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China's Building of a Blue-Water Fleet

By Gareth Pearson,¹ Florida International University

In recent years the People's Republic of China has begun to exhibit a more aggressive naval policy as a result of its decision to switch its naval force from a primarily green-water fleet (coastal) to a blue-water fleet (expeditionary) ("China's New," n.d.). This decision has brought China to loggerheads not only with other local East and South Asian powers such as India and Japan, but also with the predominant blue-water power of the world, the United States, that sees its supremacy threatened ("When Grand," n.d.). Why would China embark on a route that would pit it against the world naval superpower, the United States, which has a huge lead on China in terms of naval blue-water power? Why would China try to challenge and match the U.S. Navy's eleven aircraft carriers ("The World's," n.d.)? What could compel China to embark on a plan that would so disrupt the balance of power in the waters around Asia? To fully understand the Chinese government's decision, one must first look at Chinese import figures and Chinese trade routes.

China's booming economy is driven by its massive production and exporting of cheap goods. However, to assemble those goods and sustain its export-driven economy, China has had to import more and more raw materials, oil, and minerals/ores as its economy has become more and more modern ("China's Plan," n.d.). The amounts of minerals and raw materials imported are staggering, with bauxite, copper, iron ore, and oil being some of the most important. From 1987 to 2007, Chinese imports of bauxite went from "323,000 metric tons to more than 30 million metric tons" ("China's New," n.d.). Consequently, imports rose from only 9 percent of bauxite consumed to more or less 50 percent ("China's New," n.d.).

Chinese copper imports between 1987 and 2007 rose from 116,000 metric tons to over 3 million metric tons ("China's New," n.d.). During the same time period, China's copper imports as a percentage of total consumed copper rose from 25 percent to "a whopping 76 percent in 2007" ("China's New," n.d.). Iron ore imports have risen from "11 million metric tons to more than 440 million metric tons" between 1987 and today ("China's New," n.d.). At the time of publication, China imported 35% of the iron ore it consumed ("China's New," n.d.). Regarding oil, "in 2005, Chinese oil consumption rose to twice the rate of domestic production"

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("China's New," n.d.). "By 2008, China passed Japan as the world's second-largest oil importer" ("China's New," n.d.).

As China found that its imports grew as it transitioned from an agrarian to an industrial economy ("When Grand," n.d.), China's routes of importation also changed. Historically speaking, China has been a traditionally land-based power. Indeed, China is famous for its isolationism, which is why "for much of its history, China was largely able to rely on its own natural resources to support its population" ("China's New," n.d.). Whatever items that were not produced in China were brought into the country via land trade routes such as the famous Silk Road that connected China with much of the rest of Asia and even reached all the way to Europe ("China's New," n.d.). The Silk Road had been China's main trade route for centuries, but when China was invaded by and subsequently governed by the Mongols, "the routes were once again secured and expanded" ("China's New," n.d.). This further decidedly oriented China's trade preferences to land-based routes ("China's New," n.d.).

However, with the change in its economy, China has now found that it no longer can produce most of what it consumes on its own soil ("China's New," n.d.). Not only that, China's trade routes have now begun to change from primarily land-based, to primarily sea-based ones ("China's New," n.d.), replacing the traditional Silk Road. Today, China's "vital supply lines and trade routes" extend "from the Middle East through the Indian Ocean" and then swing around the Strait of Malacca until reaching China ("China's Plan," n.d.). China's main supply lines are now "the strategic Malacca Strait between Malaysia and Indonesia; through which flows much of China's inbound shipping, including vital oil and minerals" ("It's Springtime," n.d.). The reasons for this change are simple. First, given the massive amount of imported raw materials China now needs, it is much cheaper to import them via the sea than by land. Second, so many of those needed raw materials, resources, and minerals now come from so far away in the world, it is much quicker to send them by sea.

Given the information above, the importance of the importation of natural resources, raw materials, minerals, and oil to the Chinese economy cannot be understated. In fact, the Chinese economy is, in many respects, dependent on imports to sustain itself. The weakness, then, of the Chinese economy is that it is dependent upon the imports that flow through open sea lanes. Whoever can block those sea lanes can effectively bring the Chinese economy to its knees (Blazevic, 2009). This inherent weakness makes these sea lanes a matter of geopolitical and strategic importance to the Chinese government. A decision had to be taken as to what to do

about this inherent weakness of the Chinese economic system. The viable options for China were to "accept the vulnerability" of the routes, to reduce that vulnerability, or to try and eliminate the vulnerability of the routes ("China's New," n.d.). Each of these three policy options considered by the Chinese government had some benefits, but also varying risks.

The first possible option for China to pursue was to accept the vulnerability of its sea lanes ("China's New," n.d.). If a deciding factor to be considered was the cost of attempting to secure sea lanes by building a bigger navy, or the cost of reducing import lane vulnerabilities by shifting some of them back to land routes, then this would be the winning option. Accepting the vulnerability of its sea lanes would not only have required no money to be invested in protecting them, but no time, effort, or diversion of attention from other existing goals of the Chinese government. China's sea lanes are quite long, ranging from China all the way to the Middle East ("China's Plan," n.d.). Securing them would require considerable effort, and a huge investment to support the correspondingly huge navy needed to do the job.

Additionally, this option would have been best "particularly if the cost of developing and deploying naval protection exceeds the potential risk and cost of a disruption of trade" that would be accompanied by China trying to secure its trade routes for itself ("China's New," n.d.). The sea lanes China considers vital to control also overlap with other nations' interests, namely: India, Japan, and the United States ("China's Plan," n.d.). By not trying to secure its import sea lanes, it would avoid possible confrontation with all of these powers.

In the end though, the option of accepting the vulnerability of China's sea lanes was not accepted by its government because the single con of such an option outweighed all the pros: China could not afford the potential for another maritime power to blockade China and cripple the Chinese economy (Blazevic, 2009). The financial benefits of no expenditures to secure the sea lanes could not outweigh the possible geostrategic disaster for China of a blockade. The option of the Chinese government allying itself with another naval power to attempt to protect the sea lanes using another country's naval forces ("China's Plan," n.d.), was also rejected for the same reason: too much dependence on unforeseen circumstances. Whatever power China would try to use to protect its maritime interests could exploit China's need for its benevolence, and force the Chinese government to concede bargaining chips in its political and economic arsenal in exchange for continued sea lane protection. The United States, for instance,

might ask for China to recognize Taiwan officially, or to stop keeping its currency artificially low, things the Chinese government could never accept.

China's second possible option would have been to reduce the vulnerability of its sea lanes by "diversifying trade routes and patterns, including pushing into Central Asia and Southeast Asia" ("China's New," n.d.). Under this option, China would follow its historical precedent and focus on the old Silk Road and other land routes. The advantage of such a move would be that it would secure some of its importation routes by shifting them to land, making them more secure by land than they would be by sea. This option would be costly. Sea transport has always been the cheapest form of transportation, so by China switching its import lanes from the sea to land, transportation costs would rise. This, in turn, would mean that the costs of the materials for the Chinese producers of export goods would rise, forcing higher costs of Chinese exports. However, to the Chinese government, this option would most certainly not be as pricey as a possible blockade of China by a foreign power that could result from accepting China's sea lanes' vulnerabilities. This option would also not be as expensive as the costs of developing a massive blue-water fleet. However, this option was ultimately rejected because of the variety of cons it contained.

Costs are implicit in all policy choices, but this one had too many. First, the possible financial savings entailed by this plan did not outweigh the geostrategic advantages of securing the trade routes for China. Second, although using overland importation routes would make the routes less vulnerable, they would still be vulnerable. This option would have importation lanes go through countries' actual territory, not just areas of maritime influence. This dependency would allow those countries to demand concessions from the Chinese. This option is preferable to unsecured sea lanes, but not preferable to secured sea lanes. Third, in order to recreate the old Silk Road, and to ensure its trade routes were not taken advantage of by the Central Asian countries it would go through, China might have to project its political, economic, and military power over the Central Asian region. This would not sit well with Russia, which considers the former Soviet Union countries of Central Asia to be its own backyard ("Collective Security," n.d.). All in all, this particular policy option seemed somewhat like a stop-gap measure to the Chinese government, a temporary, partial solution that could well invite too many other problems for too small a reward.

The third option—China protecting its trade routes—was eventually chosen by the Chinese government. This option would entail China creating a more “robust navy” (“China’s New,” n.d.) to secure its sea lanes against foreign intervention or exploitation. Such a plan of action requires immense effort and investment. Going against centuries of land-based isolationism, China would have to modernize its naval technologies to be able to compete for the other aforementioned powers with vested interests in China’s sea lanes (“China’s Plan,” n.d.). The capital ship of the modern era is the aircraft carrier, and since the United States has eleven (“The World’s,” n.d.), China would have to build quite a few to begin to compete with the strength a U.S. carrier group could project, let alone many of them. Since a modern carrier costs around \$22 billion to build, the act of building an aircraft carrier alone would be a massive investment for China (Calore, n.d.).

As far as the individual powers China might have to compete against for control over sea lanes, China might be able to fend off India and maybe even Japan, which is now considered by some to have the second best navy in the world (“Japan’s Taking,” n.d.), but certainly the United States would not be so easy to catch up to. Each of these three nations has [its own reasons to butt heads with China. India has a vested interest in projecting power over the Indian Ocean, Japan has virtually the same import sea lanes as China, and the United States has an interest in controlling virtually all of the world’s oceans in general to ensure free trade (“When Grand,” n.d.). Only the United States has the capacity to control its field of interest however; Japan’s navy has a strong capacity but could be stronger, and India is still developing its navy (“When Grand,” n.d.). In 2009 alone, India “launched its first nuclear-powered submarine” as part of an ongoing effort to secure its area of interest of the Indian Ocean (“India Launches,” n.d.). Japan, which is in a stronger position than India to deal with China, has already been sending warnings to its military establishment and the world at large about growing Chinese naval ambitions, through its annual defense report (“Japan Warns,” n.d.).

The details of China’s transition to a blue-water navy are relatively simple. Building a blue-water navy takes time, so while the Chinese have already started to build one, as can be seen by China’s production of its first aircraft carrier (“China Aircraft,” n.d.), China must resort to some temporary stop-gap measures in the meantime. The steps are, not necessarily in order; to create a maritime buffer around China’s regional waters using its existing green water fleet; expanding the range of its green

water fleet by basing it along the north of China's import sea lanes in port cities; and by deploying asymmetrical counters to attempt to fight more advanced navies in the meantime ("When Grand," n.d.). As part of its system to expand its maritime buffer and make it more difficult for foreign powers to operate their navies in Chinese green water areas, China has bought a total of four Russian Sovremenny-class guided missile destroyers to bolster its green water fleet ("Sovremenny," n.d.).

An example of China focusing on asymmetrical counters is its work "with medium-range ballistic missiles, which have a longer range than its more conventional anti-ship missiles" ("When Grand," n.d.) to take out enemy ships. Finally, an example of China's expansion of its green-water navy's operational area would be its port agreements with Gwadar, Chittagon, and Hambantota that allow China's navy to operate from those bases without having to worry about the logistical hassles of operating so far from China ("China's Plan," n.d.).

In the end, this policy option was chosen because its benefits outweighed its costs. China's desire to control its sea lanes proved to be more alluring to the Chinese leadership than a half-hearted measure to move them inland and open them up to other risks or accepting their vulnerability and open China up to a possible blockade. However, China's decision to increase its naval size and capacity to try and control areas of interest claimed by three other countries could also increase the risk of conflict in the region ("When Grand," n.d.). China was prepared to accept that risk if it meant being able to protect its Achilles' heel: its import routes. "China's economic shift and rising economic power meant that the risk of inaction finally outweighed the cost of ensuring maritime security" ("China's New," n.d.).

The three options presented above; accepting vulnerability, reducing vulnerability, or eliminating vulnerability, were weighed carefully by the Chinese leadership ("China's New," n.d.). The final choice between them was that, for the second time in Chinese history after Zheng He, China set out to construct a blue-water navy ("China's Plan," n.d.). This decision to create a blue-water fleet is the focus of this case study. This decision was strategic; it carried with it a multitude of consequences not only for China, but for the balance of East Asian, South Asian, and possibly world maritime power. It will affect a multitude of actors, primarily China, the United States, Japan, and India, and yet the decision was made by the Chinese government. It was not a bilateral decision between itself and another country. If the decision were interactive in any way, it would be between the varying factions

of the Chinese government that had to agree with it. Such factions might include ship-builders, navy, army, air force, etc. The reasoning behind this course of action can be summarized in brief: China wished to secure its vulnerable sea import lanes to ensure the country's economic stability. The decision taken was holistic, it in no way employed cognitive shortcuts. Rather, the Chinese government very carefully mapped out all possible alternatives and their individual ramifications before a final choice was selected.

The ramifications of this decision could be immense. The global balance of naval power might be utterly altered if China succeeds in its blue-water navy policy. Or perhaps, if the United States and other powers seek to contain China, the latter may never get to develop its navy and may be forced to succumb to other nations' control over its trade sea lanes. Whatever these ramifications may be, they are far in the future and unknown. The decision taken by China's government was very recent and it has not yet been fully implemented, so it is too soon to determine whether it will succeed or fail. This case study was chosen for analysis to understand why China made this decision to upgrade its navy's size and capabilities. The ramifications of that decision are known, but it is to be hoped that by understanding China's motives, the United States may know how to best respond to this challenge and shape its ramifications to the United States' interests.

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