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The Role of Strait of Malacca in the Indo-Pacific Balance of Power

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Abstract

As a critical maritime chokepoint through which nearly one fourth of the world's seaborne trade passes, the Strait of Malacca holds immense strategic value—particularly amid intensifying competition among regional and global powers. This brief explores the evolving geopolitical significance of the Strait of Malacca in the context of its role in balancing power in the Indo-Pacific region. It also analyzes the vulnerabilities of the global supply chain, the growing Chinese assertiveness through the Belt and Road Initiative (BRI), US presence and India's rise as a strategic power in the Indo-Pacific region and the strategic dilemma posed by the strait's narrowness and susceptibility to disruption.



Introduction

Energy is the driving force behind the global economy, and maritime transport is the vital link that keeps it all moving. Around 80% of the world's trade by volume and 70% by value travels by sea, with oil and natural gas forming a significant part of this flow. However, despite its importance, this vast network is surprisingly delicate and is a dynamic chess board where major geopolitical games are played. The complex interplay of national interests, territorial disputes, and strategic chokepoints makes maritime transportation highly susceptible to geopolitical volatility, especially when energy is on board.

Maritime chokepoints in these routes serve as critical nodes that form the backbone of the global energy supply chain, such as the Strait of Hormuz, the Suez Canal, and the Strait of Malacca, which are essential yet highly vulnerable routes. The oil and gas industry is frequently divided into three segments: upstream, midstream and downstream. The upstream sector includes the exploration, development, and production of oil and gas, led by the Middle Eastern world. The midstream handles the transportation and storage via ships and tankers, which run crisscross through the seas, and the downstream deals with refining crude into different products.

The history of geopolitical moves in the seas has always been to secure a safe passage of this energy to their countries with fewer adventures along the voyage.

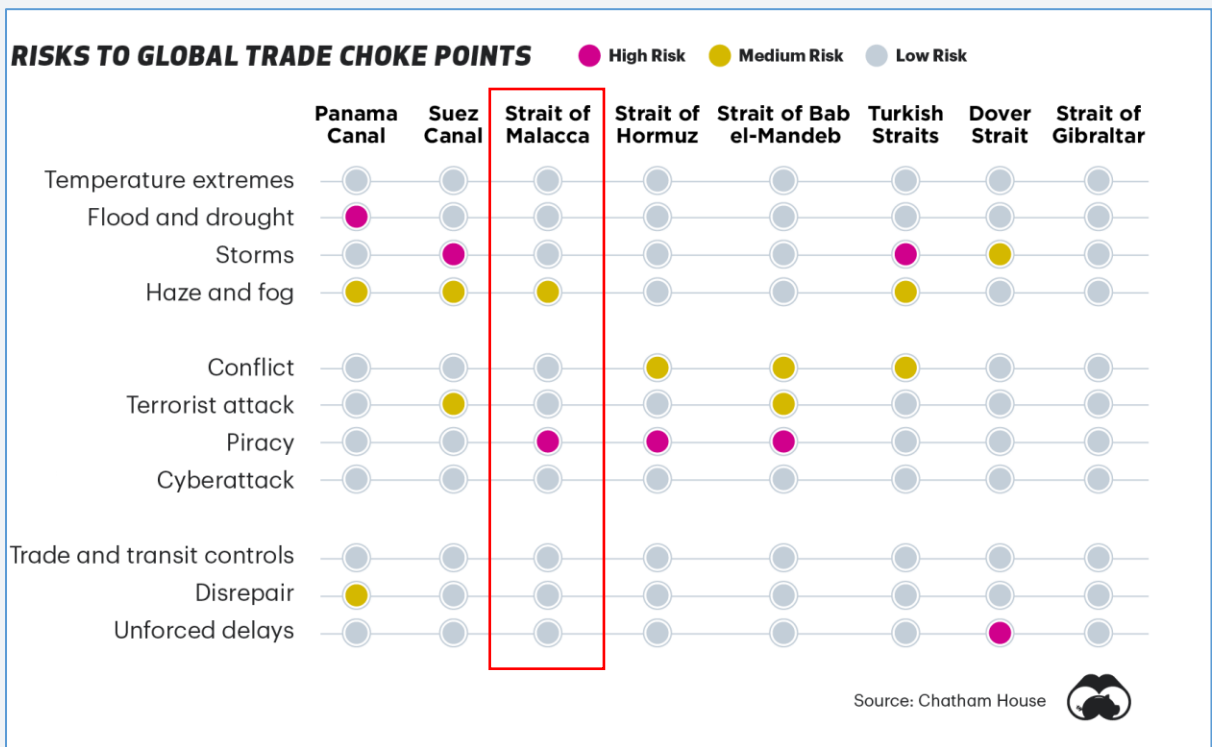
Southeast Asia, the eastern part of the world, a geography rich in abundant resources and a critical conduit for pan-Asian trade; the maritime policies in this region have held significant importance. The chokepoints along this route face significant risks from conflicts, piracy, terrorism, and environmental hazards, making their security a pressing concern for energy markets, maritime industries and international geopolitics.¹ The recent development in politics in Southeast Asia has made these chokepoints an important tool for a plausible counterweight to regional dominance by a few players and even a great tool for future negotiations if needed.

The Strait of Malacca

The Strait of Malacca is the region's primary marine choke point, with 23.7% of all seaborne trade taking a trip through this narrow neck, which also consists of 45% of crude oil trades.² The Strait of Malacca, at its narrowest point, is just 1.5 nautical miles, which makes it one of the world's narrowest choke points. Despite its size, it provides a critical

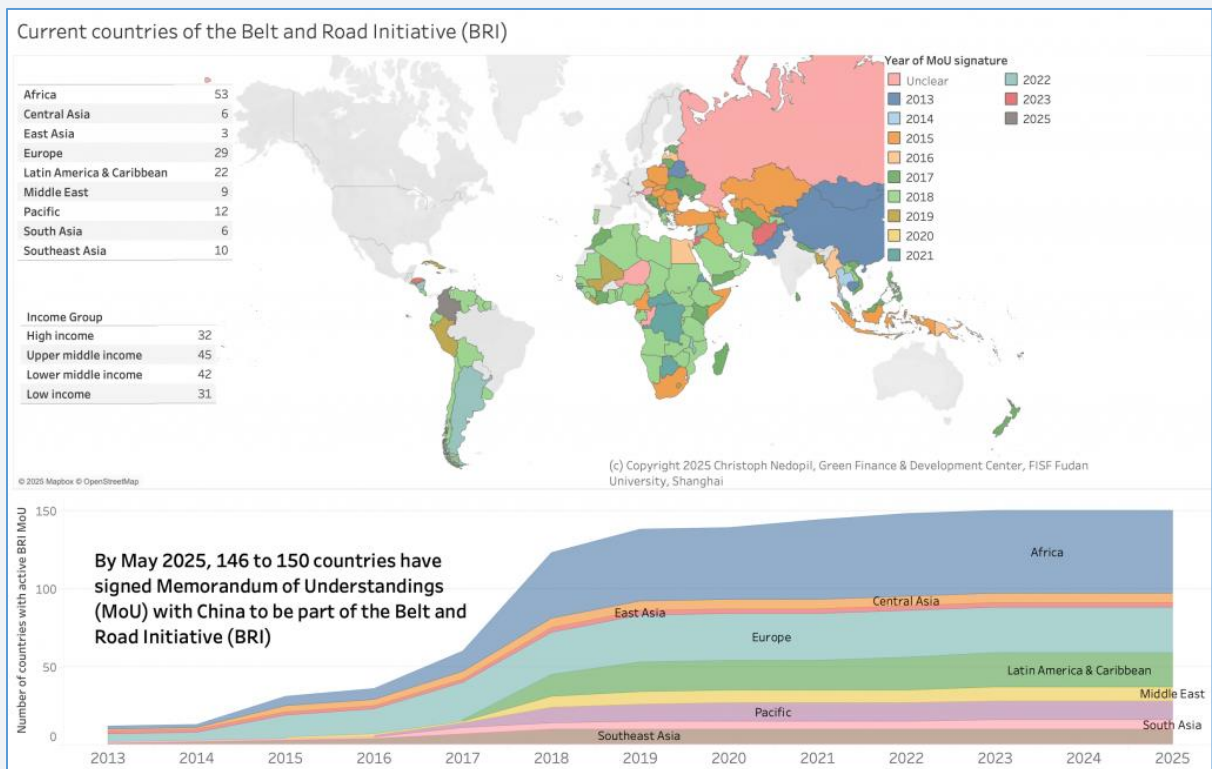
connection between China, India and Southeast Asia. The choke point creates a risky situation for almost 90,000 ships which pass through it. As per the data given by Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia Information Sharing Centre (ReCAAP ISC) the region has seen an approximately 41% increase in such incidents in 2023 compared to the previous year.³

Chinese crude oil imports have been steadily increasing, driven by rapid economic growth. The Strait of Malacca has become a significant maritime security bottleneck and concern for China. The Strait of Malacca has been the epicenter of the geopolitical chess moves in this region, not only from the regional players but also from the extra-regional powers. As it is known in policy circles, the Malaccan Dilemma is one of the significant risks the Chinese economy faces to their economic growth. The Malaccan Dilemma is the possibility of a strategic move by India or global hegemonic powers blocking off the strait, choking the energy supply to China. One of the key dimensions in maritime security is identifying the chokepoints with the destruction risk and building new alternative routes.⁴



The Chinese Safety Net: Belt Road Initiative

The Chinese influence in this region has been steadily growing, with the Belt Road Initiative (BRI) taking shape with a significant investment of around eight trillion USD. The BRI, sometimes called the New Silk Road, is one of the most significant infrastructure projects launched by President Xi Jinping of China. As of May 2025, 150 countries across continents are participating through a Memorandum of Understanding (MOU), out of which 147 are member countries.⁵ The total investment in this mega infrastructure initiative has reached just over \$1 trillion⁶.



Map of countries of the Belt and Road Initiative (BRI) in May 2025⁷

With the BRI initiative, China's motives are clear: to create a seamless supply chain for their export-oriented economy, to maintain influence over the major maritime and trade routes of the world and to reduce the influence of the U. S. on global geopolitics by increasing the number of collaborating partners. As per Xi, the objective of the BRI is to



"break the bottleneck in Asian connectivity." However, below these surface-level motives, the Chinese positions along the Indian Subcontinent, referred to by some as the String of Pearls, are a strategic military move to surround India.⁸ It was conceived as a project to expand the trade routes and the usage of the Renminbi, thus breaking the chains of the USA on global trade. What started as a response to the Obama administration's Pivot Asia policy has found so much relevance as a remarkable resilience to the recent Tariff fiasco led by the 2025 trump administration. The significance of the BRI initiative is seen in how it has helped China keep a more assertive stance on the recent reciprocal tariff levied on China at the beginning of the current financial year.

Role of the USA in the Indo-Pacific Region

"The United States" role as a global hegemony is diminishing more rapidly than anticipated, driven by recent shifts in global political dynamics led by President Trump. They have lost significant control in forcing nations through diplomatic measures, as visible in the recent reciprocal tariff fiasco followed up with the recent contradictory statements of its claims as a global negotiator; be it in the case of India Pakistan ceasefire negotiations or in case of Iran-Israel conflicts in the West Asia. The retaliation tariffs have signaled an uncertain world ahead and have nudged them to seek new shores to hedge potential risks. These moves have led to major re-negotiations in existing ties and seeded an exploration of new markets and alliances. Historically, there are three main motives for extra-regional powers to cooperate in a different part of the world, namely (1) to prevent conflict escalation, (2) to work against an Indigenous hostile regime, and (3) to jointly resist a third state's actions in the region.⁹ Although these only reveal the surface layer of the exorbitant spending of the world powers on military and other subsequent infrastructure, the undercurrents of these diplomatic relations are mainly focused on securing the maritime paths for safe transits of goods and creating a dependence on foreign policy making.

Southeast Asian policy has ebbed and flowed under different administrations in the United States. For the most part, the South East Asia policy by the US has been more reactive and shaped by its relation with the key powers in the region, be it Japan, the Soviets and China in the Cold War times or China alone in the last few decades.¹⁰ The US strategy in the Indo-Pacific region has been considered wavering with changing Washington administrations. In the first Trump administration era of 2017, many regional conflicts did not characterize the region, and the diplomatic interests of Washington focused mainly on creating and maintaining the historical principles of freedom of seas while preventing the existing territorial disputes. The scenario has changed in the last year, with a state of



conflict existing in Bangladesh and Myanmar. The United States wishes a strong presence in the region to maintain the freedom of seas and a close eye over China. Meanwhile, the USA is trying to build an aid corridor into Myanmar to help them establish the sacred democratic system.¹¹ They have a significant presence with over 60 military bases in the Indo-Pacific region but none near the Malacca Strait.¹²

These recent ebbs and flows in the region from different regional and extra-regional players are revealing the great importance of the narrow bottleneck of the Strait of Malacca not only in terms of marine trade but as a critical tool to counter any unwanted adventures. China's unprecedented economic growth has turned the world's eye on the Strait of Malacca, some to protect it and some probing for possible disruption.

Emergence of India in the Indo-Pacific Power Region

Meanwhile, India has recognized these international motives' importance and decided to take firm steps to secure its land geography. On the Northern side, Indian land borders are cushioned with Nepal. The relationship with Nepal is crucial to maintaining the boundary buffer with China. Although China has invested in major infrastructure activities in airports, hydropower plants and proposed trans-Himalayan railways, Nepal has been wary enough to maintain a balanced relationship with New Delhi. Washington is also interested in Nepal's foreign policy as a part of its broader Indo-Pacific Policy.¹³ A geographical presence will help them to keep an eye on two major economies in the Global South, China and India.

On the West Side, as one among the trillions of investments made under the BRI, a \$62 billion project known as the China-Pakistan Economic Corridor (CPEC) connects China to Pakistan's Gwadar Port, seeking access to the seas without having to cross the Malacca Strait is taking shape.¹⁴ Direct access to the seas on the western side will help China to improve its midstream supply chain for oil and gas, reducing its dependence on transit through the Malacca Strait. This reduces the negotiation power of the elite economic powers and will help China reach the global markets in Europe while reducing the costs of coming around the Indian subcontinent. The recent civil wars in the Pakistan region of Balochistan have led to the impending risk of losing Gwadar port to an independent Balochistan. On the north side, India's targeted attacks in the Occupied Kashmir region (POK) and the terrorist infrastructure beyond, with Operation Sindoor¹⁵, send a significant warning sign that these regions can no longer serve as a haven for harboring undercover security for developing the CPEC. On the Western front, India has also strengthened its



friendship with Taliban-led Afghanistan through friendly diplomatic allocations, such as doubling the aid for 2025-26 to 100 crore INR in grants.¹⁶ This enhanced relationship can help India find a better position to negotiate in case it is needed.

Down south, India's commissioning of Vizhinjam port marks a pivotal step in securing maritime autonomy, reducing its dependencies on the Chinese-controlled ports of Sri Lanka as a transshipment terminal, thereby diluting the Chinese influence on the maritime trade sailing through the Malacca Strait. New Delhi has initiated a significant move by opening the Vizhinjam Port in partnership with the state of Kerala and private player, Adani Ports. Unlike Chinese projects in Gwadar and Colombo, the Vizhinjam port is 100% Indian ownership, allowing India to maintain strategic deterrence, surveillance, and logistical independence. The opening of Vizhinjam Port is set to give serious competition to the existing transshipment terminals in the region, like Colombo Port and the Singapore Port. The Vizhinjam transshipment terminal is an all-weather port set out at just 10 nautical miles from the major trading route in the region. The port has already handled 6 lakh Twenty-Foot Equivalents (TEU), exceeding its expectations of 1.08 lakh TEUs for the first year of operations.¹⁷ The port is set to be completed by 2028 rather than the initially planned 2045 timelines, which underpins New Delhi's economic and geopolitical ambitions to counter China's regional dominance through proxy investments in the Colombo port using the Debt Trap Policy.

On the Eastern Side, India has always been vigilant about the increased influence of Beijing trying to expand its footprint through the BRI. China has constantly pushed to gain access to the Bay of Bengal region with collaborative infrastructure projects with Bangladesh. During the Sheik Hasina regime, China had significantly invested in developing the southern part of Bangladesh. The bay is an important concern for India on multiple fronts: economic, security and foreign policy. The recent meetings between the interim leader Muhammad Yunus and Xi Jinping have resulted in the signing of multiple collaborations, among which is a commercial agreement for the modernization and expansion of Mongla Port.¹⁸ Bangladesh has also provided access to China to revive the Lalmonirhat airport, an important airbase just 130 km from the Siliguri Corridor. Coupling this with the recent comments of Muhammad Yunus on the northeastern states of India as "landlocked"¹⁹ has sprung India into a fast-paced execution of a couple of important infrastructure projects in this region. The Kailashahar Airport of Tripura, which has been non-operation since the 1971 Indo-Pak War, is being revived and expanded with urgency, while the Kaladan project connecting Shayma Prasad Mookerjee Port in Kolkata with Sitwee Port in Myanmar to connect Mizoram with the mainland.²⁰ This increased access will help India maintain increased surveillance of the activities of China through its BRI engagement in the conflict-ridden Bangladesh region, which has legal rights to the Bay of



Bengal waters. With a strong presence in the Andaman and Nicobar Islands, just overlooking the Strait of Malacca, India holds a geographic advantage among all these nations.

Cumulatively, India's actions—from the strategic development of Vizhinjam and Kaladan to diplomatic counterweights in Nepal and Afghanistan—constitute a calibrated strategy of regional assertion. This strategy directly undercuts China's geographic and logistical advantage gained through the BRI without requiring military alignment with the United States.

Conclusion

The Strait of Malacca stands not merely as a maritime chokepoint but as a fulcrum in the evolving balance of power in the Indo-Pacific. As China extends its global reach through the Belt and Road Initiative and tries to secure alternative sea routes via Gwadar and the CPEC, its reliance on the Malacca Strait remains a strategic vulnerability—what many analysts call the "Malacca Dilemma." Recognizing this, India has begun positioning itself as a maritime counterweight, not by mirroring China's global expansion but by reinforcing its regional strategic autonomy.

Through strategic investments in ports like Vizhinjam, revitalization of critical transport corridors like Kaladan, and strengthened diplomatic ties with neighbouring states, India is weaving an independent geopolitical fabric that constrains China's maritime ambitions without depending on the global policing of the US. This nuanced approach boosts India's regional influence and preserves its sovereignty in foreign policy formulation, which is critical to meeting New Delhi's vision of being an example of *Vishwa Guru* (global teacher) for other nations to protect its motherland without dependence on global powers.

In an era of multipolar competition, the Strait of Malacca emerges as more than a narrow maritime passage but a critical strategic tool. As India continues to deepen its maritime capabilities and fortify its regional alliances, its emergence as a global strategist is increasingly evident, standing on its anchor rather than tethered to the waning certainties of the US and other world powers' hegemony.



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