importantly, the Straits of Malacca is the second-largest oil trade chokepoint in the world, after the Strait of Hormuz.³

Nearly one-third of the 61 per cent of total global petroleum and other liquids production that move on maritime routes transit the Straits of Malacca. The high concentration of commercial goods flowing through the relatively narrow Straits of Malacca has raised concerns about its vulnerability as a strategic chokepoint.⁴ Over 80 per cent of China's oil and hydrocarbon imports from West Asia and around 60 per cent of Japan's total oil imports currently pass through the Malacca Straits. While more than 50 per cent of India's trade now goes through the Malacca Straits. But for China, the stakes are much higher as being the second-largest world economy with over 60 per cent of its trade in value traveling by sea, China's economic security is closely tied to the Malacca Straits. Hence, the Straits of Malacca holds geo-economic and geostrategic significance for the globe at large, and some Asian countries in particular such as China, Japan, and India amongst others.

Alternatives to the Straits of Malacca

If the Straits of Malacca is blocked, nearly half of the world's shipping fleet would require to be rerouted through the Lombok Strait between the Indonesian islands of Bali and Lombok or through the Sunda Strait between the Indonesian islands of Java and Sumatra (Figure 1)⁵, which will be much longer routes. Lombok and Makassar Straits are much longer routes. If this be the case, then the most affected state would be China.

**Figure 1: Alternative Passages to the Straits of Malacca**

Source: Adapted from China Power.⁶

I. Sunda Strait. For ships travelling by the Cape route to East Asia, as well as for vessels sailing from Australian ports to Southeast or East Asian destinations, the Sunda Strait is an important waterway. The Sunda Strait is about 13 nautical miles wide at its narrowest. It is quite deep at its western entrance but the depth decreases towards its eastern exit with irregular bottom topography.

The Sunda Strait is less suitable than the Straits of Malacca. It contains many navigational hazards including strong tidal flows; sandbank formations along the waterway; a live volcano; poor visibility during squalls and the existence of numerous oil drilling platforms and small islands and reefs which may disrupt safe navigation. This makes the Sunda Strait unsuitable for large modern ships. Yearly, about 2,280 ships transit the Sunda Strait carrying in total some 100 million tonnes of cargo valued at US\$ 5 billion.

II. Lombok Strait. The Lombok Strait passes through the Indonesian archipelago and is used mainly by large crude oil carriers as it is much deeper and ships of all sizes can use it, while the Straits of Malacca are usable for tankers no larger than 200,000 dwt. Its minimum



width is 11.5 miles. The Strait stretches about 400 nautical miles from its northern gateway to its southern access. In terms of volume of oil shipped, this route is of near equivalent importance to the better known Malacca Strait. Yearly, 420 ships ply the Lombok passageway carrying a total of 36 million tonnes of cargo worth US\$ 40 billion.

Blockade— Is It A Viable Option for India?

Geographically, India has a distinct advantage in the Indian Ocean. At the mouth of the strait, Indian Navy is present in the Andaman and Nicobar Islands. In a conflict scenario with China, there can be a requirement of blocking China's energy requirements and trade passing through the Straits of Malacca. As H I Sutton argues that:⁷ "A potential closure of the Strait of Malacca in case of an escalation of tension, a crisis, or a war, could allow India to choke oil shipments to China, the world's largest oil importer, which imports a lot of oil from the Middle East going through that route".⁸ Larry Bond, the renowned naval author and creator of the Harpoon war game series, talking to the Tac Ops podcast on July 5, said that, "If India wanted to cut off trade with China, all that they have to do is park a bunch of ships at the Straits of Malacca. And that's it, nothing else is getting through that way".⁹ If this be the case, the blockade will then create a huge traffic jam in the Strait.

Undeniably, a 'blockade' of such a busy waterway like the Straits of Malacca will adversely affect the global trade and movement of hydrocarbons to East and South East Asia. While without active support of the United States, no country can do it; however, the role of the United States in thwarting Chinese activities is not very encouraging. Admiral Arun Prakash, Former Chief of Naval Staff and Chairman Chiefs of Staff Committee has succinctly posited that:

"US Secretary of State Mike Pompeo's latest 'bombastic statements' regarding China's maritime claims in the South China Sea served only to highlight America's helplessness. Having failed to deter China from creating and fortifying artificial islands in the South China Sea in open defiance of the UN Tribunal's verdict, all that the US has been able to demonstrate is the hollow symbolism of US warships conducting freedom of navigation sailing through Chinese-claimed waters".¹⁰

Blockade is an act of war where general principles and rules of the law of naval warfare - the maritime *jus in bello* apply. Blockades are regulated by international law and custom and require advance warning to neutral states and impartial application. China being a



permanent power in the United Nations Security Council, is sure to take up this issue in the UNSC. However, the question is : Which country with veto power will side with India? Besides, ‘opting for a blockade, will incur huge political and diplomatic costs for India’. Any attempt to interfere with trade would be subject to massive pushback from countries around the world, including from India’s most important strategic partners. Many Indo-Pacific countries would view India’s disruption of regular shipping in an international sea lane as a hostile act that imposes unacceptable costs on neutrals. What will be the stance of Japan, South Korea, Singapore, Malaysia, Indonesia and other ASEAN countries?¹¹

Today, experts believe that blocking a strait is not a viable strategic goal. Chris McMahon argues that the closing of chokepoints has no real impact on global trade.¹² Closure of Straits of Malacca would not severely affect the global shipping network as it would transit through the alternate route of the Sunda Strait or the Lombok Strait. There will be an increase in cost, but the market would adjust for the increased cost. To argue, the Suez Canal has been closed for eight years between 1967 and 1975. As a result of which, the cost of shipping around the Cape of Good Hope was much higher than the Suez route but presented no serious economic hardship to global consumers.¹³ Thereby, rerouting the Pacific trade for closed Straits of Malacca would have similar minimal effect on the cost of global trade.

China’s Options Against Its “Malacca Dilemma”

Hu Jintao in 2003 understood the problem of China in case of United States instigated blockade of the Malacca Strait and described it as “Malacca Dilemma”. Due to which, China has taken a number of steps to reduce the country’s over-reliance on the Strait. These include development of the Gwadar port in Pakistan with plans to transport oil from the port to inland China, the Myanmar-Yunnan Pipeline which siphons oil and gas from the Bay of Bengal to the Kunming region of China, the Kazakhstan-China Pipeline which connects the country to the oil-rich Caspian region and to build a “Polar Silk Road” in the Arctic. However, these are long term plans. Besides, the Kazakhstan-China and Myanmar-Yunnan provides only 400,000 and 420,000 barrels a day respectively, compared to the 6.5 million China-bound barrels that pass through the Malacca strait daily. They would not reduce China’s dependence on the Straits of Malacca for its oil trade. In addition, China has around 80 days of oil in storage as strategic petroleum reserve (SPR), oil storage at oil firms and commercial stocks.¹⁴ To note, as on 29 June, China had accumulated 73 million barrels of oil on 59 different ships floating at sea off the country’s northern coast. This is China’s floating



storage—defined as barrels of oil on vessels waiting for seven days or longer.¹⁵ Thereby, China is already seeking alternatives against its “Malacca Dilemma”.

China, Thailand and the KRA Canal Project

China has been actively pushing for construction of a man-made waterway, as part of its Belt and Road Initiative that cuts through Thailand to connect the South China Sea with the Andaman Sea—slashing transit times between them by two to three days. The proposed Kra Canal would stretch more than 100 km across the Kra Isthmus which is the narrowest point of the Malay peninsula. The new route could be an alternative to the route through the Straits of Malacca. This would also allow the Chinese navy to move ships quickly between its newly constructed bases in the South China Sea and the Indian Ocean.

Figure 2: The KRA Canal Project



Source: Adapted from ip defense forum.com.¹⁶

Though there is a strong lobby in Thailand for construction of the Kra Canal, recently the government of Thailand announced that, it will scrap the Kra Canal project.¹⁷ There are compelling reasons for cancelling the project. For instance, the Kra Canal is estimated to cost US\$ 20 billion to US\$ 30 billion. The cost of digging the canal and dredging the sea around it is only a one-time cost, but maintaining that depth will be an enormous challenge given the effects of siltation and monsoon seasons. However, the opportunity cost is too small, as avoiding a voyage of couple of days is not enough to justify creating a new route. A



'too-high' toll cannot be an alternative to the 'free-to-sail' Straits of Malacca. The return on investment is also not cost effective. Besides, the project would also adversely affect Thailand's tourism industry and damage its fisheries.

In such a situation, Thailand risks splitting itself in two. The waterway would create a geographic split between Buddhist regions in the North and mainly Muslim provinces in the South. This could make a separation that would last for centuries and would be impossible to fill in once the channels have been dug out. This will only worsen the domestic situation given that, the Thai government has been fighting an ethnic and religious based insurgency since the 1980s in its three southernmost provinces—which are mainly dominated by Muslim and ethnic Malay. In view of this, the canal could turn out to be a representational border between mainland Thailand in the north, and a separatist movement in the south.

In addition, the project will also affect Thailand's relationship with other southeast Asian neighbours mainly Indonesia, Singapore and Malaysia; as these countries would lose shipping business to Thailand if the canal is constructed. Furthermore, there are concerns that it would undercut the independence of poor southeast Asian countries like Myanmar and Cambodia, that have comparatively weak civil societies that are highly vulnerable to Chinese interference. While many countries might be on the receiving end, China will benefit the most from such a canal because it will build it and control it. Wherein, China is likely to be the only investor that could bring the project to life.

Critical Issues Against the 'Blockade' Option

The following issues need to be considered before thinking of a naval blockade in the Straits of Malacca, such as: First, a disruption to oil flows through Malacca could soar the world's oil prices. Today, United States is the highest producer of oil and has a major stake in oil prices. Will the United States allow this to happen? Second, China has built long-range anti-access area-denial (A2/AD) weapons and redundant fortified islands within the South China Sea. China has sufficient naval forces to patrol the Strait and can prevent free transit of the Strait using Anti-Ship Ballistic Missiles(ASBM) and long range Anti-Ship Cruise Missiles (ASCM). These long range weapons based on the Chinese mainland or in the central South China Sea can contest the other straits leading into the South China Sea.

In this context, India's options would require key deliberations such as: What will be the effect on India's own trade flow as more than 50 per cent of India's trade now passes



through the Straits of Malacca? How will the Indian Navy identify those vessels that are actually headed to Chinese ports? Today, transactions take place in high seas and ships are rerouted in transit. Transactions can happen on board a ship after crossing the Straits of Malacca for China.¹⁸ In such a scenario, can India stop a vessel flying the flag of Greece or Singapore or such other countries carrying oil and goods to and from China? What will the Indian Navy do if China retaliates with its own blockade or interdictions against vessels carrying Indian trade? If India plans for a blockade, what will be the duration of it? To note, small duration would not have any effect on China whereas India would invite large scale condemnation for its action.

Though India is in a position to choke Chinese supply lines, it will not have the same effect due to availability of alternate routes, strategic reserves and the assets that China has created at South China Sea. India's energy requirements come from the Persian Gulf and the Strait of Hormuz. In any conflict scenario, the Indian Navy should be securing India's vital energy imports. While, the United States considers this region as its backwater and does not allow navies like the Indian Navy to operate there; however, the United States encourages Indian Navy to operate in the South China Sea. Besides, there is also no indication from the Chinese side that it is concerned of any form of threat of blockade in the Straits of Malacca. Hence, all the above and such other issues need to be carefully wargamed before taking any action on opting for a naval blockade of the Straits of Malacca.

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