

# CHINA IN THE ASIA-PACIFIC: RISING OPPORTUNITIES, DEEPENING CONCERNS

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## INTRODUCTION

In the 1990s, the end of the bloc system and subsequently the end of the Cold War brought about remarkable alterations in the global order. However, since then, it is China's ambitious and much-talked about One Belt, One Road (OBOR) initiative which is changing the global discourse. Since the 1990s, China's rise has been one of the significant developments. China, one of the poorest countries in the 1960s, has become one of the most formidable economic as well as military powers today. With a Gross Domestic Product (GDP) of approximately US\$ 10 trillion in 2016, it is the second largest economy in the world after the United States. It surpassed the economy of Japan to become the second largest economy in 2010. It is predicted that by 2018, China's contribution to the global GDP will surpass that of the United States and its economy will become more significant than that of the US.<sup>1</sup> Though this conclusion seems far-fetched, there is substantial evidence

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*Disclaimer:* The views expressed are those of the author and do not represent the views of the Ministry of External Affairs and Government of India.

1. Mike Patton, "China's Economy will Overtake the US in 2018", *Forbes*, April 29, 2016, <http://www.forbes.com/sites/mikepatton/2016/04/29/global-economic-news-china-will-surpass-the-u-s-in-2018/#1c2659a6474b>. Accessed on March 4, 2017.

**China's defence budget and military spending have also witnessed huge growth in the past two decades. As of 2016, China's defence budget stood at a whopping figure of US\$ 152 billion, three times higher than that of India (US\$53.5 billion) and four times less than that of the United States (US\$ 654 billion).**

indicating that China's economy will be stronger than the American economy in a decade or so. China is now referred to as the manufacturing hub of the world and is well integrated with other economies of the Asia-Pacific region. China's defence budget and military spending have also witnessed huge growth in the past two decades. As of 2016, China's defence budget stood at a whopping figure of US\$ 152 billion, three times higher than that of India (US\$53.5 billion) and four times less than that of the United States (US\$ 654 billion). Over the years, the successful

economic reforms by China's Paramount Leader, Deng Xiaoping, along with the consistently impressive growth output have helped China to build military capabilities, on the one hand, and raise its international profile by establishing trade relations with other countries and by using aid diplomacy to get closer to weaker neighbours, on the other.

China's rise as a major regional power has been inevitable. John Mearsheimer argues that like the rise of the United States in the 19th century, a rising China "would surely pursue regional hegemony" with its own Monroe Doctrine.<sup>2</sup> It is predicted that this Chinese Monroe Doctrine would push US forces out of the Asia-Pacific region.<sup>3</sup> At the least, China's economic clout in the Asia-Pacific has become unmatched. After the 1997–98 Asian financial crisis, China emerged (or projected itself) as a responsible economic actor in the region.<sup>4</sup> In the words of Chinese President Xi Jinping, "China's interaction with the outside world has deepened.

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2. John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W. W. Norton, 2001), p. 401.

3. John J. Mearsheimer, "The Gathering Storm: China's Challenge to US Power in Asia", *The Chinese Journal of International Politics*, vol. 3, no. 4, 2010, pp. 381-396.

4. Shaun Breslin, "Towards a Sino-centric Regional Order? Empowering China and Constructing Regional Order(s)", in Christopher M. Dent, ed., *China, Japan and Regional Leadership in East Asia*, (Cheltenham: Edward Elgar, 2008), pp. 131-158.

And, indeed, we have friends all over the world".<sup>5</sup> With the successful launch of the Asian Infrastructure Investment Bank (AIIB) and the Brazil, Russia, India, China, South Africa (BRICS) New Development Bank (NDB), China has proved that its policy has become more proactive and it has been successful in wooing several countries. This is particularly true in the context of the failure of the United States to stop its own allies, South Korea and Australia, from joining the AIIB. In addition, with US President Donald Trump's fading engagement with the Asia-Pacific and the acceptance of OBOR by close to 60 countries from three continents (Asia, Africa and Europe), the United States is losing its grip in the Asia-Pacific region.

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### **CHINA'S RISE IN THE ASIA-PACIFIC**

During the Cold War period, China's relations with the Asia-Pacific countries were inconsequential since most of the countries belonged to the non-Communist bloc and China was viewed as an exporter of Communism to the region. However, after the end of the Cold War, China re-initiated its 'good neighbourly policy' and attempted to improve relations with countries in its immediate neighbourhood. That was mainly because of the initiation of the economic reforms and repairing of its image amidst its rise. Other major reasons for initiating the good neighbourly policy were the Tiananmen Square incident and unrest in China's restive provinces, Xinjiang and Tibet. The countries of the Southeast Asian and Central Asian regions turned out to be the major focus areas for China. In fact, today,

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5. Xi Jinping, "Keynote Speech by H.E. Xi Jinping, President of People's Republic of China, at the Opening Ceremony of B20 Summit: A New Starting Point for China's Development a New Blueprint for Global Growth", *People's Daily*, September 4, 2016, <http://en.people.cn/n3/2016/0904/c90000-9110023.html>. Accessed on April 5, 2017.

China is not only the largest trading partner of the Association of Southeast Asian Nations (ASEAN) member countries, it is also the biggest source of Foreign Direct Investment (FDI) for these countries. So is the case with China's cooperation with the countries of the Central Asian region. With the success of the Shanghai Cooperation Organisation (SCO), China's presence in the region has become more formidable. Today, China may be considered to be as important a player as Russia, perhaps even more powerful than Russia when it comes to trade and investments in the Central Asian region. Some would argue that China's (economic as well as military) influence in the Central Asian region has gone up to the extent that it is now bigger than Russia's.

China's influence in the current Northeast Asian security scenario is equally significant. China is considered as the most important friend of North Korea, and has the ability to influence Kim Jong-un, the current leader of North Korea. More than 70 percent of North Korea's trade is with China; it is a significant partner of South Korea too. The significance of China in the Northeast Asian security environment is evident in the fact that China has been involved in the Six-Party Talks, which involve North Korea, South Korea, Japan, China, Russia and the United States, since April 2003 when these were convened for the first time. Therefore, it is regarded as a significant player to work towards regional stability, and a significant actor in putting pressure on Kim Jong-un to denuclearise the Korean peninsula.

While China has been successfully exercising influence in its neighbourhood and developing good relations with neighbours, it has also focussed on having a greater presence in the multilateral settings. China's attempts to make the SCO a success, its efforts in setting up the BRICS' NDB and the AIIB may be named as a few of these. China has also been successful in elevating its ties with organisations such as ASEAN and the South Asian Association for Regional Cooperation (SAARC). In addition, China is an active member of groups such as the Asia-Pacific Economic Partnership (APEC), ASEAN Regional Forum (ARF), ASEAN Defence Minister's Meeting Plus (ADMM+) and East Asia Summit (EAS).

At the bilateral level, China has shown an impressive record in building strong ties with the United States' allies, including South Korea and Australia, to the extent that, today, these countries need to work to find a balance in their relations with the United States and China, rather than favouring just one side. While China has sovereignty issues in the East China Sea and South China Sea, it has not impacted their economic relations much. China is the largest trading partner of countries such as Japan, South Korea, and Australia.

As a consequence of its military and economic growth, China has also tried to exert its influence in the Asia-Pacific region. Clearly, it is rising in the international arena and is likely to make its presence felt in terms of altering the regional and international strategic equilibrium. Former United States President Barack Obama's rebalancing strategy towards Asia/pivot to Asia was, indeed, an attempt to stop that offset of balance in terms of strategic status quo. However, with the new president of the United States and China's ever-increasing push for OBOR, China is at the centre of the world stage.

#### **UNITED STATES AS 'THE RESIDENT SUPERPOWER' IN THE REGION**

Ever since the term Asia-Pacific came into existence, in geostrategic terms, it has been considered a United States-led region where it has been exercising unchallenged military superiority and significant economic influence. The Five-Power Defence Agreement and the formation of the Southeast Asia Treaty Organisation (SEATO) during the Cold War days, the setting up of the APEC in 1989, the United States' rebalancing strategy or the pivot to Asia in 2009 and the Obama-led Trans-Pacific Partnership (TPP) demonstrated that the United States is interested in maintaining its steady presence in the Asia-Pacific. In addition, the United States is under obligation to support its allies in the Asia-Pacific region, namely, Taiwan, Japan, the Philippines, and Australia among others. Furthermore, Japan, South Korea, Taiwan, and Australia are dependent on the United States' nuclear umbrella for their national security.

Nevertheless, the situation is altering with the United States continuing to be the security provider to the countries of the region and China becoming

the economic guarantor of most of the countries. Though the United States' rebalancing to the Asia-Pacific region strengthened its military alliances with countries such as Japan, Australia and the Philippines, this has not only disturbed the strategic balance and relatively stable status in the region, but also intensified geopolitical conflicts as well as disputes over sovereignty and maritime rights and interests.<sup>6</sup> In fact, the United States is losing out on its allies in the region. There have been trust issues among these countries now and they doubt the United States' capability and willingness to counter and contain China in the region. To cite an example, for years, the Philippines sided with the United States to contain China in the Asia-Pacific region. However, of late, bilateral relations between the United States and the Philippines have encountered a low point with the coming of the new President of the Philippines, Rodrigo Duterte to power. He is infamous for making anti-United States statements. On September 28, 2016, during his visit to Vietnam, Duterte stated that he would inform the US, his country's long time ally, that joint exercises between the US and the Philippines would no longer take place. Duterte said, "I will maintain the military alliance because there is an RP-US pact that our countries signed in the early 1950s." However, Duterte also said that he hopes to establish new trade and commercial alliances and the scheduled war games were something "which China does not want."<sup>7</sup> Further, in December 2016, he asked the United States "to prepare for repeal of an agreement on deployment of troops and equipment for exercises," declaring "bye-bye America", and "we do not need your money".<sup>8</sup> In fact, he has praised the Chinese leadership time and again. While taking a friendly stance towards Beijing, he lashed out at the United States for criticising his brutal campaign against illegal drugs; he also thanked President Xi Jinping for the renewed friendship and return of normal trade relations, terming

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6. He Yafei, "New Security Order in the Asia-Pacific Region", *China Watch (China Today)*, September 2016, p. 16.

7. "Rodrigo Duterte to End Joint US and Philippine Military Drills", *The Guardian*, September 29, 2016, <https://www.theguardian.com/world/2016/sep/29/rodrigo-duterte-to-end-joint-us-and-philippine-military-drills>. Accessed on March 24, 2017.

8. "Philippines' Duterte: 'Bye-Bye America' and We Don't Need Your Money", *Reuters*, December 16, 2016, <http://www.reuters.com/article/us-philippines-usa-idUSKBN14528Q>. Accessed on March 27, 2017.

the Chinese leader as very kind.<sup>9</sup> Strengthening economic and military ties with China would be beneficial for the development of the Southeast Asian country, hence, he will be more inclined to improve relations with China and may also opt for bilateral talks on the issue of the South China Sea. In the past, he has also expressed willingness to elevate ties with Russia.

Also, with the coming of Trump to power, the United States' Asia-Pacific policy has gone haywire. Trump not only withdrew from the TPP negotiations, but has been quite ambiguous with respect to his East Asia policy. Annoying China by accepting a congratulatory call from Taiwan's President, Tsai Ing-wang and later taking a U-turn on the One-China policy may be cited as examples. This uncertainty is sending mixed signals to the United States' allies. Trump's preoccupations at home mean that the United States will be less engaged with regional and global issues, and this hands an advantage to China.<sup>10</sup> It is in this context that countries such as Australia and South Korea are wary of the United States' retrenchment from the region and fear being forced to choose between the United States and China.<sup>11</sup> In fact, Singaporean Prime Minister Lee Hsien Loong, in February 2017, stated, "If America-China relations become very difficult, our position becomes tougher because then we will be coerced to choose between being friends with America and being friends with China. That's a real worry."<sup>12</sup> The probable withdrawal of the United States under the Trump Administration will make the countries of the Asia-Pacific region realise that the United States will not be diplomatically present when China again resorts to assertiveness on the issues of the South and East China Seas.<sup>13</sup> However, amidst OBOR, the possibility of such an act is bleak.

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9. "Rodrigo Duterte To US: Why Did You Not Send The Armada?", *Al Jazeera*, March 29, 2017, <http://www.aljazeera.com/news/2017/03/duterte-confronts-china-man-islands-170329143607042.html>. Accessed on March 20, 2017.

10. Shyam Saran, "In Year Four, Modi's Foreign Policy Needs Some Course Correction", *The Wire*, May 29, 2017, <https://thewire.in/140933/modi-foreign-policy-course-correction/>. Accessed on May 29, 2017.

11. David Shambaugh et al, "Assessing US-Asia Relations in a Time of Transition", The National Bureau of Asian Research, Asia Policy 23, January 2017, p. 2.

12. Nyshka Chandran, "Singapore PM Offers Blunt Assessment of US Relationship", *CNBC*, February 28, 2017, <http://www.cnbc.com/2017/02/28/singapore-pm-on-us-china-relationship-we-must-choose-sides.html>. Accessed on May 24, 2017.

13. For detailed analysis of China-United States relations under the Trump Administration, see Sana Hashmi, "Prospects of China-United States Relations under Trump's Administration", *Defence and Diplomacy*, vol. 6, no. 2, January-March 2017, pp. 35-44.

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#### **INTENSIFYING CHINA-US COMPETITION IN ASIA-PACIFIC**

The United States has particularly been a major factor in shaping the Asia-Pacific security and economic architecture since the end of the Cold War. The rise of Asian powers such as China and India, as also changes in Japan's approach towards the Asia-Pacific, have further influenced the regional strategic and economic dynamics. Of late, the Asia-Pacific region has turned into a fertile ground of hostilities as well as cooperation. The role of China has evidently been one of the major game changers in the Asian power politics. China's influence on its neighbours, territorial

disputes with some of them which also happen to be US' allies, and its attempts to shape the regional order in its favour have led to the popular perception among the policy-makers, media houses as well as strategic experts that the China-United States rivalry in the Asia-Pacific is rising at an unprecedented pace, and has the potential to bring the two major powers into a fierce competition. There have also been intense debates on the rise of China and its possible implications for the United States.

While the current United States Administration seems to be more focussed on domestic issues, former United States' President Barack Obama had taken several landmark decisions during his tenure. The lifting of the sanctions from Myanmar and his visit to Vietnam may be named in this context. In order to re-strengthen its foothold in the Asia-Pacific region, the United States introduced its rebalancing to Asia strategy. Rebalancing to Asia marked a clear shift in the orientation of the United States foreign policy under President Barack Obama's Administration. Some would also like to argue that the attempt was a part of the United States' decision to shift from a Middle East-centric foreign policy to an Asia-Pacific-centric one. In addition, it was a new phase in its foreign policy, away from its so-called



war on terror. As soon as President Obama assumed power in 2009, he chose Japan for his maiden Asian visit and proclaimed himself as “America’s first Pacific President”. There are no doubts that the United States wanted to be pronounced a Pacific Power, but the shift away from Middle East is yet to take place in entirety, though the Obama Administration had attempted to exhibit the United States’ interest in the Asia-Pacific region in the past seven years. In November 2011, then Secretary of State Hillary Clinton gave a speech titled “America’s Pacific Century” wherein she remarked:<sup>14</sup>

**It is becoming increasingly clear that in the 21st century, the world’s strategic and economic centre of gravity will be the Asia-Pacific, from the Indian subcontinent to the western shores of the Americas.**

The Obama Administration embraced the importance of the Asia-Pacific region. It is becoming increasingly clear that in the 21st century, the world’s strategic and economic centre of gravity will be the Asia-Pacific, from the Indian subcontinent to the western shores of the Americas. And one of the most important tasks of American statecraft over the next decades will be to lock in a substantially increased investment – diplomatic, economic, strategic, and otherwise – in this region... And there are challenges facing the Asia-Pacific right now that demand America’s leadership, from ensuring freedom of navigation in the South China Sea to countering North Korea’s provocations and proliferation activities to promoting balanced and inclusive economic growth.

In the 2012 Shangri-La dialogue, then US Secretary of Defence Leon Panetta expressed the United States’ rejuvenated interest in the Asia-Pacific and outlined the detailed features of the rebalancing strategy. He stated:<sup>15</sup>

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14. Hillary Rodham Clinton, “America’s Pacific Century”, US Department of State, (November 10, 2011, <http://www.state.gov/secretary/20092013clinton/rm/2011/11/176999>. Accessed on December 6, 2016.

15. Leon Panetta, “The US Rebalance Towards the Asia-Pacific: Leon Panetta”, *The IISS Shangri-La Dialogue*, June 2, 2012, <http://www.iiss.org/en/events/shangri-la-dialogue/archive/sld12-43d9/first-plenary-session-2749/leon-panetta-d67b>. Accessed on March 3, 2017.

In the 21st century, the United States recognises that our prosperity and our security depends even more on the Asia-Pacific region... The United States will play a larger role in this region over the decades to come. We take on this role not as a distant power, but as part of the Pacific family of nations. Our goal is to work closely with all the nations of this region to confront common challenges and to promote peace, prosperity, and security for all nations in the Asia-Pacific region... Our approach to achieving the long-term goal in the Asia-Pacific is to stay firmly committed to a basic set of shared principles – principles that promote international rules and order to advance peace and security in the region, deepening and broadening our bilateral and multilateral partnerships, enhancing and adapting the United States military's enduring presence in this region, and to make new investments in the capabilities needed to project power and operate in the Asia-Pacific.

Apart from statements by the officials, US leaders have made several visits to the countries of the region. The most recent as well as landmark visit was by President Obama to Vietnam in May 2016. He became the third American president to visit Vietnam since the restoration of bilateral diplomatic relations between the two countries in 1995. During his visit, President Obama also announced lifting of the arms embargo from Vietnam. These sanctions were imposed on Vietnam for several decades. However, in 2014, the Obama Administration eased the decades-old arms embargo to allow its former Cold War enemy to buy maritime surveillance and “security-related” systems to strengthen it, with China in mind.<sup>16</sup> Clearly, China's rise in the Asia-Pacific is one of the major factors in bringing the United States and Vietnam closer. Vietnam is finding it difficult to deal with an increasingly assertive China. The oil rigs put up by China near the Vietnamese claimed waters, and its uncompromising attitude on the Spratly and Paracel Islands dispute in the South China Sea make the situation grim for Vietnam. Understanding that it cannot militarily counter China alone, it has attempted to align its strategic priorities with the United States.

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16. Matt Spetalnick, “US Lifts Arms Ban on Old Foe Vietnam as China Tensions Simmer”, *Reuters*, May 23, 2016, <http://www.reuters.com/article/us-vietnam-obama-idUSKCN0YD050>. Accessed on May 30, 2016.

Amid China's rise, questions have inevitably arisen about the sustainability and credibility of the United States' alliances in the Asia-Pacific region and it now faces real challenges in keeping its shrinking financial and military resources in alignment with its commitments in the region.<sup>17</sup> To be sure, the United States will remain one of the powerful military forces in Asia for a long time to come, but its forward presence is coming under stress amidst the proliferation of advanced military capabilities in the littoral and the adoption of asymmetric strategies by its competitors, most notably China and Iran.<sup>18</sup>

To substantiate that the presence of the United States is waning in the Asia-Pacific, it is apt to cite the father of Singapore, Lee Kuan Yew who believed that China's rise is inevitable. On being asked about whether the United States can stop China's rise, Lee Kuan Yew remarked: <sup>19</sup>

The United States cannot stop China's rise. It just has to live with a bigger China, which will be completely novel for the United States, since no country has ever been big enough to challenge its position. It is not possible to pretend that this is just another big player. This is the biggest player in the history of the world. Must this necessarily lead to war? No: This is not the Cold War. The Soviet Union was contesting the United States for global supremacy. China is acting purely as China in its own national interests. Current situation would not lead to war between the United States and China.

United States President Trump, it seems, has made the job of the Chinese easier. With the withdrawal from the TPP, he has already allowed China to increase its economic reach to the countries of the region.

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17. C. Raja Mohan, "India and Australia: Maritime Partners in the Indo-Pacific", *Asia Link* (University of Melbourne), [http://asialink.unimelb.edu.au/asialink\\_diplomacy/commentary-and-research/the\\_asialink\\_essays/past/india\\_and\\_australia\\_maritime\\_partners\\_in\\_the\\_indo-pacific](http://asialink.unimelb.edu.au/asialink_diplomacy/commentary-and-research/the_asialink_essays/past/india_and_australia_maritime_partners_in_the_indo-pacific). Accessed on June 15, 2016.

18. Ibid.

19. Graham Allison, "The Thucydides Trap: Are the US and China Headed for War?", *The Atlantic*, September 24, 2015, <http://www.theatlantic.com/international/archive/2015/09/united-states-china-war-thucydides-trap/406756/>. Accessed on May 4, 2016/

### CHINA'S RESPONSE AND INFLUENCE IN THE ASIA-PACIFIC

To counter the United States' rebalancing strategy, China came up with its own connectivity initiative, OBOR. The Chinese have left no stone unturned to ensure that the United States does not expand its influence in the region which would directly be a threat to China's interests. While for the rebalancing strategy, China introduced OBOR; for the TPP, China urged ASEAN to fast-track the negotiations for the Regional Comprehensive Economic Partnership (RCEP); and for the United States-dominated World Bank and Japan-led Asian Development Bank, China has floated the AIIB. And such initiatives have so far been successful. For instance, with the United States' withdrawal, the future trajectory of the TPP is uncertain given that the deal would have had to be ratified by February 2018 by at least six countries that account for 85 percent of the group's economic output and the United States would need to be on board to meet that last condition.<sup>20</sup> With respect to OBOR, already 65 countries are on board.

OBOR is China's attempt to link with the neighbourhood as also with countries of the West Asian and European region. With the help of the Silk Road Economic Belt (SREB) and the 21st century Maritime Silk Road (MSR), China wants to build infrastructure and connectivity links with the countries of three regions, at least. While several countries have supported the idea, there are countries such as Japan that do not find the OBOR initiative transparent. India too has not yet supported OBOR on the ground and thinks that it is not a transparent system. Also, India has concerns about the controversial and much-talked about China-Pakistan Economic Corridor (CPEC) that passes through the disputed Pakistan-Occupied Kashmir (PoK). The successful implementation of the projects under OBOR will bolster China's presence in the Indian Ocean Region (IOR), which is also a concern for India. Noticeably, OBOR, once fully implemented, will enable China to strengthen its foothold in the Asia-Pacific region and beyond. It will act as a catalyst to China's unchallenged and unprecedented presence in the region.

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20. "TPP: What is it And Why Does it Matter?", *BBC*, January 23, 2017, <http://www.bbc.com/news/business-32498715>. Accessed on May 3, 2017.

However, the China-led AIIB initiative has attracted the attention of the international community, and countries across the world, including India and South Korea, that have supported the AIIB. In fact, India is well represented in AIIB as an Indian has been appointed a vice president and chief investment officer in the bank. The primary aim of the AIIB is to provide funds for infrastructural initiatives in Asia and improve connectivity amongst the countries of the continent. Headquartered in Beijing, the bank is expected to play a key role in plugging the infrastructure gaps in Asia, which have been estimated at US\$ 8 trillion between the years 2010 and 2020.<sup>21</sup> While the AIIB is an attempt by the Chinese leadership to promote China's economic influence across the world, OBOR aims to achieve China's politico-strategic and soft power influence through strengthening of regional and global integration; therefore, the AIIB and OBOR initiatives have the potential to challenge the United States' economic hegemony in the Asia-Pacific in the long run.<sup>22</sup> To keep its presence strong in the region in economic terms, China has also come up with the proposal of the Free Trade Area in the Asia-Pacific (FTAAP). The idea behind that is to improve economic linkages amongst the APEC member countries. The ASEAN-led RCEP gives China an opportunity to be part of the East Asian regional economic integration mechanism, but that is definitely not enough for China, which has global ambitions.

While China has been trying hard to cooperate effectively with the countries of the region, concerns about its rise and assertive behaviour loom large. A major trouble area for China and its rising influence in the Asia Pacific region is the South China Sea dispute. The dispute has put Southeast Asian countries such as Vietnam and the Philippines at loggerheads with China. Moreover, the ongoing dispute and uncompromising approach and antagonistic stand on the part of both China and the disputants have brought the United States into the situation. The United States is a firm supporter of freedom of navigation in the South China Sea. There has already been a tussle between the United States and China

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21. Rahul Mishra, "Asian Infrastructure Investment Bank: An Assessment", *India Quarterly*, vol. 72, no. 2, 2016, pp. 1-14.

22. Ibid.

**In May 2017, a US Navy warship sailed within 12 nautical miles of an artificial island built up by China in the South China Sea, the first such challenge to Beijing in the strategic waterway since President Donald Trump took office, marking the latest attempt to counter what Washington sees as Beijing's efforts to limit freedom of navigation in the strategic waters.**

in the Asia-Pacific and the Chinese have referred to this interference by the United States as intervention in China's internal matters. Further, China's land reclamation activities in the South China Sea and its stern insistence on going for a bilateral approach for the resolution of the dispute are adding to the problem. Amid such issues, the moves of the United States in the Asia-Pacific overshadow China's strategic reach and influence in the region.<sup>23</sup> Another problematic area for China is the concern of the countries of the Asia-Pacific region over China's inability to persuade North Korea to give up its nuclear programme. Countries such as Japan and South Korea have accused China of mishandling the

issue and there is a sense of wariness towards it vis-a-vis North Korea's nuclear ambitions. Additionally, Australia has been raising concerns over the Chinese overtures in the region. At the 2017 Shangri-La Dialogue in Singapore, Australian Prime Minister Malcolm Turnbull stated, "It is natural that Beijing will seek strategic influence to match its economic weight. But we want to see China fill the leadership role it desires in a way which strengthens the regional order that has served us all so well. It would be a dark future if China isolated those who stand in opposition to its interests while using its economic largesse to reward those toeing the line".<sup>24</sup> Such lingering issues have long-term implications for China's image in the region.

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23. Robert G. Sutter, "China's Rise in Asia: Promises, Prospects and Implications for the United States", *Asia-Pacific Center for Security Studies Occasional Paper Series*, February 2005, p. 5.

24. Dennis Shanahan, "Turnbull Warns China to Play by the Rules", *The Australian*, June 3, 2017, <http://www.theaustralian.com.au/national-affairs/foreign-affairs/turnbull-warns-china-to-play-by-the-rules/news-story/ed82fa8feaa9fbed783bc06437a3f08>. Accessed on June 3, 2017.

## CONCLUSION

The level and scope of China's influence and profile in the Asia-Pacific are not likely to go down in the years to come. China's interests in the region are much broader and important than they have ever been before. With its Silk Road Economic Belt and the 21st century MSR programme, along with AIIB, BRICS, NDB, FTAAP, and RCEP, China is likely to remain closely integrated in the political and economic dynamics of the Asia-Pacific.

Obviously, because of these initiatives or participation in these regional multilateral initiatives, it is highly likely that the competition between China and the United States will get intensified, and the United States is working hard to contain China's influence. Despite the fact that President Donald Trump is less confrontational than his predecessors, the Asia-Pacific will remain one of the most important areas in America's foreign policy. In May 2017, a US Navy warship sailed within 12 nautical miles of an artificial island built up by China in the South China Sea, the first such challenge to Beijing in the strategic waterway since President Donald Trump took office, marking the latest attempt to counter what Washington sees as Beijing's efforts to limit freedom of navigation in the strategic waters.<sup>25</sup> Such incidents will continue to take place and the friction between the two countries will be here to stay.

Nonetheless, China's influence in the Asia-Pacific region will also be determined by how it handles its own initiatives and participates in regional ones. It must be cautioned that its aggressive stand on the lingering territorial disputes in the South China Sea and with India along the boundary would only weaken its position and pose challenges to its image in the region,

**China is likely to remain a major player in the Asia-Pacific region and will do everything to increase its clout. Assessing China's profile in the Asia-Pacific, it can be safely said that today's China is firmly positioned as a major power in the Asia-Pacific, a position it did not have just two decades ago.**

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25. "US Warship Challenges China's Claims in South China Sea", *Al Jazeera*, May 25, 2017, <http://www.aljazeera.com/news/2017/05/warship-challenges-china-claims-south-china-sea-170525021338426.html>. Accessed on May 25, 2017.

thereby working in favour of the United States' interests. Such behaviour on China's part has the potential to limit China's influence in the region. While China's own initiatives have plenty of potential for their materialisation, that too would depend on its position in the region.

To sum up, as China aspires to become a dominant power, the Asia-Pacific is a focal point of China's ambitions to become a global power from being a well-placed regional power. Considering the ongoing trends and the fact that Asia-Pacific is at the heart of OBOR, specifically the MSR, it is clear that China is likely to remain a major player in the Asia-Pacific region and will do everything to increase its clout. Assessing China's profile in the Asia-Pacific, it can be safely said that today's China is firmly positioned as a major power in the Asia-Pacific, a position it did not have just two decades ago.