

FROM TRADE ROUTE TO POWER ROUTE: THE STRAIT OF MALACCA'S EXPANDING ROLE IN INDO-PACIFIC GEOPOLITICS

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From Trade Route to Power Route: The Strait of Malacca's Expanding Role in Indo-Pacific Geopolitics



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Abstract

As a key maritime chokepoint, the Strait of Malacca sees nearly one-fourth of the world's seaborne trade. Its strategic importance is clear. This brief write-up looks at how the strait's significance is changing and how it affects the balance of power in the region. It also covers major issues, including how trade can be quickly disrupted if something goes wrong, how China is gaining influence through its Belt and Road Initiative (BRI), the role of the United States in the area, and how India is becoming a more important player. The strait is very narrow, which increases the risks. This makes it a vital point for global trade and security

Introduction

But the chokepoints in this part of the world also face big risks like war, piracy, terror attacks, and even natural dangers. That's why keeping these routes safe is a serious issue, not just for oil and gas, but also for world politics and trade.ⁱ

In the past few years, the political changes in Southeast Asia have made these chokepoints even more important. Now, they're not just looked at as paths for trade, but also as tools that can help balance power in the region and might play a big role in future talks between countries.

The Strait of Malacca: A Key Sea Route

The Strait of Malacca is the longest international sea route through a strait. It connects the Indian Ocean through the Andaman Sea in the north to the South China Sea in the south, passing through the Strait of Singapore.ⁱⁱ About 23.7% of all global trade and transport goes through this narrow waterway, including around 45% of the world's crude oil shipments.ⁱⁱⁱ Even though it's small in size, this strait has a very big role in linking big economies like China, India, and Southeast Asia. It gives the shortest path for ships travelling between East Asia and Europe. At some points, it's only 1.5 nautical miles wide, which makes it one of the tightest and most risky sea passages in the world. Because it's so narrow, there is always a high risk for the nearly 90,000 ships that pass through here every year.

According to data from the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia Information Sharing Centre (ReCAAP ISC), the region experienced about a 41% increase in piracy and robbery incidents in 2023 compared to 2022.^{iv} For example, as China's economy keeps growing, its need for energy especially oil is also getting bigger. A large amount of China's oil comes through the Strait of Malacca, which has made this strait a big security worry for Chinese leaders. This worry is called the Malacca Dilemma. It means China is afraid that during any conflict, countries like India or the United States could block this route, which would badly affect China's energy supply and economy. Because of this, the Strait of Malacca has now become a key area in the power competition happening in the Indo-Pacific region. Not just nearby countries, but also global powers are now making their security plans around this region. So, protecting sea routes today is not just about guarding places like Malacca, but also about understanding where the

dangers could come from and making backup plans like other routes to keep trade and energy moving safely.^v

The Belt and Road: China's New Way to Connect the World

China's power and influence in Asia and other parts of the world have grown really fast in the past few years, mainly because of the Belt and Road Initiative (BRI). This is a big development project started by Chinese President Xi Jinping. It's also called the New Silk Road, and its goal is to build roads, railways, ports, and other important infrastructure to better connect China with countries in Asia, Africa, and Europe.

By May 2025, around 150 countries have signed some kind of agreement to be part of the BRI, and more than \$1 trillion has already been invested in these projects. Out of these, 147 countries are full members of the initiative.^{vi}

The BRI is not just about trade and business it also helps China grow its influence on major sea routes and challenge the power of the United States in world politics. In fact, the year 2024 saw the highest level of BRI activity so far. China signed construction deals worth around USD 70.7 billion and made direct investments of nearly USD 51 billion. This clearly shows that the BRI is not slowing down it's actually growing bigger and spreading even more across the world.^{vii}

President Xi once said that the main aim of the BRI is to "break the bottleneck in Asian connectivity," which means to fix the problems that make trade and travel hard in the region. But if we look more closely, many experts think that China's real goal also includes strategic and military plans especially when it comes to India.

China has put money into building and developing ports in countries like Pakistan, Sri Lanka, Bangladesh, and Myanmar. Some people call this network the "String of Pearls" because it looks like China is surrounding India step by step from all sides through these ports. This has raised concerns for India and others watching China's growing presence in the region.^{viii} This gives China a stronger advantage in the Indian Ocean and more say in regional matters.

The BRI also wants to make the Chinese currency Renminbi more common in world trade so countries don't always have to use the US dollar. At first people thought BRI was just China's answer to the US Pivot to Asia plan during Obama's time. But later it became more important when China had trade problems like the tariff fight with the

Trump government in 2025. Even with these problems the BRI helped China become more confident and stronger in world politics. It's not just about roads and ports now. It's also about changing how trade works and who has more power in the world.

Role of the USA in the Indo-Pacific Region

The United States has always been known as a global superpower but now its strong hold over the world is slowly going down and it's happening faster than many expected. This change became clearer when Donald Trump became president. His time in power brought a lot of changes in how the US dealt with other countries.

For example, the US doesn't have the same kind of diplomatic control it used to have. We saw this in the unclear role it played during the India Pakistan ceasefire talks and also in the way it handled the Iran and Israel tensions in West Asia. The US also started trade wars by putting tariffs on other countries and that made global markets more uncertain. Because of all this the US is now trying to build new friendships and look for new areas where it can protect its future interests.

Historically major world powers like the U.S. have gotten involved in other regions for three main reasons:

1. To stop conflicts from getting worse.
2. To oppose unfriendly governments.
3. To resist the influence of another powerful country in the region.^{ix}

Even though these reasons may sound like they are all about peace, many times there are deeper reasons behind them. It's often more about keeping control over military and money power. In truth, a lot of these actions are done to protect important sea routes used for world trade and to try and affect what other countries decide to do. In Southeast Asia US policies have changed a lot over time. Earlier its actions were based on its ties with countries like Japan the Soviet Union and China especially during the Cold War. But in recent years the US has mainly focused on how to deal with China's growing power in the region.^x

When Trump was president in 2017 there were not many big conflicts happening in the Indo-Pacific. That time US was mostly focused on keeping the sea routes open and making sure border problems didn't get worse. But things started to change

especially in 2024 when troubles came up in places like Bangladesh and Myanmar. Now it looks like the US wants to become active again in this region. It might be trying to make a new route into Myanmar to support democracy there or maybe to establishing their control.^{xi}

The U.S. already has over 60 military bases in the Indo-Pacific region but, none of them are near the important Malacca Strait.^{xii}

This chokepoint has become very important not just for global trade, but also as a strategic point for countries to gain control. The rising power of China and its fast-growing economy have made the Malacca Strait a critical area for many some want to protect it while others may want to disrupt it for their own advantage.

India's Rise in the Indo-Pacific Power Game

India has become more aware of how global politics are changing and there are uncertainties and conflicts are on the rise and hence it is now taking active steps to protect its borders and influence in the region.

On the northern border, India shares land border with Nepal. Nepal plays a key role by acting as a buffer zone between India and China. Although China is investing heavily in Nepal by building airports, power plants, and planning railways, Nepal is trying to stay neutral and maintain good relations with both the countries. The U.S. is also keeping an eye on Nepal as part of its wider Indo-Pacific strategy.^{xiii} Having a grip there would help America to keep an eye on both India and China the two biggest economies in the Global South.

On the western front China is working on a \$62 billion project called the China-Pakistan Economic Corridor (CPEC). This connects China to Pakistan's Gwadar Port, giving China sea access without relying on the narrow and risky Malacca Strait.^{xiv} This helps China move oil and goods more smoothly and cheaply. However, the port's location in Balochistan comes with certain risks due to ongoing civil unrest in the region. If the situation changes in the future, for example if calls for independence grow stronger, it could create challenges for China in maintaining long-term access and control over the port.^{xv}

At the same time India has pushed back in this region through Operation Sindoor, which targeted terrorist camps in Pakistan-Occupied Kashmir (POK). This was also a

way to send a quiet message that these areas can't be used as safe spots to protect CPEC routes. India has also kept up its connection with Afghanistan even after the Taliban took over. In fact, it has increased its aid budget for 2025–26 to ₹100 crore, showing that it still wants to stay involved and support the Afghan people.^{xvi} This might give India more freedom in the region if needed.

In the southern, India opened the Vizhinjam Port in Kerala by which it also highlighted importance of Public and Private relationship. This is a big move to reduce India's dependence on Sri Lankan ports, which are now heavily influenced by China. Unlike ports like Gwadar (Pakistan) and Colombo (Sri Lanka), which are partially owned by Chinese companies, Vizhinjam is 100% Indian owned. This gives India full control for security, shipping, and economic planning.

The port is just 10 nautical miles from a major global trade route making it very strategic. It already handled 6 lakh Twenty-foot Equivalent Unit (TEU) containers, far more than the 1.08 lakh TEUs expected in its first year.^{xvii} Now it is going to finish by 2028 which is much before the old target of 2045. This shows India is really serious to challenge China's growing power in trade of this region. China gives big loans to small countries to build things like ports and roads and they call it "Debt Trap" diplomacy. We already saw this in Sri Lanka so now India is trying to move fast and give a better choice.

On the eastern side India is watching closely China's growing role in the Bay of Bengal. When Sheikh Hasina was in power China put a lot of money into projects in south Bangladesh. This area is very important for India's trade safety and foreign policy too.

Recently China's leader Xi Jinping had talks with Bangladesh's new interim leader Muhammad Yunus. After that some deals were made like improving the Mongla Port. This can change many things in this region.^{xviii} China was also allowed to reopen Lalmonirhat Airport just 130 km from India's Siliguri Corridor a narrow stretch of land connecting India's northeast with the rest of the country often seen as a sensitive one.

After Yunus's comments calling India's northeastern states "landlocked", India has responded quickly.^{xix} It is reopening Kailashahar Airport in Tripura, closed since 1971, and speeding up work on the Kaladan Project, which will connect Kolkata Port to Myanmar's Sitwee Port and then to Mizoram.^{xx} These moves will improve India's access to its northeast and help watch over Chinese growing influence in the Bay of

Bengal. India's strong presence in the Andaman and Nicobar Islands, located close to the Malacca Strait also gives it a major geographic advantage over others in the region.

Together, all these actions are part of India's smart plan to stand strong in the Indo-Pacific. This strategy helps balance China's growing power through the BRI, without India having to align itself directly with the United States.

Conclusion

The Strait of Malacca is more than just a narrow waterway. It's a key point in the power play of the Indo-Pacific region. For China this strait is a major lifeline as most of its trade and energy imports pass through it. But this also creates a big risk. If anything goes wrong in the Strait, China's supplies could be potentially hampered. This fear is what experts often call the "Malacca Dilemma." To reduce this risk, China launched the Belt and Road Initiative (BRI) and built alternative routes like the China-Pakistan Economic Corridor (CPEC) via Gwadar Port, hoping to bypass the Malacca chokepoint. In 2024 alone, China signed BRI construction contracts worth \$70.7 billion and investments of \$51 billion, the highest since the initiative began

But China's growing reach has not gone unnoticed. India, instead of competing globally like China, has taken a more focused and regional approach. It is quietly but firmly building its own presence in the Indian Ocean through port development like Vizhinjam in Kerala and through key projects such as the Kaladan transport corridor, which connects India with Southeast Asia. India is also strengthening its relationships with neighbours like Bangladesh, Myanmar, and Sri Lanka.

This approach shows India's desire to remain independent in its foreign policy and not become overly reliant on big powers like the United States. It is in line with India's broader goal of becoming a Vishwa Guru, a global example and leader that protects its national interests while showing the world a different path.

In today's world of shifting powers, the Strait of Malacca is not just a busy sea lane. It is a powerful symbol. As India boosts its naval strength and builds regional alliances, it is quietly becoming a smart and confident maritime power, standing strong on its own without leaning too heavily on the old powers of the West.

DISCLAIMER

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