The Big Picture: Indian Ocean Islands Diplomacy

Due to the ongoing pandemic, the island countries-Mauritius and Seychelles, have been adversely affected due to a huge decline in tourism, for the countries' economy mainly depends upon tourism. Both the island nations are a part of India's maritime security and therefore need to be pursued diplomatically. China's active engagement in the Indian Ocean could be a possible threat to our relations with the island states and could compromise the country's maritime security as well.

India's Efforts in Helping and Aiding Friends

- India has supplied nearly 85 million hydroxychloroquine (HCQ) tablets and close to 500 million paracetamol tablets to 108 countries.
 - The HCQ tablets were sent as gifts to Mauritius and Seychelles on special Indian Air Force planes.
- India had deployed the navy's 5,600-tonne landing ship, INS Kesari, to reach medical teams, medicines and supplies to countries in the Indian Ocean region such as Maldives, Mauritius, Madagascar, Comoros and Seychelles.
- The two medical assistance teams on board the warship will be deployed in Mauritius and Comoros.

Strategic Significance of the Island Countries

- The strategic importance of these island nations is highlighted by their location along key sea lines of communication (SLOCs).
- These islands are vital and can facilitate a navy's continuous presence along key international shipping routes, allowing a navy to patrol and secure SLOCs during peace times and an option to interdict and cut off an adversary's communications during times of conflict.

India- Sri Lanka Relations

- Recently, <u>Sri Lanka</u> has agreed to accelerate the Indian assisted development project in the country and the possibility of promoting investments by the private sectors of India.
- The President of Sri Lanka asked the Indian Prime Minister to expedite investments in Colombo port's east terminal as soon as possible.
- India has sent four consignments of essential life-saving medicines and medical supplies weighing over 25 tonnes to Sri Lanka in the last few weeks as a goodwill gesture
- Recently, Sri Lankan has requested India to provide a special USD 1.1 billion currency swap facility to boost the country's draining foreign exchange reserves in view of the economic slowdown due to the coronavirus pandemic.
- The new request is in addition to the USD 400 million amount Sri Lanka has sought from the Indian government under the <u>South Asian Association for Regional Cooperation (SAARC)</u> <u>framework.</u>

Currency Swap Arrangement

• The word swap means exchange. A currency swap between the two countries is an agreement or contract to exchange currencies with predetermined terms and conditions.

 Central banks and Governments engage in currency swaps with foreign counterparts to meet short term foreign exchange liquidity requirements or to ensure adequate foreign currency to avoid Balance of Payments (BOP) crisis till longer arrangements can be made.

India- Mauritius relations

- Recently, both the countries have discussed enhancing cooperation in several areas including measures to support the financial sector.
- The consignment of essential medicine supplies from India was sent to Port Louis, Mauritius via Navy ship INS Kesari.
- India is Mauritius' largest trading partner and has been the largest exporter of goods and services to Mauritius since 2007.
- India and Mauritius have signed a wide range of bilateral agreements and MoUs including:
 - Cooperation against Terrorism (2005)
 - Science and Technology Cooperation (2012)
 - Cooperation in MSME Sector (2013) and
 - Cooperation in Ocean Economy (2015)
- Indian Prime Minister during his visit to Mauritius in 2015 had introduced the SAGAR vision.

SAGAR (Security and Growth for All in the Region)

- The vision was introduced on a Mauritius visit by the Prime Minister in 2015 with an aim to focus on the blue economy.
- It is an increasing recognition of the increasing importance of maritime security, maritime commons and cooperation.
- Through <u>SAGAR</u>, India seeks to deepen economic and security cooperation with its maritime neighbours and assist in building their maritime security capabilities.
- For this, India would cooperate on the exchange of information, coastal surveillance, building of infrastructure and strengthening their capabilities.
- The key relevance of SAGAR emerges when seen in conjunction with India's other policies impacting the maritime domain like <u>Act East Policy</u>, <u>Project Sagarmala</u>, <u>Project Mausam</u>, India as 'net security provider', focus on <u>Blue Economy</u> etc.

Blue Economy

According to the World Bank, the <u>blue economy</u> is the "sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of the ocean ecosystem."

China's Dominance in Indian Ocean

- China's rapidly growing presence in the northern part of the Indian Ocean along with the deployment of Chinese submarines and ships in the region is a challenge for India.
- The country has invested the largest amount in shipbuilding than any other nation.
- China has maritime disputes in the East China Sea with Japan and stakes claim on 90 per cent of the South China Sea.
- Moreover, China has pushed to develop infrastructure projects in island countries such as Sri Lanka under its belt and road initiative.

China's Belt and Road Initiative

- China's Belt and Road Initiative (BRI), sometimes referred to as the New Silk Road, is one of the most ambitious infrastructure projects ever conceived.
- The project covers two parts.

- **Silk Road Economic Belt:** It is land-based and is expected to connect China with Central Asia, Eastern Europe, and Western Europe.
- 21st Century Maritime Silk Road: It is sea-based and is expected to connect China's southern coast to the Mediterranean, Africa, South-East Asia, and Central Asia.

Way Forward

- India is in the list of top 10 economies and those powerful economies are built on a bedrock of global maritime trade.
 - Contact upgrades need to take place with these maritime neighbours.
- The island nations are badly hit due to covid-19, where India shall act as a friend in need:
 - Be the first responder to their calls.
 - Provide security and support to the countries in order to have their support in future.
- In order to counteract the Chinese activism:
 - China is a laggard when it comes to maintaining friendly relations which is an advantage for India.
 - Rather than competing with China in terms of strength and power, India should continue a diplomatic and goodwill factor approach and must gain control over the Indian Ocean by the same means only.

Vision

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