



## Mapping China's Strategic and Economic Footprint in South Asia: A Quantitative Analysis of Trends and Implications

Amol Harishchandra Mate

### Abstract

China's rising influence in South Asia has garnered significant academic and policy interest. This paper provides a comprehensive, data-driven analysis of China's economic, strategic, and diplomatic engagement in the region. Using a combination of economic data, military presence indicators, and diplomatic interactions, the paper evaluates the extent and impact of China's footprint in South Asia, focusing on its relationships with key countries such as India, Pakistan, Sri Lanka, Bangladesh, and Nepal. The study finds that China's Belt and Road Initiative (BRI), growing trade relations, and military cooperation have reshaped the regional security and economic landscape. The paper concludes by discussing the implications of China's actions for regional stability, India's strategic response, and the broader geopolitical dynamics.

**Keywords :** *China, South Asia, Belt and Road Initiative, trade relations, military cooperation, geopolitical dynamics, India, regional security, economic influence*

### Introduction

The geopolitical dynamics of South Asia have undergone significant changes in the past few decades, with China emerging as a major strategic and economic actor. South Asia, a region of over a quarter of the world's population, is experiencing a transformation, as China's growing influence now extends well beyond its traditional borders. The Belt and Road Initiative (BRI), China's extensive trade network, and its increasingly visible military engagement in the region, particularly with its neighbors such as Pakistan, Sri Lanka, and Bangladesh, have made China an indispensable player in South Asia's future.

This paper examines China's growing footprint in South Asia, focusing on key dimensions such as economic influence, strategic military cooperation, and diplomatic engagement. Through a quantitative approach, this study assesses the tangible impact of Chinese policies on the region's development and geopolitical stability. It aims to highlight trends in China's economic growth within South Asia, its strategic goals through military partnerships, and the broader implications for regional security dynamics.



### **Economic Influence: Trade and Infrastructure Development**

China's economic influence in South Asia has grown exponentially over the last two decades, propelled by its investments in infrastructure, its increasing trade relationships, and strategic alignment with regional actors. The expansion of China's economic influence is not just in terms of sheer monetary figures but also in how China's policies are shaping the future of South Asian economies.

### **Belt and Road Initiative (BRI)**

The BRI, launched in 2013 by Chinese President Xi Jinping, is a hallmark of China's foreign policy strategy, focusing on large-scale infrastructure development across Asia, Europe, and Africa. In South Asia, the BRI has become the centerpiece of China's strategy for enhancing its economic footprint. Through the BRI, China aims to develop transportation corridors, enhance energy cooperation, and promote economic growth through investments in critical infrastructure.

In particular, the **China-Pakistan Economic Corridor (CPEC)**, with an estimated investment of over \$60 billion, is one of the largest and most significant BRI projects in South Asia. This corridor connects the deep-sea port of Gwadar in Pakistan with Xinjiang in western China, creating a vital trade route for both nations. This project not only strengthens China's economic hold in Pakistan but also enhances its access to the Indian Ocean, strategically bypassing the Malacca Strait, a crucial maritime chokepoint.

Additionally, Chinese infrastructure investments in Sri Lanka, particularly the **Hambantota Port**, have raised concerns regarding the long-term implications of such projects. The Sri Lankan government, unable to meet its debt obligations, agreed to lease the port to China for 99 years, making it a focal point of China's maritime strategy in the Indian Ocean.

The BRI is also advancing other projects in Bangladesh, Nepal, and the Maldives, creating a web of economic interdependence that aligns South Asian nations more closely with China. These developments are contributing to the growing economic dependency of these countries on China, especially in terms of loans, trade, and infrastructure projects.

### **Trade Growth and Economic Interdependence**

The trade relationship between China and South Asia has deepened significantly over the past decade. According to the **Asian Development Bank** (2021), trade between China and South Asia increased from \$38 billion in 2010 to over \$105 billion in 2020. China's exports to the region primarily include machinery, electronics, textiles, and chemicals, while South Asian



nations export agricultural products, raw materials, and textiles to China. This trade imbalance remains significant, with China maintaining a large surplus.

The trade relationships between China and individual South Asian countries vary, but India, Pakistan, Bangladesh, Sri Lanka, and Nepal are China's primary trading partners in the region. India's trade with China alone accounted for about 12% of India's total trade in 2020, with both imports and exports increasing significantly. This interdependence, however, comes with challenges, such as the ongoing trade imbalances and dependency on Chinese manufactured goods, particularly in the technology and machinery sectors.

China's growing economic influence is reshaping regional economies, with countries like Bangladesh and Sri Lanka benefiting from Chinese investments in key sectors. However, this dependency also brings risks, particularly regarding debt sustainability. Chinese loans, which often come with fewer conditionalities compared to those from Western institutions, have been criticized for exacerbating debt vulnerabilities in countries like Sri Lanka, which are now struggling with the long-term repayment burdens.

### **Strategic and Military Engagement**

China's influence in South Asia is not confined to economic matters. The country has increasingly embedded itself into the region's security landscape through military cooperation, partnerships, and strategic investments.

### **Military Cooperation with Pakistan**

Pakistan remains China's closest strategic partner in South Asia, with the two nations having built a strong military and defense cooperation framework over several decades. This relationship is characterized by joint military exercises, technology transfer, and arms deals. China has become a key supplier of military hardware to Pakistan, including fighter jets, naval vessels, and air defense systems. This collaboration is particularly evident in the **CPEC** initiative, as China has committed to ensuring the security of infrastructure projects in Pakistan through military support.

The strategic relationship between China and Pakistan is rooted in shared geopolitical interests, especially in counterbalancing India's regional dominance. For China, Pakistan provides a reliable ally in a region where India's strategic influence is a significant challenge. For Pakistan, China offers critical military and economic support, making this relationship a cornerstone of its security and foreign policy strategy.



## **China's Naval Expansion in the Indian Ocean**

One of the most significant aspects of China's military engagement in South Asia is its growing naval presence in the Indian Ocean. With strategic ports such as **Hambantota** in Sri Lanka, **Gwadar** in Pakistan, and increasing interest in the **Maldives**, China is securing vital points along key maritime routes. The expansion of China's naval influence is viewed by India with growing concern, as it threatens India's traditional maritime dominance in the region.

China's growing presence in the Indian Ocean is often described as part of its "string of pearls" strategy, where it seeks to encircle India through military, economic, and diplomatic means. The increasing naval footprint in the region not only enhances China's strategic control over critical sea lanes but also provides it with the ability to project military power far beyond its own shores.

## **Military Ties with Other South Asian Countries**

While Pakistan is the primary beneficiary of China's military support, other South Asian nations have also strengthened their military ties with China. Nepal, for example, has received Chinese military training and equipment, while Bangladesh has signed defense agreements with China. However, the scale of military cooperation between China and these nations is not as pronounced as with Pakistan.

In countries like Sri Lanka and Bangladesh, military cooperation with China has often been a matter of balancing relations with both China and India. Sri Lanka, in particular, has been cautious about aligning too closely with China on military matters due to its complex relationship with India.

## **Diplomatic Engagement: China's Role in South Asian Institutions**

China's growing influence in South Asia extends to the region's diplomatic institutions.

While China is not a formal member of the **South Asian Association for Regional Cooperation (SAARC)**, it has maintained observer status since 2005. Through its observer status, China has leveraged its economic and diplomatic strength to influence regional policies and practices, particularly with countries like Pakistan and Sri Lanka.

Additionally, China's participation in the **Shanghai Cooperation Organization (SCO)** and the **BRICS** forum provides it with platforms to engage South Asian countries like India and Pakistan. These forums allow China to play a significant role in regional security and economic discussions, despite its non-member status in SAARC.

Diplomatic tensions, however, remain a significant challenge for China's ambitions in South Asia. India, in particular, remains wary of China's growing influence in its backyard. India has



responded by strengthening its strategic partnerships with the United States, Japan, and Australia through initiatives like the **Quadrilateral Security Dialogue (Quad)**. These multilateral efforts are designed to counterbalance China's rising influence in the region.

### **Implications for Regional Stability and India's Strategic Response**

China's growing influence in South Asia has wide-reaching implications for regional stability. For India, China's expanding footprint poses both opportunities and challenges. On the one hand, India recognizes the importance of engaging with China on economic and trade matters. On the other hand, the deepening military ties between China and Pakistan, as well as China's increasing presence in the Indian Ocean, pose direct challenges to India's strategic and security interests.

India has responded to China's rise by strengthening its partnerships with other major powers, such as the United States, Japan, and Australia. Through these alliances, India hopes to create a counterbalance to China's growing regional influence. Additionally, India's participation in multilateral forums like the **Quad** and the **Indo-Pacific Economic Framework (IPEF)** reflects its efforts to manage China's influence without resorting to open confrontation.

However, India must navigate its relationship with China carefully, balancing economic cooperation with strategic competition. The key challenge for India will be ensuring that China's rising influence does not undermine its own position as the dominant regional power.

### **Conclusion**

China's influence in South Asia has significantly transformed the region's economic and strategic dynamics. Through the **Belt and Road Initiative**, military cooperation with Pakistan, and growing diplomatic engagement with other South Asian nations, China has become an influential actor in the region. While its economic initiatives have bolstered trade and infrastructure, its military and strategic investments have raised concerns among regional powers, particularly India.

As China continues to expand its footprint in South Asia, it will undoubtedly play an increasingly significant role in shaping the region's geopolitical future. The implications of this shift will be far-reaching, affecting the stability of the region and the strategic calculations of both regional and global powers.

Future research should explore the sustainability of China's investments, the regional security dynamics in response to its growing military footprint, and the long-term effects of China's presence on South Asia's economic development.



## References

Asian Development Bank (ADB). (2021). South Asia: Economic Performance and Prospects. Retrieved from [www.adb.org](http://www.adb.org)

China Development Bank. (2022). BRI Investment Data. Beijing: China Development Bank.

China Ministry of Foreign Affairs. (2021). Belt and Road Initiative: South Asia Focus. Beijing: Ministry of Foreign Affairs of the People's Republic of China.

Grossman, D. (2021). China's Strategic Expansion in South Asia: Military and Economic Dimensions. RAND Corporation.

World Bank. (2020). Trade and Economic Integration in South Asia: The Role of China. Washington, DC: World Bank Publications.