Pressure Points Part 3:
China in the Pacific and Indian oceans

REPORT

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Introduction: China in the Pacific and Indian oceans

China's defence and security presence beyond the First Island Chain is no longer an abstract concern; it's now a defining feature of the Indo-Pacific strategic environment. Across the Southwest Pacific, Indian Ocean and Australia's maritime approaches, Beijing is steadily building a pattern of access, presence and influence that's reshaping regional security dynamics.

Part 3 of Pressure Points details how and why China is expanding its security engagement across these regions, the tools and actions it's using, and what this means for regional states. What emerges is a pattern of engagement that blends military power, paramilitary forces, policing cooperation and civilian capabilities. Too often democracies and smaller nations assess those activities, often described as hybrid or grey-zone, as below acts of war and struggle to deter them. But, together, those tools enable China to build familiarity with operating environments, deepen relationships with regional partners, normalise its presence, and pursue strategic objectives far from home waters.

Part 3 also unpacks the evolving landscape of the Indo-Pacific. It maps China's activities, analyses regional responses, and considers how current trends may develop in the years ahead. The central question isn't whether China will be present across the Indo-Pacific, but how that presence will shape the region's future security order.

Chapter 1: China's regional ambitions

1.1: China's military diplomacy in the Pacific and Indian oceans

China's military diplomacy and security engagement have evolved over time

China's military diplomacy and security engagement have evolved significantly over the past five decades, especially since Xi Jinping took office in 2013. Unpacking that evolution helps to explain not only the transformation of China's military, but also the changing way Beijing views its place in the international system and the role that defence and security engagement now plays in advancing China's strategic objectives across the Indo-Pacific. From the late Mao era, particularly after the Sino-Soviet split and during the rapprochement with the US in the early 1970s, China increasingly sought diplomatic legitimacy and integration into major international institutions. That resulted in the People's Republic of China replacing the Republic of China (Taiwan) at the United Nations in 1971.

Under Deng Xiaoping and Jiang Zemin, China pursued deeper integration and reassurance, embedding itself within the international order as economic development became the central national priority. By the early 2000s, following China's accession to the World Trade Organization and amid a period of US strategic distraction after 9/11, Beijing increasingly began using its growing economic and military power to expand its global interests and strategic influence.

Under Xi Jinping, that trajectory has accelerated. China's now seeking not only to expand its presence within the existing order, but increasingly to shape regional security dynamics, norms and institutions in ways more closely aligned with Beijing's interests and a more Sino-centric vision of the Indo-Pacific.

What underpins China's evolution

China's evolving posture has reflected the convergence of expanding economic interests, improving military capability and growing political confidence in Beijing's ability to shape external environments. What began as cautious diplomatic reassurance and limited military outreach has evolved into sustained bluewater naval deployments, overseas basing, strategic access arrangements, defence and policing partnerships, humanitarian assistance and disaster relief (HADR) operations, security assistance programs and efforts to shape regional security norms.

Together, those activities enable China to build familiarity with operating environments, deepen relationships with regional partners, normalise a sustained Chinese security presence far from home waters and progressively expand the PLA's operational reach. Under Xi Jinping, defence and security engagement has become a central component of statecraft, supporting China's ambitions to safeguard its overseas interests, expand strategic presence, strengthen political influence and shape the region's future security order.

Chinese leaders on defence and security engagement

Understanding how China's leaders have framed defence diplomacy and security engagement provides important context for assessing China's current activities across the Pacific and Indian oceans and where they may lead in the future. What emerges is a long-term pattern in which China's growing capability and ambition have enabled progressively more assertive forms of strategic engagement across the Indo-Pacific.

Deng Xiaoping (1978 to 1992)

Deng Xiaoping framed[1] defence activity as subordinate to economic development and diplomacy. The PLA was tasked with supporting a favourable external environment for national development. That rhetoric stressed reassurance and non-adventurism while avoiding any emphasis on overseas basing or power projection. It's also true that China's capabilities were probably insufficient to consider foreign bases at that time.

Deng's approach opened space for limited defence exchanges that helped to normalise diplomatic ties. Activities included modest officer exchanges, goodwill ship visits and technical assistance. China didn't conduct any sustained overseas deployments.

Source: Wikimedia Commons.

Jiang Zemin (1992 to 2002)

Jiang Zemin emphasised[2] 'peaceful coexistence' and military diplomacy as part of China's diplomacy. His public rhetoric struck a tone of transparency, confidence-building and institutional engagement. Strategic documents[3] from this period reiterated China's defensive posture.

That helped to reassure neighbours after the events of 1989[4] and supported China's integration into regional security institutions. During this time, China expanded its attaché networks and conducted more port calls. Early contributions were made to UN peacekeeping missions,[5] and the PLA started to conduct training exchanges with partners.

Source: Wikimedia Commons.

Hu Jintao (2002 to 2012)

Hu Jintao introduced and institutionalised the language of 'diversified military tasks,'[6] and the PLA undertook peacekeeping, HADR, anti-piracy and non-combatant evacuation activities. Leaders cast those activities as contributions to international security and the protection of China's growing overseas interests.

Framing PLA Navy (PLAN) operations as global public goods[7] helped to justify China's far-seas deployments politically and diplomatically. In 2008, the PLAN began anti-piracy deployments[8] to the Gulf of Aden, which opened space for new logistics and port-access arrangements. During this period, China used its military diplomacy to learn how to be a modern force, exploring joint operations and different structural options that others were using.

Source: Wikimedia Commons.

Xi Jinping (2013 to present)

Xi Jinping frames[9] military diplomacy as a central component of state diplomacy. The PLA must[10] expand strategic presence, 'tell China's military story well' and improve the ability to safeguard China's overseas interests.

During this period, the PLA has sought to normalise overseas basing, conduct bluewater operations and expand security agreements. China has opened its first overseas military base[11] in Djibouti, sent regular PLAN task groups into the Indian Ocean and the Pacific, expanded military and police training[12] as well as security assistance in Pacific island states and deepened access relationships[13] across the Indian Ocean.

Source: Wikimedia Commons.

China's Indo-Pacific security engagement evolved across four distinct periods

Building on the analysis above, we can see that China's Indo-Pacific military and security engagement has evolved across four distinct periods.

The first, during the Mao era, was characterised by limited military diplomacy. It concluded with Beijing entering the United Nations as it sought inclusion into the existing international order.

The second, spanning the late 1970s to the early 2000s, saw cautious expansion in defence diplomacy as China prioritised economic development and deeper integration into global institutions. It culminated in accession to the World Trade Organization in 2001.

The third period, from the mid-2000s to 2013, involved a growing operational expansion of Chinese military activity beyond East Asia. As China's economic and strategic interests expanded, the PLA increasingly sought access, operational experience and international influence.

The fourth period, under Xi Jinping, has involved a far more assertive and sustained effort to expand China's strategic presence, reshape regional security dynamics and promote norms and institutions more closely aligned with Beijing's interests. China is no longer simply integrating into the international order; it's increasingly seeking to shape that order in ways that reflect its growing power and ambitions.

Mao era (pre-1976): China seeks inclusion in the existing international order

Pacific islands: Almost no PLA engagement.

Indian Ocean: No PLAN deployments; relations limited to political diplomacy with select South Asian partners, the most important of which is Pakistan.

Australia and NZ: Diplomatic relations open from mid-1970s; minimal military exchanges.

Late 1970s to early 2000s: China's deeper integration into the international order

Pacific islands: PLA provides non-lethal military aid, conducts officer training, early PLAN port calls and goodwill visits. Competition with Taiwan shapes outreach.

Indian Ocean: China establishes diplomatic ties across the region. The PLA conducts arms sales (Pakistan, Sri Lanka) and strategic interest in sea lanes grows, but no PLA deployments.

Australia and NZ: The PLA institutionalises defence dialogue and conducts port visits and officer exchanges.

Mid-2000s to 2013: China expands its global interests

Pacific islands: The PLA conducts more frequent port calls, and engages in HADR assistance (such as after the 2004 tsunami), capacity building and training. The PLA's profile steadily increases.

Indian Ocean: The PLA begins Gulf of Aden anti-piracy deployments in 2008, marking its first sustained far-seas operational campaign. It establishes port-access and logistics arrangements.

Australia and NZ: High levels of engagement, especially in the economic sector, continue. But strategic unease grows as the PLA modernises without transparency or strategic reassurance. That the PLA is also beginning to develop the ability to project power started to influence Australia's defence thinking, especially regarding its northern and western maritime approaches.

2013 to present: China seeks to reshape the international order

Pacific islands: The PLA intensifies security assistance through police/military training, large equipment donations and more frequent PLAN port calls. The Solomon Islands security agreement (2022) and broader Pacific outreach raise the prospect of basing or extended access.

Indian Ocean: The PLA establishes a support base in Djibouti (2017). China expands access arrangements (Gwadar, Hambantota) and conducts regular long-range patrols, joint exercises and evacuations (Libya, Yemen). PLAN rotations and surface action groups operate year round.

Australia and NZ: There's a sharp reduction in defence cooperation with Australia during China's 2020–2023 diplomatic freeze. Covid-19 pandemic restrictions also limit military diplomacy. China begins a regular pattern of contested maritime interactions. PLAN task groups begin to circumnavigate Australia.

1.2: China's security ambitions under President Xi

Before Xi Jinping, China's military diplomacy focused on confidence-building, limited training and narrowly defined missions such as peacekeeping and counter-piracy, aimed largely at reassurance and integration into existing security frameworks. Under Xi, however, China's defence and security posture has shifted towards an assertive posture that has sought to expand China's global presence, protect overseas interests and engage in norm-shaping behaviour. That evolution reflects Xi's attempts to remould the international system and is codified in the following strategic documents.

China's Military Strategy (2015 Defence White Paper)

The 2015 Defence White Paper marked a foundational shift in PLA strategy by explicitly authorising a broader international security role. Its central theme—safeguarding China's maritime rights and interests—elevated maritime power[14] from a supporting function to a strategic priority. Most significantly, it introduced a new strategic task: safeguarding the security of China's overseas interests, formally legitimising overseas operations in support of trade, citizens (Beijing includes overseas Chinese communities in its definition, even when they're foreign citizens), and projects such as the Belt and Road Initiative.

The document directed the PLAN to move from 'offshore waters defence' towards a combination of offshore defence and 'open seas protection', signalling ambition for a bluewater navy capable of sustained global operations. It also called for expanded participation in international security cooperation and UN peacekeeping and deeper military relationships across regions. This white paper provided the intellectual and operational foundation for China's expanding naval deployments, overseas logistics and growing defence engagement footprint.

China's National Defense in the New Era (2019 Defence White Paper)

The 2019 Defence White Paper was a comprehensive document that explicitly tied PLA modernisation to intensifying strategic competition[15] with the US. Unlike earlier white papers that focused on China's 'peaceful development', this document detailed real capabilities, operational readiness and war-fighting preparation, especially in the Western Pacific and South China Sea. It also framed overseas instability, terrorism, piracy and threats to sea lines of communication as direct security challenges to China.

The White Paper normalised the PLA's global role.[16] It openly discussed building 'far seas forces', developing overseas logistical facilities and conducting operations such as evacuations, vessel protection and maritime rights enforcement. It also highlighted the scale of China's expanding defence diplomacy, including military exchanges with over 150 countries. Normatively, the white paper linked China's military development to the creation of a 'community of common destiny' and called for a more 'inclusive' security architecture. This marked the PLA's transition from a force preparing for global contingencies to one actively shaping international security environments.

Global Security Initiative (2022 Global Initiative)

Xi Jinping's Global Security Initiative[17] (GSI) offered a new vision for global security. It opposed alliances and sanctions and argued for respect for sovereignty and non-interference. Its appeal, particularly to the developing countries of the Global South, lay in its focus on regime stability, non-traditional threats and development-linked security, even as there is a significant gap between China's rhetoric and its actions.

The GSI effectively rebranded China's existing overseas defence and security activities. It provided a unified narrative for military diplomacy, policing cooperation,[18] cybersecurity, counterterrorism and law-enforcement engagement. At the same time, it expanded the definition of security to reflect Beijing's priorities at home,[19] encompassing economics, technology, data and overseas interests.

While presented as inclusive and cooperative, the GSI was a power play[20] that implicitly privileged China's interpretation of 'legitimate security interests', positioning Beijing as both a security provider and a normative competitor to US-led frameworks.

China's National Security in the New Era (2025 National Security White Paper)

The 2025 White Paper[21] represents the most comprehensive articulation of China's security vision to date. Unlike the military-focused 2019 document, it adopts a whole-of-society approach, integrating political control, economic resilience, technology, culture and overseas interests into a single, party-led security system. The PLA is no longer treated as a stand-alone institution but as one component of a broader national-security architecture.

It frames global instability, 'hegemonism', and 'Cold War mentality' as systemic threats while positioning China's rise as historically inevitable and stabilising. It extends security concerns into new domains, including outer space, polar regions, the deep sea and emerging technologies. Targeted at both domestic and international audiences, the document calls on other states to align with China's vision of order, reinforcing Beijing's intent to lead, shape norms and place its interests at the centre of international security arrangements.

Conclusion

These four documents demonstrate how China's defence and security engagement has evolved under Xi Jinping, from enabling overseas operations to proposing an alternative global security order. However, it must be noted that, while China has released a few documents over the years that signal its strategic intent, much of its posturing is informed by non-transparent internal decision-making processes, which are highly centralised in Xi. For instance, the PLA's behaviour in risky and dangerous encounters at sea and in the air against legal transits aren't codified in any public-facing document. The PLA is through-and-through the CCP's army. The PLA's expanding power projection, deeper security partnerships and efforts to play a growing role in norm-setting (with mixed success) reflect a deliberate strategy to reshape international security practices in ways that prioritise the CCP's interests while challenging Western-led systems.

1.3: China's tools of influence

President Xi has outlined his intent to pursue a model of security engagement and power projection that prioritises global presence, the protection of overseas interests and the ability to shape security norms in ways that align with Beijing's strategic objectives. That evolution is reflected not only in the modernisation of the PLA,[22] but in the development and deployment of a broader set of tools that enable influence, access and awareness well beyond China's immediate region.

Building a bluewater navy

Under Xi Jinping, China has made the development of a bluewater navy a central pillar of its broader military modernisation and great-power ambitions. That shift reflects a deliberate move towards far-seas operations, enabling China's navy to operate with greater persistence, reach and influence beyond East Asia.

The transformation is driven not by a single platform or mission, but by a coordinated investment in a wide range of naval and maritime capabilities that together enable long-range presence, awareness, endurance and influence. These developments point to a navy designed to project both hard and soft power globally in support of China's strategic objectives. This type of buildup isn't different in kind from what other great powers have done historically. But it differs in degree, and in view of China's own actions in its neighbourhood and beyond, it renders China's claim to be a peaceful power with no extraterritorial ambitions (aside from Taiwan and South China Sea, which China considers core territorial interests) questionable at the very least.

An incomplete list of key naval capabilities that China has been building for its bluewater navy is as follows.

Type 003 Fujian aircraft carrier: China's third aircraft carrier.[23] This next-generation carrier is equipped with electromagnetic catapult launch systems to operate fighter jets, heavier fixed-wing aircraft and early-warning planes. It enables sustained power projection far from China's shores.

"PLAN's" Fujian aircraft carrier, sighted near Okinawa, September 2025. Source: Wikimedia Commons.

Type 076 large amphibious assault ships: A new class[24] blending amphibious lift with a short flight deck, intended to carry helicopters, drones and possibly fixed-wing planes. It enhances China's ability to conduct expeditionary operations and rapid force insertion beyond the First Island Chain.

"PLAN's" Sichuan launch ceremony at Shanghai, December 2024. Source: Wikimedia Commons.

Type 071 amphibious transport docks: Large amphibious ships[25] capable of carrying marines, vehicles, landing craft and helicopters. These vessels support expeditionary amphibious missions, humanitarian assistance and logistics movements in distant waters.

Yuzhao-class (Type 071) amphibious ship accompanied by two fast attack craft, 2010. Source: Wikimedia Commons.

Type 055 large destroyer (Renhai class): One of the most formidable warships afloat.[26] Armed with 112 vertical launch system missile tubes, the Renhai class can provide air defence, anti-surface and land-attack capabilities.

"PLAN's" Nanchang destroyer sighted in the Western Pacific, April 2021. Source: Wikimedia Commons.

Type 054A frigates: Multipurpose frigates[27] with anti-air, anti-surface and anti-submarine weapons that form the backbone of long-range escort forces and patrols, boosting sustained operations at sea.

"PLAN's" Huanggang frigate sighted in the Western Pacific, April 2021. Source: Wikimedia Commons.

Type 901 fast combat support ships: High-speed replenishment vessels[28] designed to keep fleet task groups supplied with fuel, stores and ammunition at sea, enabling extended patrols and sustained operations far from Chinese home ports.

"PLAN's" Liaoning sighted east of the Philippines, with Type 901 combat support ship, 2024. Source: Wikimedia Commons.

Type 094 ballistic missile submarines: Nuclear-powered ballistic missile submarines[29] form a sea-based nuclear deterrent. Operating stealthily on long patrols, they extend China's strategic reach and deter adversaries by threatening retaliation from the sea.

Jin-class (Type 094) ballistic missile submarine. Source: Wikimedia Commons.

Type 920 hospital ships: China's naval hospital ships[30] are designed as tools of influence and used for long-distance HADR missions and medical diplomacy, rather than expeditionary medical support during conflict. They demonstrate China's ability to sustain a persistent presence far from home in peacetime and crisis-response operations.

Peace Ark participates in Exercise RIMPAC, July 2014. Source: Wikimedia Commons.

Yuan Wang-class tracking ships: Oceangoing telemetry and tracking vessels[31] that support China's space launch, missile testing and satellite operations. These ships can deploy to distant waters to relay data and serve as mobile tracking platforms, contributing to both space and naval operations.

Yuan Wang 02 telemetry ship in Auckland, NZ, October 2005. Source: Wikimedia Commons.

Type 815 intelligence vessels: Dedicated electronic intelligence-collection and ocean-surveillance ships.[32] These vessels monitor foreign naval activities, collect signals and electronic emissions and support extended maritime situational awareness in regions far from China's coast.

PLAN Dongdao-class intelligence-gathering ship sighted by Japan Maritime Self-Defense Force patrols in April 2012. Source: Wikimedia Commons.

China's other tools of influence

In addition to its expanding naval capabilities, China has developed and deployed a wide range of paramilitary, law-enforcement and ostensibly civilian maritime tools to create influence, secure access and build its awareness of maritime environments well beyond its immediate periphery. The use of its maritime militia (for influence and coercion), the role of the China Coast Guard in grey-zone actions and the blurring of lines between civil and military roles and actors are particularly noteworthy. Under Xi Jinping, those actors have become an integral part of Beijing's approach to global power projection, operating alongside the PLA while remaining below the threshold of conventional military force.

Their dual-use or non-military appearance offers political cover and deniability, complicating responses by other states while reinforcing China's long-term strategic positioning. This approach allows China to pursue strategic objectives incrementally, normalising its presence and activity in distant maritime spaces. An incomplete list of key paramilitary organisations and maritime assets that China uses to generate influence, access and awareness is as follows.

People's Armed Police (PAP): China's primary paramilitary force[33] responsible for internal security and the protection of key assets. Internationally, PAP units contribute to UN peacekeeping missions, conduct security cooperation and training, and support the protection of Chinese personnel and interests overseas, reinforcing China's role as an emerging security provider.

Members of the People's Armed Police march at the 2025 Victory Day Parade, Beijing, September 2025. Source: Wikimedia Commons.

China Coast Guard (CCG): A heavily militarised maritime law-enforcement force, with similar capabilities to most regional (such as Southeast Asian) navies. The CCG is used to assert jurisdiction, conduct patrols and shape maritime norms. While most active in China's near seas, the CCG increasingly undertakes longer deployments, port visits and joint activities, extending China's paramilitary maritime presence beyond the First Island Chain.

CCG Hull 3306 participates in disaster relief exercises near Penang, Malaysia, in May 2015. Source: Wikimedia Commons.

Ministry of Public Security: China's national police force,[34] which advances influence through overseas police liaison officers, training programs and bilateral law-enforcement cooperation. Those activities deepen security ties with partner states and extend China's reach into foreign policing and internal security systems.

Headquarters of the PRC Ministry of Public Security, Beijing, 2022. Source: Wikimedia Commons.

Chinese private security companies (PSCs): State-aligned commercial security firms,[35] often staffed by former PLA and PAP personnel, protect Chinese projects, personnel and infrastructure overseas, particularly along Belt and Road routes. PSCs provide a scalable and deniable security presence without formal military deployment.

Research vessels: Large, well-equipped oceanographic research ships[36] capable of deep-sea surveying, seabed mapping and environmental data collection. While civilian in appearance, these vessels generate information relevant to naval and submarine operations. They frequently operate far from Chinese waters.

Xiang Yang Hong 09. Source: Wikimedia Commons.

Commercial vessels supporting PLA deployments: A wide range of state-owned and state-directed commercial ships,[37] including roll-on/roll-off ferries, logistics vessels and auxiliary platforms, can support Chinese military operations. These vessels expand lift, sustainment and access options while blurring the boundary between civilian, commerce and military activity.

1.4: China's actions of influence

In parallel with the development of tools of influence, China's security services have expanded the range of actions they undertake to project power, shape security environments and normalise China's presence globally. Those actions span the full spectrum of competition. Some are overt and highly visible, such as naval deployments, exercises and defence agreements. Others are deliberately ambiguous, including surveillance operations, policing activities and civilian-led maritime surveys. Together, they demonstrate how China translates growing capabilities into practical influence on the ground, and at sea, below the threshold of armed conflict.

China's military actions of influence

Under Xi Jinping, Beijing has increasingly employed its military in different ways to signal resolve, cultivate partnerships, protect overseas interests and influence global norms, as follows.

Defence diplomacy: Like many other countries, China conducts regular high-level defence dialogues, port visits, staff talks and military exchanges to build relationships, shape perceptions and position itself as a security partner of choice. Those engagements[38] are used to promote Chinese security concepts and expand influence within foreign defence establishments.

The 10th Beijing Xiangshan Forum, 30 October 2023. Source: Wikimedia Commons.

Military exercises: The PLA increasingly participates in bilateral and multilateral exercises[39] across the Indo-Pacific, Africa, the Middle East and Europe. Those activities enhance interoperability with partner forces, showcase China's capabilities and familiarise the PLA with operating in diverse environments.

Arms sales: China uses arms exports[40] and equipment donations to build long-term defence relationships and influence partner forces. China's weapons are sometimes bundled with training, maintenance and advisory support, creating enduring dependencies and reinforcing China's role as a security provider, particularly in developing regions.

Defence and security agreements: China has signed a growing number[41] of defence cooperation agreements, memorandums of understanding and security partnerships. As China seeks to expand its partnerships and influence, those frameworks facilitate training, intelligence sharing, arms transfers and access.

Defence Secretary R.K. Mathur and Deputy Chief of PLA General Staff Lt. Gen. Sun Jianguo sign an Agreement on Border Defence Cooperation, in the presence of Prime Minister Dr. Manmohan Singh and PRC Premier Li Keqiang, in Beijing, 2013. Source: Wikimedia Commons.

Basing, access and logistics arrangements: Beyond its base in Djibouti,[42] China has sought access to ports, airfields and logistics hubs through agreements, security cooperation and dual-use infrastructure. China seeks a network of arrangements[43] to support sustained military deployments and global influence.

Extended naval deployments: The PLAN now routinely conducts long-duration deployments[44] beyond the First Island Chain, including in the Indian Ocean, the South Pacific, the Middle East and waters near Europe and the Americas. Those operations signal global reach, build operational experience and normalise China's naval presence in distant regions.

Counter-piracy operations: Since 2008, China has maintained a continuous naval presence in the Gulf of Aden under the banner of anti-piracy operations.[45] The missions provide operational experience, justify long-term overseas deployments and reinforce China's image as a contributor to international security.

Missile testing and space launches: China conducts ballistic and cruise missile tests[46] and space operations that are supported by naval and auxiliary vessels operating in international waters. Those activities demonstrate strategic capabilities and contribute to China's global surveillance networks.

China's other actions of influence

Alongside the PLA, China increasingly looks to its paramilitary, law-enforcement and civilian-linked security actors to project influence overseas.

Overseas policing deployments: China deploys police[47] officers abroad and participates in joint policing initiatives and training programs. Those activities deepen law-enforcement cooperation, extend China's influence into domestic security systems and support efforts to monitor and manage overseas Chinese communities.

Overseas police stations: China's overseas police stations[48] have been established in multiple countries, often without the awareness or approval of host nations. The stations are often framed as providing administrative assistance, but they extend China's policing reach and have been associated with political influence and coercive practices beyond China's borders.

China Coast Guard: Beijing is looking to use the CCG further from its shores[49] to conduct patrols, port visits and joint activities to extend its law-enforcement presence. The deployments allow China to assert influence while avoiding the escalatory signalling of naval combatants.

Underwater surveys: China's research and survey vessels conduct oceanographic research, seabed mapping and underwater surveys in distant waters.[50] Those activities generate data relevant to submarine operations, undersea infrastructure and future military activity while maintaining a civilian or scientific facade. China conducts such opaque operations while openly criticising countries, such as Australia, for their transparent nuclear-powered submarine programs.

Protection of overseas investments: China's private security companies and state security personnel provide protection for China's investments, infrastructure and citizens abroad. Those deployments expand China's security footprint[51] while limiting political exposure associated with formal military involvement.

Chapter 2: China in the Southwest Pacific

2.1: Mapping China's security engagement

For the interactive map, access ASPI's Pressure Points online.

2.2: Trends and analysis

China's foreign policy towards the island nations of the Southwest Pacific began as a relationship led by diplomacy and development finance. In the past decade or so, it has become a broader strategic posture in which policing cooperation[52] plays a leading role. China's underlying interests in the region haven't changed, but the ways and means it uses to pursue them have become more ambitious, visible and sophisticated during Xi Jinping's presidency.

China's regional interests

China views the Pacific more through a strategic lens than an economic one. With country-specific exceptions—mostly in the resources sector[53]—Pacific island countries (PICs) are of little economic importance to Beijing. Their collective GDP is less than one-third of 1% of China's, and they absorb only a small fraction of China's bilateral trade,[54] outbound investment and development assistance. Relatively modest resource commitments on Beijing's part can thus deliver outsized returns for its strategic goals.

In the long term, Beijing seeks something akin to a Sino-centric regional order. Getting from here to there has a few different practical requirements, which are where defence and security engagements enter the picture. Beijing is looking to complicate if not deny US and allied access to the Southwest Pacific. Chinese strategists, drawing on the lessons of World War II, have long recognised the importance of PICs to American power projection in Asia. Chinese perceptions of maritime encirclement by the US have motivated its efforts to build countervailing access and presence in PICs, although those efforts have come into clearer focus only in recent years. The immediate intent is to reduce or compromise the Pacific's potential utility to US forces in the event of a major regional conflict.

Beijing is also looking to[55] diplomatically isolate Taiwan and shore up international support for Beijing's interpretation of 'One China', as well as its policy positions in multilateral forums more generally. This too has a long pedigree, and a more visible one in the public record. Through the 1990s and early 2000s, both China and Taiwan used development financing to compete for diplomatic recognition from PICs.

China's investment footprint

As some states accrued considerable debt to China (Tonga[56] is a notable example), concerns over its potential use to secure military access gained prominence from 2016 onwards. Australian anxieties were notably roused by the China-financed extension to Luganville Wharf in Vanuatu—a potentially dual-use asset completed in 2017 amid persistent, although unconfirmed (and strenuously denied) reports[57] that Beijing was seeking to establish a military base there. The episode was one of several large capital investments by China—including an airport upgrade[58] on Papua New Guinea's Manus Island, which was completed in 2022, and apparently yet-to-commence projects such as a refurbishment[59] of the World War II airfield on Kiribati's Kanton Island proposed in 2021—with unclear economic rationale, and it marked something of a highwater mark in regional concerns about the strategic implications of China's growing economic footprint in the Pacific.

While anxieties over 'debt-trap diplomacy' generally weren't borne out[60] (China's infrastructure loans are significant but only one of many structural risks to Pacific finances, and China's development financing as a whole to the region peaked[61] in 2016), development aid and security engagement remain visibly guided[62] by strategic intent. In the past decade, China has recalibrated away from large and risky infrastructure loans to smaller, more cautious grant-led activities and budget support targeted at a select set of partners. The *quid pro quo* is often quite patent. Kiribati[63] and Solomon Islands[64] switched diplomatic recognition from Taiwan to China in 2019, and Nauru[65] did so in 2024; millions in state-backed grants, loans, and infrastructure projects followed quickly.

The role of the PLA Navy

China has undertaken to regularise and normalise the presence of its military vessels in Pacific waters. Those efforts have until recently foregrounded soft power and non-combat force elements. Goodwill visits[66] by PLAN hospital ships under the annual Harmonious Mission engagement and training ships such as the *Qi Jiguang* are characteristic of this approach.

Yuan Wang-class telemetry vessels[67] have also made regular refuelling and resupply stops in Fiji and French Polynesia since the early 2010s to support the testing and evaluation of China's space-based capabilities. Since an unusual and (so far) one-off ICBM test[68] over Polynesia in 2024, regional access also has clear but limited relevance to China's nuclear force modernisation.

Only in the past few years has hard power become a visible part of the PLA's regional footprint. In late 2024, Vanuatu was visited by a PLAN destroyer and guided-missile frigate—the first deployment of such surface combatants to the Pacific. 2025 saw unprecedented PLAN live-fire drills[69] in the Tasman Sea and the simultaneous passage of China's two operational aircraft carriers beyond the First Island Chain.

The PLAN's role in regional engagement remains largely demonstrative. Because only three regional states (Fiji, Tonga and Papua New Guinea) possess standing armed forces, the scope for direct military-to-military engagement is limited and in practice amounts mostly to donations of infrastructure and equipment. The donations have become sophisticated: the 2018 donation of a hydrographic vessel[70] to the Republic of Fiji Navy, with crew training delivered by the PLAN, is indicative.

China's embassies in Fiji[71] and Papua New Guinea[72] have also hosted military attachés since at least 2021, indicating the perceived utility of a specific and sustained diplomatic voice for the PLA in those countries. Those activities nonetheless remain modest in the broader context of China's security engagement.

Policing cooperation at the centre

That broader context is one in which policing cooperation[73] has taken centre-stage. Understandably so. With limited resources and, in many cases, chronic internal security problems, PICs have proven receptive to generous offers of police training, materiel and infrastructure from China. A 2011 police cooperation memorandum of understanding with Fiji, signed while the military government was in power, enabled short-term attachments by Chinese officers in Fiji and Fijian officer training in China. That agreement set the tone for future arrangements with other regional states.

Many Pacific police forces now train in China-built colleges (as in Samoa),[74] operate China-donated vehicles[75] and equipment,[76] and work alongside Chinese police liaison teams (Solomon Islands,[77] Kiribati[78] and Vanuatu).[79] The China–Pacific Island Training Centre[80] at Fujian Police College, opened in 2024, is the latest highwater mark in capacity-building. There's also an operational aspect to China's engagement, which generally works through low-key, regular, embedded participation by China in ordinary community policing. Dramatic incidents like the joint Fiji-China arrests of 77 Chinese nationals[81] in Nadi in 2017, and their return to China under police guard, set a high-profile precedent for extraterritorial enforcement, but are relatively uncommon.[82]

This pattern of deepening and regularising police cooperation has had significant new institutional architecture built around it in the post-Covid-19 period. One pivotal year was 2022, when the Ministerial Dialogue on Police Capacity Building and Cooperation Between China and Pacific Island Countries,[83] which has involved broad annual participation from across the region, was established. In the same year, China's flagship Global Security Initiative[84] (a new overarching policy framework for engagement, aligning China's pursuit of its regional interests with a worldwide effort to export Chinese norms of public security practice) was announced.

While China's bid for a region-wide multilateral 'common development vision' (including integrated security partnerships across multiple PICs) was rejected[85] by Pacific states in 2022, key bilateral arrangements brokered around the same time continue to deliver results. Most notable here is the China–Solomon Islands security agreement[86] (the full text of which remains undisclosed to the public) brokered in the wake of China's provision of assistance[87] to domestic security forces during the 2021 Honiara riots.

Here, at the vanguard of policing cooperation, hard-power strategy filters back in. The Solomon Islands deal, premised on Honiara's internal security needs, is understood to contain wording that would allow PLAN warships to conduct 'logistical replenishment' in Solomon Islands subject to Honiara's consent. Policing cooperation stands at the centre of an increasingly integrated approach to embedding China's presence and access across the Pacific.

2.3: How is the Pacific responding?

For the Pacific, freedom of choice remains paramount. Beyond that, it's hard to generalise. China's deepening institutionalisation of security engagement has elicited many responses.

Kiribati,[88] Vanuatu[89] and Solomon Islands[90] have drawn closer to China in some respects,[91] but alignment is never unconditional; witness Kiribati's sharp criticism of Beijing in the wake of its 2024 ICBM test[92] over the Pacific. The May 2026 change of government[93] in Solomon Islands, along with new Prime Minister Matthew Wale's promises to review the 2022 security treaty with China, is another suggestion of fragility. While China is structurally embedded[94] in Solomon Islands' trade, infrastructure and security, alignment behaviour is also bound up in the prevailing leadership and factions of elite opinion.

Fiji,[95] which has hedged in the meantime, is a good example of that. Its closer security engagement with China was shaped partly by the post-2006 coup environment, when strained relations with Australia and other traditional partners encouraged Suva to diversify its external relationships. But unease about China's reliability persisted within parts of the Fijian system, reinforced by enduring military and institutional links with Australia and other Western partners. Prime Minister Sitiveni Rabuka's government reviewed[96] Fiji's longstanding police cooperation with China in 2023 and elected to keep some training links, while no longer permitting Chinese officers to be stationed inside the Fiji Police Force.

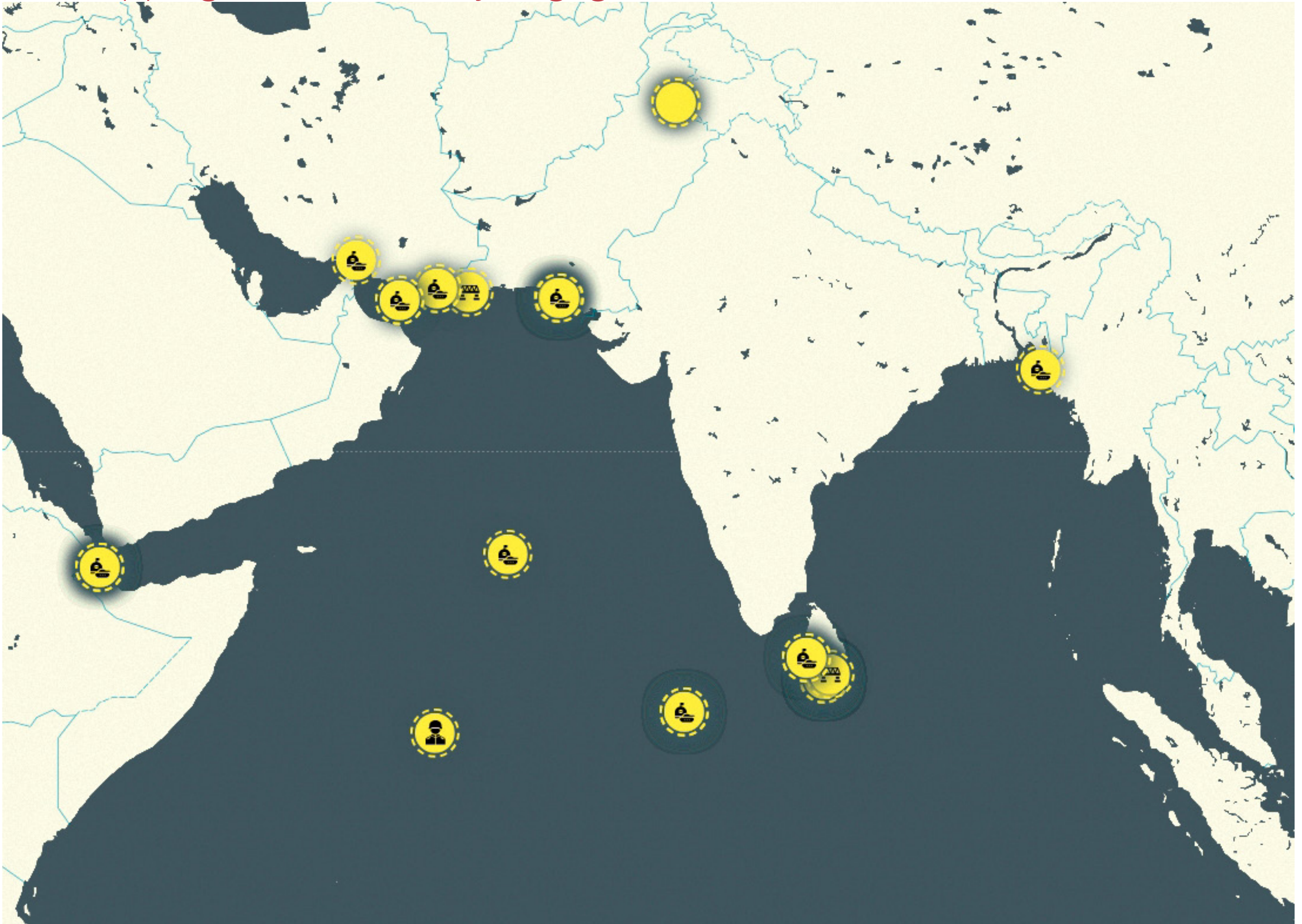
Tuvalu[97] and Nauru,[98] meanwhile, have accepted unusually strong Australian-backed security arrangements that narrow the scope for future engagement by China. The Australia–Tuvalu Falepili Union[99], signed in late 2023, combines climate cooperation, a migration pathway and a security guarantee, while requiring Tuvalu to mutually agree with Australia on any new security or defence partnership with another state. The Nauru–Australia Treaty,[100] signed a year later (after Nauru's diplomatic switch from Taiwan to China) similarly commits both sides to agree before any engagement in Nauru's security, banking and telecommunications sectors.

Extra-regional efforts like this, which aim to 'block' further inroads by China through legal means, are characteristic of the condition of 'permanent contest' that Australian Foreign Minister Penny Wong[101] has claimed now exists in the Pacific. Another characteristic is traditional partners' efforts to match China's engagement on its home ground. The Pacific-designed, Australian-funded Pacific Policing Initiative,[102] spun up in 2024, presents a direct competitor to China's policing cooperation activities.

Pacific states have no interest in letting their region become a theatre for the great games of great powers. Yet there are practical limits to what they can do about it, and the core challenge (or opportunity) they face is how to maximise the benefits of strategic competition while keeping that competition contained. For many PICs, the question has in the past been as simple as whether China's engagement produced roads, stadiums, training, financing and diplomatic attention that traditional partners like Australia, New Zealand and the US hadn't always provided. The step-change in political interest and resource commitment from those traditional partners since about 2016 has made the question far less simple.

Chapter 3: China in the Indian Ocean

3.1: Mapping China's security engagement



For the interactive map, access ASPI's Pressure Points online.

3.2: Trends and analysis

China's interest in the Indian Ocean

China has maintained a strong interest in the Indian Ocean for several decades. In the early 1990s, it became a net importer of oil, mostly from the Middle East and transported through the Indian Ocean, to support its growing economy. China's naval presence in the region has evolved in parallel, from that of a marginal player in the early 2000s to the major maritime power it is today.

Nevertheless, China maintained the cover of economic and research interests driving its approach to the Indian Ocean. For instance, in November 2011, the China Ocean Mineral Resources Research and Development Association signed[103] a 15-year agreement with the International Seabed Authority, which granted China exclusive rights to explore 10,000 square kilometres of seabed in the southwest Indian Ocean, off the coast of Africa, for polymetallic sulphide ore deposits.

While securing its energy interests and trade routes have been key drivers, Beijing's Indian Ocean policy goes far beyond that. Its strategic interests in the Indian Ocean were, for instance, captured in the *Blue Book* of the Chinese Academy of Social Sciences, which was publicly released in 2013. The document referred to China's commercial interests, but it also highlighted the possibility of conflict, great-power competition and rivalry in the region and added[104] that 'no single regional power or world power, including the United States, Russia, China, Australia, India, can control the Indian Ocean by itself in the future world.'

China's interests under President Xi

While China's maritime interests in the Indian Ocean region (IOR) have remained consistent, its growing power has allowed Xi Jinping to act on those interests after he took office in 2013. An obvious consideration is countering US naval presence and dominance over the Indian Ocean. Another important strategic consideration is possibly related to India's position in the region, as Beijing doesn't want New Delhi to assert control over the Indian Ocean. This has become particularly challenging since 2015, when India's own approach to the Indian Ocean began to change.

In March 2015, Indian Prime Minister Narendra Modi gave two important speeches in Seychelles and Mauritius. He highlighted major changes in India's approach to Indian Ocean security and diplomacy, which included welcoming close partnerships with extra-regional powers including the US, Australia, Japan, France and others to engage in security dialogues, military exercises and defence exchanges. This was a clear appreciation of the significant capacity deficit on the part of India to manage the Indian Ocean on its own, particularly in the context of China wanting to establish[105] a bigger presence and influence in the region.

3.3: China's growing presence

China's growing presence in the broader IOR was initially couched as contributing to the global public good of protection of sea lines of communication and counter-piracy missions. Using such a regional/global 'public good' narrative, China managed to expand its footprint in the IOR, with a key goal of countering Indian, US and allied influence.

It further enhanced its positioning in the IOR through its Belt and Road Initiative and Maritime Silk Road strategies, leading to the establishment of a longer-term naval presence in places such as Djibouti and thereby augmenting its naval, submarine and research-vessel deployments well beyond its immediate waters.

Pre-2016 security engagement

The earliest China's naval deployments in the region took place in December 2008, when China sent a naval taskforce (two destroyers and one supply ship) on a counter-piracy mission[106] to the Gulf of Aden. That deployment helped the PLAN to develop a more sustained, rotational presence in the IOR, along with capability development for the broader purposes of securing its trade and energy transport corridors as well as augmenting its strategic influence and footprint in the broader littoral regions.

For instance, China sent a submarine along with an anti-piracy taskforce in 2014 to the Gulf of Aden and the next year, a nuclear-powered submarine. The boats were hardly suitable for counter-piracy missions, but it was a clear indication of China pushing its strategic goals under the pretext of regional 'public good' missions. China's strategic push beyond its immediate waters was inevitable, given its expanding strategic, economic and energy interests, pushing Beijing to shift steadily from a coastal 'brown water' navy to a global bluewater maritime force. That led China to formalise a new 'Far Sea strategy'[107] in 2015.

Security engagement (2016–2026)

China's new Far Sea strategy began to see a more proactive deployment of its aircraft carriers and nuclear-powered submarines. The growing importance of maritime security in China's strategic thinking has manifested in its investment, capability mix and dual-use infrastructure projects in the IOR, in addition to enhanced naval deployments and strengthened maritime domain awareness. Securing its trade and energy transport corridors is undeniably important to China, but the enhanced capability mix and new strategy are also meant to be a power-projection tool and a means to counter Indian, US and allied roles and influence in the IOR and beyond.

In the post-2016 phase, China started establishing basing facilities. That included a semi-permanent presence in Djibouti (from 2017) as well as exploring potential facilities in Pakistan, Myanmar, Sri Lanka and the Maldives. China's takeover of the Hambantota Port in Sri Lanka in 2017 meant that it was able to achieve its long-term goal of establishing a foothold in the Indian Ocean.

The post-2016 period also included a spike in the number of military exercises with Pakistan as well as extended deployments by China in Pakistan and Sri Lanka. That phase also saw an increase in arms sales to Pakistan, making it a more capable naval player in the western Indian Ocean. China's oceanographic research activities and other engagements have also raised alarm in the region because they've involved surveillance and intelligence-gathering vessels.

China's shift

In the past decade, China has clearly shifted from a pure economic and infrastructure-development focus in the IOR to a more proactive presence using dual-use (commercial and military) facilities so as to establish a near-permanent strategic footprint in the region.

China's narrative on the IOR has also become more assertive, questioning India's influence and that of the US and its allies. The 'Indian Ocean is not India's ocean' statements regularly made by Chinese officials and academics are part of this narrative-building exercise. The

spike in the number of military exercises with Sri Lanka during the past decade (as can be seen in the interactive map in the beginning of this section) is part of an effort to assert China's 'rightful' place in the IOR.

China's use of distant fishing fleets

Even as China has made a shift towards a more prominent presence in the IOR with a strategic underpinning through ports and dual-use facilities, one troubling feature is the significant growth in China's distant fishing fleets. China is reported to have the world's largest[108] such fleet in terms of catch volume and fleet size. That has resulted in massive resource exploitation and environmental damage. Many of the smaller Indian Ocean littoral states are bearing the brunt but are unable to push back effectively due to their relatively weak enforcement mechanisms.

China's dual-use facilities in the Indian Ocean

China's military presence in the IOR has been growing. Beijing has enhanced its presence in the region through the establishment of its base in Djibouti and in IOR ports despite its public criticism of the US presence in the previous decades. Some of those establishments are dual-use facilities, strengthening China's logistics and intelligence networks.

Here are a few examples indicative of China's growing efforts at naval/ dual-use facility expansion.

Djibouti is China's only acknowledged military base in the IOR. Originally begun as a counter-piracy effort, the base is today capable of supporting PLAN operations in the region. Similarly, China has assisted in building a seaport and airport facilities in Gwadar in Pakistan. Gwadar also provides China with a land link through the Karakoram Highway, although no PLAN facility has been reported. The infrastructure appears to be economically unviable for a purely civilian facility. Jiwani is another port facility even closer to the Iran border. Although some reports have suggested that China has an interest in the facility, there's been no confirmation. Jiwani isn't yet a formal military base but, given the location of the base and China's goals for an extensive presence in the Indian Ocean, including the Arabian Sea, the Bay of Bengal and major international maritime choke-points, it could be expected to proceed with this base possibly at a later date. Both Gwadar and Jiwani are close to the Strait of Hormuz. Hambantota is a Sri Lankan port on the southern coast of the island, and it sits astride Indian Ocean sea lanes of communication. China has invested heavily in the port, and its tracking and research vessels have docked there.

3.4: How is the Indian Ocean region responding?

India's response

The key competitor that China faces in the IOR is India, which has responded to China's expanding naval activities by building up its own naval capabilities, including naval infrastructure.[109] That includes the procurement of surveillance drones such as the MQ-9B Sea Guardian to monitor Chinese maritime movements.

The Indian Government's push for a major military and infrastructure upgrade[110] of its Andaman and Nicobar Islands[111] (especially given the proximity to the Malacca Strait) is a case in point. Runway expansion at the Indian naval station Kohassa in the North Andamans to support P-8I maritime patrol aircraft is a key development. Additional planned work includes the development of an international container transhipment terminal, a dual-use civil and military airport, and a power plant on Great Nicobar Island.

India and the littoral states

India has also sought to improve relations with the IOR littoral states. India's initiatives, such as SAGAR (Security and Growth for All in the Region), with the goal of enhancing cooperation with its maritime neighbours in the Indian Ocean, are good steps, but scaling up cooperation in terms of capacity-building for smaller neighbours in the region appears to remain a challenge.

SAGAR was given an additional boost when the Modi government announced a new and expanded maritime outreach initiative, titled MAHASAGAR, which stands for 'Mutual and Holistic Advancement for Security and Growth Across Regions'. The new initiative, announced by Modi during his visit to Mauritius in March 2025, is meant to move away from a limited regional focus in the Indian Ocean to a broader proactive maritime engagement across the wider Indo-Pacific.

India's cooperation with strategic partners

In addition, India has cooperated with strategic partners such as the US, Australia and Japan through the Quad in order to strengthen their capabilities in the region, both in providing economic and other assistance to the region but also in countering China's expanding naval capabilities.

For example, India conducts the Malabar series of naval exercises, which now include all the Quad partners. In fact, the primary focus of the Quad is on maritime security and specifically, on maritime and underwater domain awareness, which is another way of referring to monitoring China's naval activities in the region. But this kind of cooperation among the Quad and other such partnerships will have to shift from being sporadic to being undertaken more frequently for meaningful effectiveness against sustained presence and expansion by China in the Indian Ocean.

The Quad's Indo-Pacific Partnership for Maritime Domain Awareness (IPMDA)[112] can become a more sustained and institutional cooperation initiative in this regard. Considering the technological strengths of the four countries, including in space, the IPMDA is a key tool for the Quad to continually monitor[113] maritime activities across the Indo-Pacific—an essential step for regional security and stability. The recent announcement of the Indo-Pacific Maritime Surveillance Collaboration following the Quad Foreign Ministers' meeting in May 2026 is an important step in this regard.

India's cooperation with other partners

Furthermore, India has concluded reciprocal military logistics agreements with a number of maritime partners, including the US, France, Australia and Japan, as well as with countries such as Oman, which are helpful in keeping track of China's presence in Djibouti and the broader IOR. Along with better coordination, such agreements could lead to some sort of division of labour and burden sharing among those countries, considering that every country can't be involved in every single theatre of action. India also hosts the Information Fusion Centre – Indian Ocean Region (IFC-IOR),[114] near Delhi, which is also designed to provide greater awareness of maritime activities around the Indian Ocean.

However, it must also be noted that, as China's naval capabilities are enhanced, India is unlikely to be able to keep pace by itself. China already has three aircraft carriers, with more on the way, and all of them are larger than the two India currently has. While China's attention is currently focused on the Taiwan Strait, and the South and East China seas, it should be expected that Beijing will turn its attention to the Indian Ocean as its capabilities improve and whenever the Taiwan issue is resolved.

Other Indian Ocean states

Smaller Indian Ocean island states such as Sri Lanka and the Maldives have often used China's growing footprint as a lever for better economic growth and overall development as well as for tourism and critical-infrastructure development. That strategy has had its pitfalls as well, illustrated by the inability of the Sri Lankan Government to pay back loans from China, which led to Sri Lanka being forced to accept the 99-year lease of Hambantota Port to China. Both Sri Lanka and the Maldives have also used China as a means to contest India's dominance in the region.

Pakistan and China have been security partners since the 1960s, and their relationship has strengthened in the recent past. It's clear that Islamabad welcomes China's military expansion because it provides a potential counter to India. Thus, Pakistan's approach is one of strategic embrace and deeper economic integration.

Bangladesh's relations with China have gone through changes. Historically, Bangladesh has been close to India and therefore Dhaka has been careful about antagonising it by developing close ties with China. But, since the change of regime in 2024, it has sought to have a more even relationship. However, considering China's heavy involvement across multiple sectors, including in the construction of bridges, power plants and deep-sea facilities, one can conclude that Bangladesh has implemented a strategy of economic pragmatism while hedging strategically.

Chapter 4: China, Australia and New Zealand

4.1: Mapping China's security engagement

For the interactive map, access ASPI's Pressure Points online.

4.2: Trends and analysis

Since the early 2000s, China's defence and security engagement with Australia and New Zealand has followed a broadly similar arc. Initial security engagement included confidence-building measures, but more recently relations have deteriorated.

The engagement phase (until 2017)

Up until 2017, both Australia and New Zealand approached military engagement with China as a stabilising and confidence-building mechanism. Each sought to reduce strategic uncertainty through regular dialogue, professional exchanges and limited practical cooperation, reflecting a shared belief that transparency and familiarity could moderate China's behaviour.

For Australia, that engagement was consistent. Senior and working-level dialogues were institutionalised, bilateral and multilateral exercises occurred annually, and personnel exchanges were routine. Army exercises such as Kowari and Pandaroo, combined with PLAN participation in Exercise Kakadu, embedded the PLA within Australia's regional security ecosystem.

New Zealand's engagement was smaller in scale but also regular. China–New Zealand defence dialogues continued uninterrupted until 2019, complemented by professional military education exchanges and working-level visits. Wellington also pursued functional cooperation, particularly in HADR—an area that aligned closely with New Zealand's defence identity and South Pacific focus. Joint exercises such as Cooperation Spirit, Tropic Twilight and the landmark Skytrain18 airlift exercise reflected a deliberate emphasis on non-combat cooperation.

At sea, both countries hosted China's naval visits that were framed as goodwill diplomacy. Frigates, escort task groups and training vessels called at Brisbane, Sydney, Auckland and Wellington. In New Zealand's case, the visits were often tied to commemorative events, such as the Royal New Zealand Navy's 75th anniversary, reinforcing a narrative of professional normalcy.

Divergence (2017–2022)

From 2017 onward, Australia and New Zealand began to diverge in their experiences with China.

In Australia, the breakdown was abrupt and adversarial. Canberra's growing concern over foreign interference,[115] followed by sweeping legislative reforms, collided with Beijing's political expectations. Australia also stepped up its engagement across the Southwest Pacific, particularly in areas such as defence engagement, critical-infrastructure protection and foreign interference, in response to regional concerns about what China was doing.

As US–China strategic competition intensified, Australia was recast by Beijing as an active strategic problem rather than a hedging middle power. The result was a program of sustained coercion from China, including punitive trade measures and a diplomatic freeze. Defence engagement collapsed. Exercises ceased after 2019, personnel exchanges ended, and senior military dialogue froze for several years.

New Zealand experienced a cooling of relations with China. Defence engagement slowed during Covid-19 and amid rising geopolitical tension, but the dialogue architecture remained somewhat intact. Wellington avoided the sharp political confrontation seen in Canberra and continued to frame engagement with China as risk management rather than an endorsement of China's position. That allowed defence dialogues to resume earlier and more smoothly than in Australia's case, although that hasn't entirely softened China's behaviour towards New Zealand.

Naval activity and strategic signalling

As formal engagement receded, particularly with Australia, China increasingly relied on military presence as a tool of influence.

From 2017 onward, PLAN intelligence-collection ships routinely monitored Exercise Talisman Sabre. In 2021 and 2023, multiple intelligence vessels were deployed simultaneously, operating close to Australia's exclusive economic zone and sensitive infrastructure. Those deployments were lawful, persistent and unmistakably deliberate, serving intelligence, training and signalling functions.

New Zealand experienced a lighter but still notable form of presence. China's naval visits continued through 2019, including the arrival of the training ship *Qi Jiguang* in Wellington. Space-tracking vessels such as *Yuan Wang 5* also made port calls, underscoring New Zealand's role as a useful logistics and replenishment node for China's global operations, particularly space and missile support missions.

Crucially, New Zealand didn't experience the same level of overt intelligence collection activity near exercises or critical facilities as Australia did. That may reflect the fact that New Zealand wasn't exercising on the same scale as Australia and thus was likely to be considered as a lesser threat by China.

Dual-use expansion

From 2020 onward, China expanded its presence through research and survey vessels, in a pattern evident around both Australia and New Zealand.

In Australian waters, ships such as *Xiang Yang Hong 01* and *Tansuo Yi Hao* conducted deepwater surveys near Western Australia, Christmas Island and the southern maritime approaches. Those missions generated data relevant to submarine operations and undersea infrastructure, while maintaining a civilian or scientific facade. Further research vessel presence around Australia is likely; however, due to the difficulties of tracking and identifying those vessels, the complete picture can't be captured accurately.

New Zealand's experience was more ambiguous. In 2025, China's maritime research vessel *Tansuo Yi Hao* undertook a joint deep-sea scientific mission with New Zealand researchers in the Puysegur Trench. That collaboration was legitimate and transparent, yet it also highlighted the dual-use nature of China's oceanographic capabilities. Following the New Zealand mission, the vessel transited along southern Australia and entered parts of Australia's exclusive economic zone, linking scientific cooperation directly to China's broader regional presence.

Policing

China's security influence extended ashore in both countries, although again with differences.

In Australia, formal Australian Federal Police–Ministry of Public Security cooperation arrangements enabled China's police deployments between 2015 and 2019. Over time, those arrangements became politically untenable as evidence emerged of coercive behaviour linked to China's Operation Fox Hunt, unlawful police stations and diaspora pressure. By 2019, Australia had effectively terminated sanctioned Chinese policing activity, viewing it as incompatible with sovereignty and rule-of-law norms.

In New Zealand, law-enforcement cooperation remained more restrained. While joint frameworks existed, there were no confirmed cases of Chinese police exercising policing powers. Reports of an alleged overseas police 'contact point' in Auckland in 2022 raised concerns, but the issue never escalated to the same degree as in Australia, again reflecting New Zealand's lower profile in Beijing.

The 2025 moment

The 2025 circumnavigation by PLAN Task Group 107 marked a turning point for both countries. The deployment of a Type 055 cruiser alongside escort and replenishment vessels through waters near Australia and New Zealand represented a dramatic increase in China's naval signalling.

For Australia, the message was unmistakable: China can deploy high-end combat power persistently around the continent, across both the Pacific and Indian Ocean approaches. For New Zealand, inclusion in the task group's operating pattern reinforced that geographical distance no longer insulates the South Pacific from great-power naval competition.

Conclusion

From 2016 to the present, China's defence and security engagement with Australia and New Zealand has evolved from partnership to presence. Australia's experience has been sharper and more confrontational, marked by coercion, intelligence collection and power demonstration. New Zealand's has been steadier and more muted, characterised by continued dialogue and selective cooperation.

Yet the underlying logic is the same. Where confidence building once served China's interests, Beijing embraced it. But, as China's capabilities improved and its objectives evolved, Beijing shifted to a pattern of persistent military presence, dual-use activity and strategic signalling. Together, Australia and New Zealand illustrate how China now seeks influence less through engagement and more through the normalisation of proximity.

Chapter 5: War games—China's future in the Indo-Pacific

On 5 March 2026, ASPI conducted a series of war games exploring how President Xi Jinping may use his defence and security agencies to expand China's influence across the Indo-Pacific.

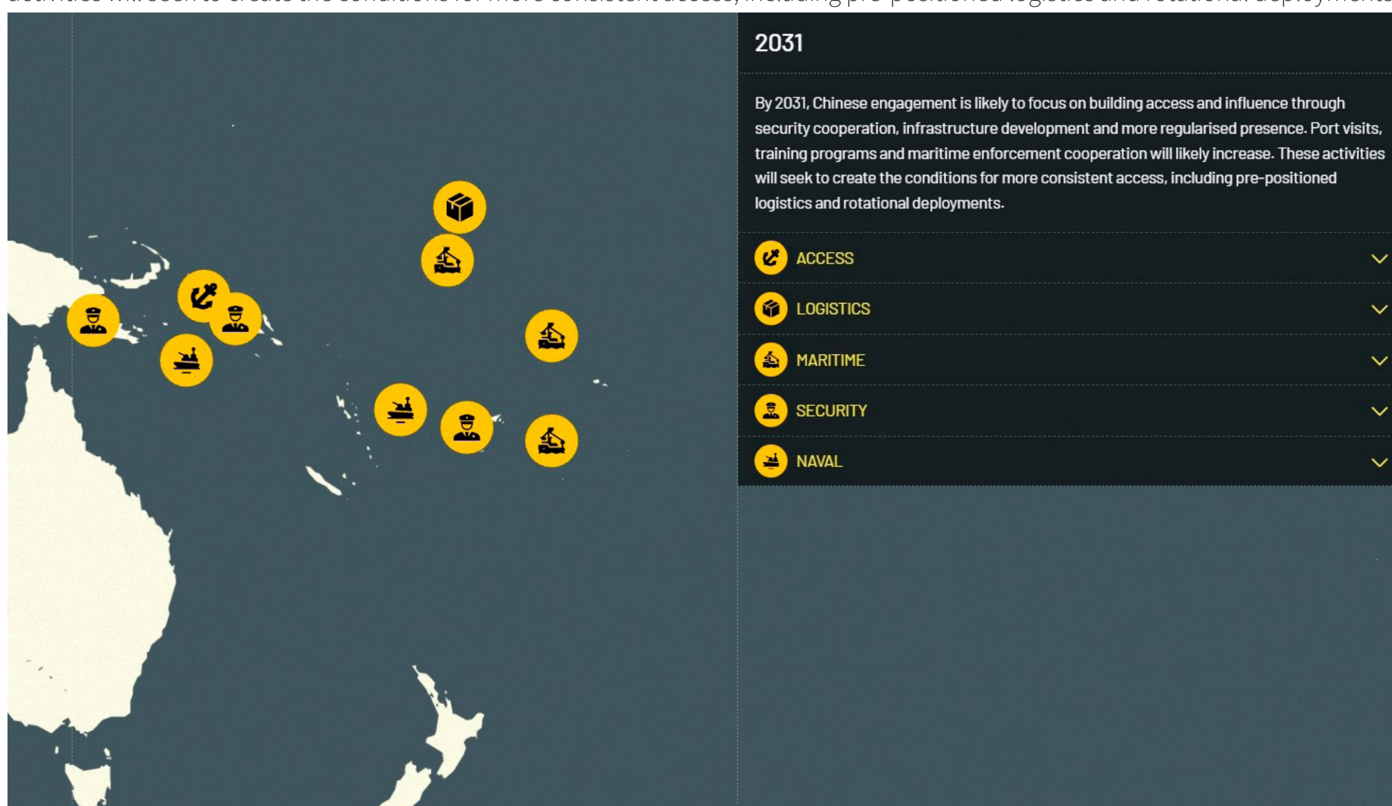
We explored three scenarios: a linear trajectory out to 2031 and 2036, and an accelerated trajectory, to understand China's possible actions and regional responses. The findings were published as a four-part series in ASPI's *The Strategist* in April 2026.[116]

The following analysis explores what future scenarios in the Southwest Pacific, Indian Ocean and around Australia could look like.

5.1: China's future in the Southwest Pacific

2031

By 2031, China's engagement is likely to focus on building access and influence through security cooperation, infrastructure development and more regularised presence. Port visits, training programs and maritime enforcement cooperation will be likely to increase. Those activities will seek to create the conditions for more consistent access, including pre-positioned logistics and rotational deployments.

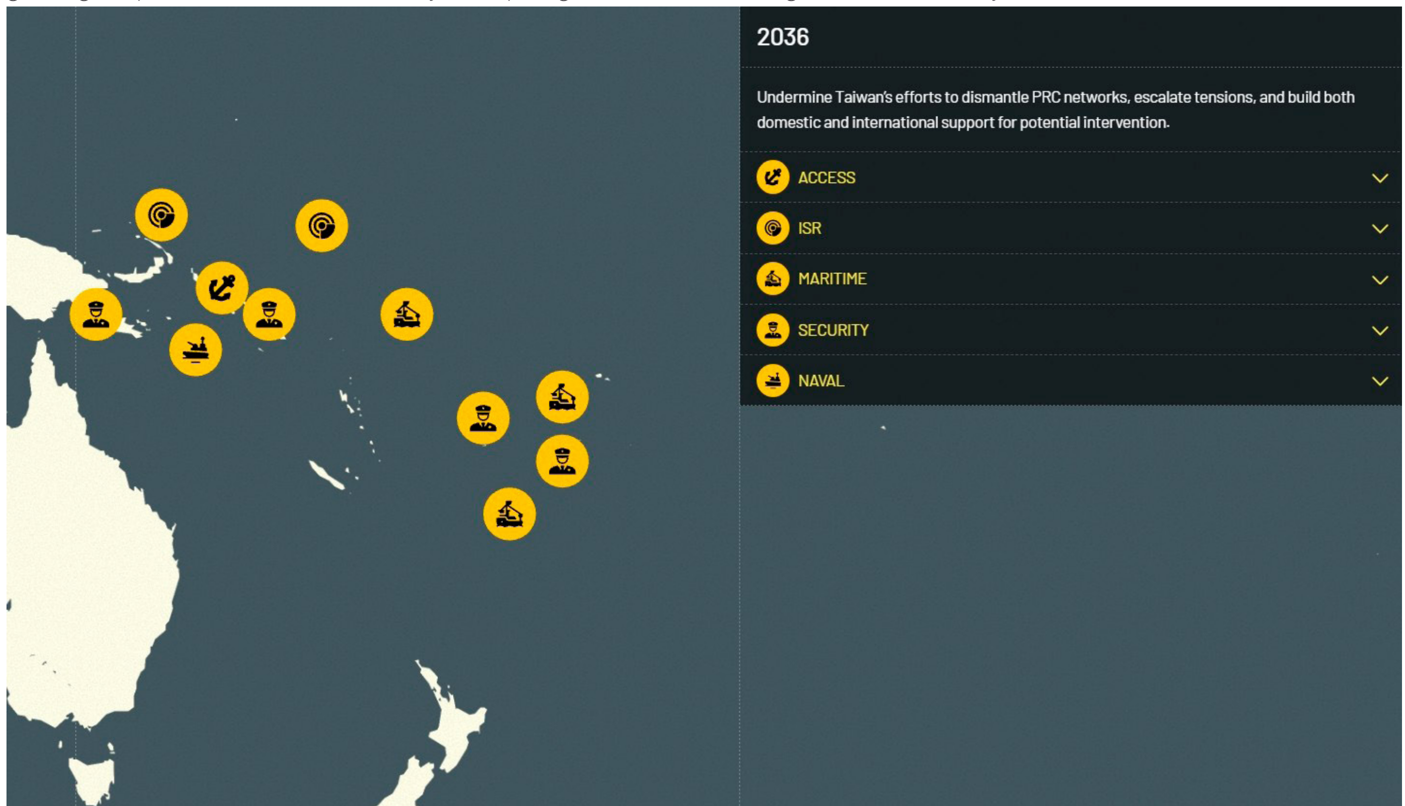


For the interactive maps, access ASPI's Pressure Points online.

- Access: China pushes for dual-use port access in friendly states, enabling rotational naval presence without establishing a permanent military footprint.
- Logistics: China supports infrastructure development while securing limited logistics and resupply access across key regional locations.
- Maritime: China normalises maritime militia presence under the guise of fishing activity across regional fisheries zones.
- Security: China expands defence, CCG and policing cooperation, increasing its security engagement footprint across the region.
- Naval: China increases naval transits and presence operations to establish familiarity and signal its growing regional reach.

2036

By 2036, China is likely to have translated years of engagement into a more entrenched regional presence. Expanded logistics access, security partnerships and surveillance networks would support longer-duration operations and improved situational awareness. Beijing's growing footprint would increase its ability to shape regional decision-making and sustain military activities across the Southwest Pacific.

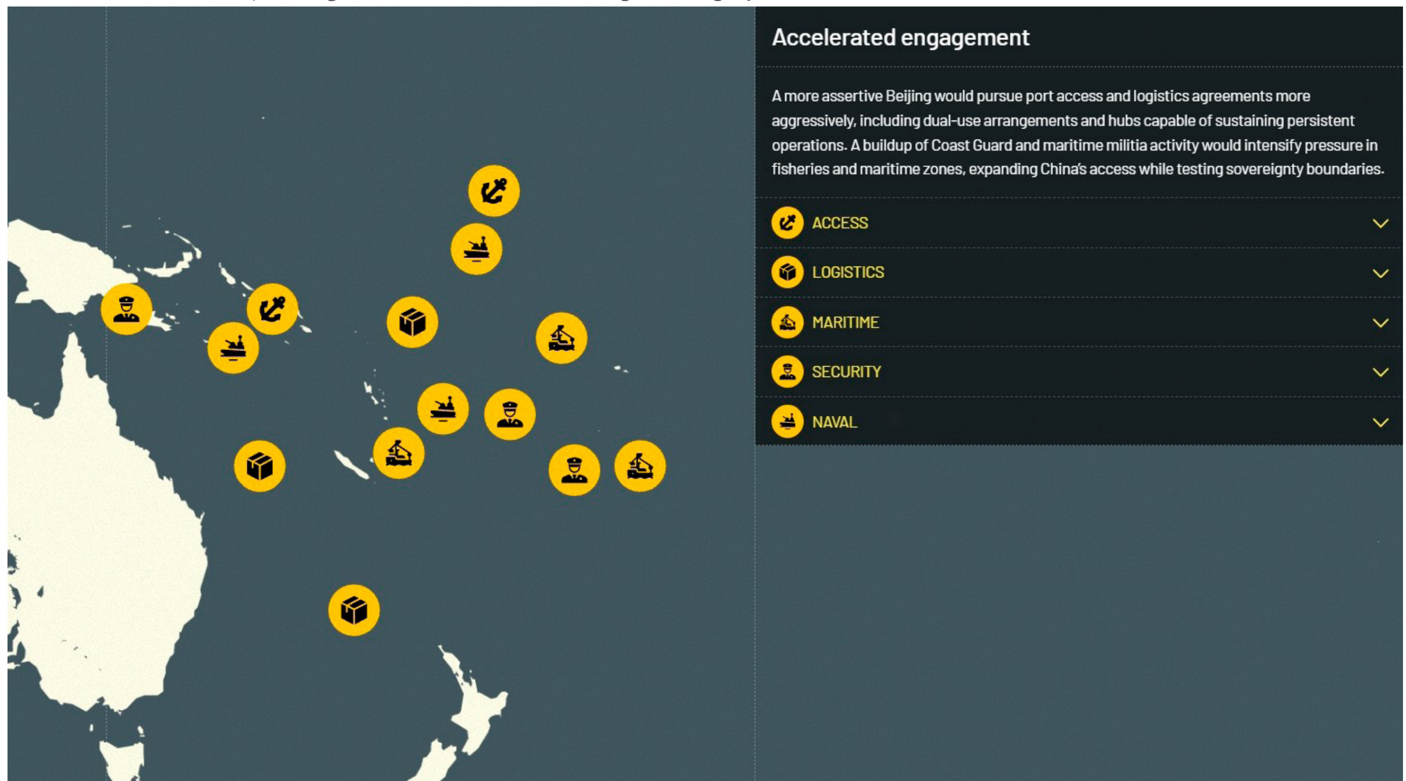


For the interactive maps, access ASPI's Pressure Points online.

- Access: China develops access into a semi-permanent sustainment hub, enabling more regular and longer deployments.
- Intelligence, surveillance and reconnaissance (ISR): China expands ISR capabilities across key sea lanes, improving maritime domain awareness.
- Maritime: China coordinates its maritime militia and fishing fleets to apply pressure in contested zones and reinforce its presence.
- Security: China deepens its security footprint, expanding training and advisory roles to strengthen influence over local institutions.
- Naval: China maintains a more regular naval presence near regional sea lanes, supporting sustained operations.

Accelerated engagement

A more assertive Beijing would pursue port access and logistics agreements more aggressively, including dual-use arrangements and hubs capable of sustaining persistent operations. A buildup of CCG and maritime militia activity would intensify pressure in fisheries and maritime zones, expanding China's access while testing sovereignty boundaries.



For the interactive maps, access ASPI's Pressure Points online.

- Access: China fast-tracks port access agreements across multiple states, rapidly expanding options for naval access and sustainment.
- Logistics: China seeks to accelerate logistics and infrastructure arrangements.
- Maritime: China rapidly expands maritime militia and CCG activity, increasing pressure across fisheries and maritime zones.
- Security: China intensifies security engagement, pressing partners to accept expanded defence and policing cooperation.
- Naval: China increases naval deployments and port visits, demonstrating persistent presence and testing regional responses.

5.2: China's future in the Indian Ocean

2031

Out to 2031, China's approach will continue to focus on sea lines of communication. A network of port-access arrangements, logistics hubs and strategic partnerships could gradually emerge, from Djibouti to Pakistan and potentially beyond. Those facilities would provide the foundation for sustained naval operations and over time, a more enduring military footprint.

For the interactive maps, access ASPI's Pressure Points online.

- Access: China incrementally expands its military base in Djibouti, increasing its capacity to support a broader range of naval and support operations.
- Logistics: China expands logistics and resupply access through commercial ports, enabling more regular naval presence without permanent basing.
- Naval: China evolves anti-piracy deployments into a more routine and visible naval presence across the northern Indian Ocean.
- Security: China expands its security cooperation footprint, including training and internal-security engagement with regional partners.
- ISR: China increases survey, research and presence missions near key sea lanes and strategic choke-points.

2036

By 2036, China will continue to focus on developing ports and other maritime dual-use facilities as it seeks to accelerate the development of its global naval footprint. Beijing is likely to expand its influence and presence through port visits, joint exercises and training programs, and sale of maritime platforms.

For the interactive maps, access ASPI's Pressure Points online.

- Access: China develops its Djibouti base into a more capable multidomain hub supporting sustained naval and joint operations.
- Logistics: China pushes for more regularised naval access, enabling persistent use of regional ports for logistics and sustainment.
- Naval: China expands its naval presence into more consistent deployments across key sea lanes and operational areas.
- Subsurface: China conducts more frequent submarine patrols, particularly around critical maritime choke-points and transit routes.
- Security: Increased signalling, exercises and presence operations contribute to a more contested and complex operating environment.

Accelerated engagement

Accelerated Chinese naval activity would focus on key sea lanes and choke-points. The expansion of China's base in Djibouti, alongside greater access to ports in Sri Lanka and Pakistan, would support a more persistent presence. That would increase operational proximity with India, Australia and other regional actors.

For the interactive maps, access ASPI's Pressure Points online.

- Access: China rapidly expands Djibouti into a major operational hub capable of supporting sustained, high-tempo naval and joint operations.
- Logistics: China secures expanded and faster access to regional ports, forming an integrated logistics network for continuous deployments.
- Naval: Naval task groups operate at higher tempo and frequency, demonstrating persistent presence across critical maritime corridors.
- Subsurface: Submarine deployments increase in scale and tempo, extending into key operational areas and strategic transit routes.
- Security: More assertive signalling, exercises and grey-zone activity test regional responses and increase the risk of miscalculation.

5.3: China's future around Australia and New Zealand

2031

China's emphasis out to 2031 is likely to be less on access and more on operational familiarity and signalling. Naval task groups, intelligence-collection vessels and survey ships are likely to operate with increasing frequency in waters close to Australia's north and west. Those deployments allow Beijing to map seabed infrastructure, monitor communications routes and better understand Australian and allied responses.

For the interactive maps, access ASPI's Pressure Points online.

- ISR: China increases surveillance off Australia's North West Shelf, around key military installations and energy infrastructure.
- Subsurface: China uses research vessels to expand seabed mapping and hydrographic data collection.
- Naval: China regularises transits of naval task groups to demonstrate its reach and to test Australian responses.
- Monitoring: China deploys intelligence vessels to monitor major allied exercises and assess response patterns.

2036

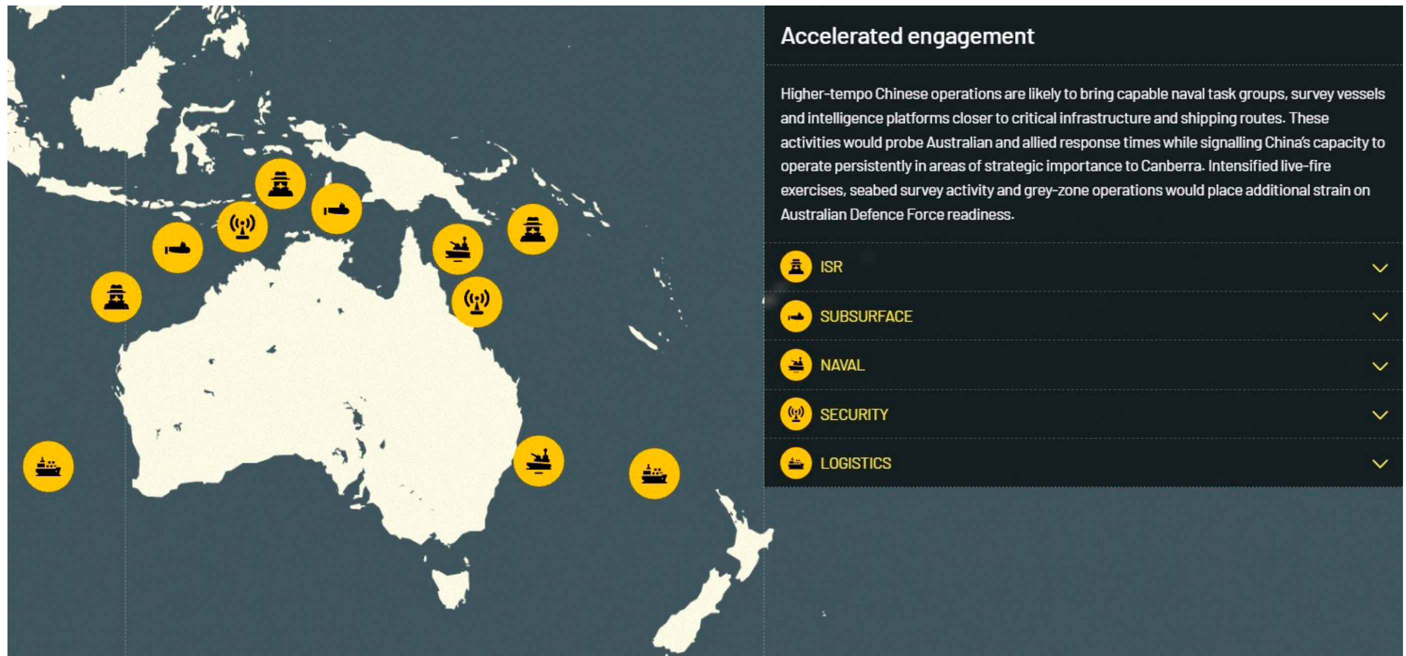
By 2036, China is likely to have a navy capable of operating simultaneously in the Indian and Pacific oceans, with elements of coercive diplomacy in play in both those maritime spaces, restricting others' manoeuvrability. Over the next 10 years, China could be operating its nuclear attack submarines in those regions, posing a serious challenge to US power projection in the Indo-Pacific.

For the interactive maps, access ASPI's Pressure Points online.

- ISR: China establishes near-continuous surveillance coverage across northern Australia and the surrounding maritime approaches.
- Subsurface: Submarine activity extends beyond the Indonesian archipelago alongside systematic mapping of seabed infrastructure.
- Naval: PLAN task groups operate more frequently and closer to Australia, including near key population and logistics hubs, signalling capability and testing response.
- Security: Grey-zone activity introduces persistent non-kinetic pressure below the threshold of conflict.
- Logistics: Improved logistics access allows longer deployments.

Accelerated engagement

Higher tempo Chinese operations are likely to bring capable naval task groups, survey vessels and intelligence platforms closer to critical infrastructure and shipping routes. Those activities would probe Australian and allied response times while signalling China's capacity to operate persistently in areas of strategic importance to Canberra. Intensified live-fire exercises, seabed survey activity and grey-zone operations would place additional strain on ADF readiness.



For the interactive maps, access ASPI's Pressure Points online.

- ISR: Higher tempo surveillance operations create near-continuous coverage of northern Australia, critical infrastructure and key maritime approaches.
- Subsurface: Submarine and survey activity intensifies, including seabed mapping and operations closer to sensitive undersea infrastructure.
- Naval: Capable naval task groups operate more frequently and at closer range, probing response times and signalling persistent operational reach.
- Security: Expanded grey-zone activity, including electronic interference and presence operations, increases pressure below the threshold of conflict.
- Logistics: Improved logistics access enables sustained deployments, allowing China's military forces to maintain a continuous presence.

Chapter 6: Implications, threats and opportunities

6.1: Implications of China's expanding presence

China's expanding defence and security engagement beyond the First Island Chain isn't defined by abrupt shifts or overt confrontation. Its significance lies instead in the steady accumulation of presence and access across the Southwest Pacific, Australia's maritime approaches and the Indian Ocean. Over time, that accumulation will continue to reshape the strategic environment in ways that will be difficult to reverse.

That approach reflects a broader strategic objective: to weaken the position of the US and its partners and to shape a regional order that's more accommodating of China's interests. Defence and security engagement is a central instrument in that effort. It's used to build access, apply pressure and over time, shape the rules, norms and behaviours that govern regional security. Several important implications stand out.

A more persistent and contested operating environment

Across all three regions, China's activity is becoming more regular, more capable and more geographically distributed. Naval task groups, CCG vessels, research platforms and maritime militia assets are increasingly operating alongside regional and partner forces.

The result is a denser operating environment. Encounters that were once rare are becoming routine. Surveillance, shadowing and signalling activities are no longer exceptional, but are becoming part of the baseline. That reduces warning time, increases the complexity of day-to-day operations and raises the risk of miscalculation.

Shifting norms through grey-zone actions

China's approach relies on operating below the threshold of conflict. Activities such as seabed mapping, intelligence collection and live-fire exercises are lawful, but strategically purposeful. Individually, they're difficult to contest. Collectively, they normalise China's presence, help to build Beijing's understanding and seek to shape regional environments. Over time, they also raise the threshold for response, as actions that might once have triggered concern risk becoming accepted as routine. Such activities place pressure on military readiness and stretch the ability of states to respond.

China's approach to grey zone is not unconstrained. Where shaping activities are resisted or prove insufficient, they can be reinforced by more overt demonstrations of hard power. China's behaviour around Taiwan and in the South China Sea illustrates how pressure can intensify, from persistent grey-zone activity to more coercive military actions. Those dynamics offer a warning for regions further afield and underscore how China's actions seek to gradually reshape regional rules and norms in ways that favour its interests.

Erosion of geographical advantage

Australia and the Southwest Pacific have long benefited from distance as a strategic buffer. China's expanding military and security presence is eroding that advantage. More frequent naval deployments and increased submarine activity beyond Southeast Asia, combined with persistent surveillance of maritime approaches, will reduce the protective effect of geography. The PLAN's emergence as a capable bluewater navy enables Beijing to project power into areas that were previously beyond its sustained reach.

That presence carries a psychological dimension. China's live-fire exercises and visible operations around Australia signal both capability and intent, shaping perceptions of regional power and creating a sense of proximity that didn't previously exist. They're designed in part to influence domestic debates, pressing countries to weigh economic engagement with Beijing against resisting its regional advances. Diverging approaches to managing China can complicate coordination among allies and partners, contributing to the fragmentation of collective regional security responses.

Greater pressure on regional states

PICs and Indian Ocean countries are central to this evolving environment. China's engagement offers economic and security benefits but also introduces new strategic pressures. Many regional states will continue to hedge, seeking to maximise opportunity while avoiding alignment. However, as China's presence deepens, the space for manoeuvre will narrow. The risk isn't uniform alignment, but possible fragmentation, as states adopt diverging approaches to external partners and security relationships.

Taken together, those trends point to a gradual but consequential shift. China isn't seeking immediate dominance across the Indo-Pacific. It's shaping the environment so that its increasing presence is normalised, its access is expected, and its influence is embedded. This is strategic competition measured in years, not moments. Its effect is unlikely to be defined by a single crisis, but by the steady reconfiguration of regional security dynamics, and by the progressive adjustment of rules, norms and behaviours in ways that advantage China over time.

6.2: Worst-case scenario—a Chinese base

China's defence and security engagement in the Indo-Pacific has so far focused on the accumulation of presence and influence without overt confrontation. But establishing a permanent or semi-permanent base in the Southwest Pacific or another base in the Indian Ocean (in addition to Djibouti) would represent a significant escalation in its ability to project power and exert greater influence in those regions. While such bases aren't inevitable, their potential strategic implications are profound.

A base in Solomon Islands, Sri Lanka or another strategically located state would give China a platform to extend its naval, air and logistical reach far beyond what's currently achievable. It would allow China's forces to operate closer to Australia's maritime approaches, the broader Southwest Pacific and key shipping lanes in the Indian Ocean. The presence of a base would also create a precedent, encouraging China to seek multiple access points or facilities across the region. Further impacts include those listed below.

Enhanced power projection

A base could support longer-duration naval patrols, forward-deployed ships or submarines and the rapid replenishment of surface vessels. It could also support China's air operations, maritime surveillance and intelligence collection, increasing the tempo and reach of China's grey-zone and coercive operations.

The scope of a base could range from a logistics hub to a full military installation similar to China's facility in Djibouti. Critically, such bases would allow bluewater naval operations to become persistent rather than periodic. Access to ports and airfields would provide logistical depth and redundancy, giving China a reason to deploy more military and security assets to the region. In the long term, those facilities would expand China's capacity to project both hard and soft power across the Southwest Pacific, the Indian Ocean and around Australia and New Zealand.

Information advantage and pre-positioning

Beyond physical presence, overseas bases would enhance China's information and decision-making advantage. Continuous access to regional operational environments improves intelligence collection, situational awareness and operational planning. Pre-positioned materiel and infrastructure enable the rapid expansion of operations in response to crises, ranging from natural disasters to regional conflicts.

Even absent conflict or crises, the presence of a base would mean China operating military assets far closer to other nations than ever before. Regional states would be required to significantly adjust their military posture and planning—a costly endeavour for any state.

Psychological impact

Bases carry a powerful psychological and signalling effect. China's basing in proximate locations would increase fear and influence domestic debates. It would reinforce perceptions that any confrontation with China would carry significant cost and would support Beijing's hollow narrative about China's 'inevitable' rise. That would increase pressure on states to prioritise economic engagement rather than contest Beijing's challenge to the regional order.

That dynamic could also create tension within regional alliances and frameworks. Divergent national priorities (economic versus security) may weaken collective responses and gradually fragment regional security arrangements even without overt coercion.

Challenging regional rules and norms

A base would also expand China's ability to shape regional rules, norms and institutions over time. Operating from abroad would allow China to more actively challenge existing maritime rules and freedom-of-navigation principles—a pattern already evident in the East and South China seas. Gradually, such operations could normalise activities previously viewed as provocative, providing China with both leverage and legitimacy for more assertive actions that advance its strategic interests.

Implications during crisis and conflict

A fully operational base represents a force multiplier in the event of a regional crisis or conflict. China's naval, air and potentially space assets could be deployed in advance, enabling options for coercion, surveillance and rapid escalation that were previously unavailable. For countries like Australia, that compresses response timelines and necessitates fundamental adjustments to force posture, including forward presence, surveillance and defence planning.

The presence of a base would also exert strategic pressure, discouraging involvement in conflicts or constraining options for hosting allied forces.

Finally, the combination of forward basing, pre-positioned assets and higher tempo operations amplifies the risks of miscalculation or unintended escalation, while providing China with a strategic lever to influence regional decision-making even in the absence of conflict.

Conclusion

US regional bases or rotational deployments don't provide a model for what countries should expect from a permanent presence by China. As *Pressure Points* highlights, Beijing's strategic behaviour and intent differ fundamentally from those of the US. China's continued use of military coercion should serve as a cautionary tale for the broader Indo-Pacific.

China's approach to securing a permanent presence is cumulative: it seeks to shape regional norms, build presence and apply sustained pressure. Those dynamics are difficult to counter effectively, either individually or collectively. This amplifies the importance of forward planning, intelligence collection and coordinated action among regional partners.

Overseas bases aren't inevitable, but their potential implications underscore the strategic stakes of China's gradual expansion. Even a single installation could profoundly affect regional security, operational planning and strategic posture.

6.3: Opportunities

China's expanding presence presents clear challenges. It also creates opportunities for Australia and its partners to shape the regional environment, strengthen relationships and reinforce resilience. Those opportunities aren't about confronting China directly, but about shaping the environment in which it operates. They're about strengthening the ability of regional states to make sovereign choices, raising the costs of coercion and ensuring that no single power can dominate the Indo-Pacific.

This reflects a broader reality: competition with China will be enduring. The task isn't to avoid competition but to manage it over the long term. Australia's approach in recent years has increasingly reflected that logic. While pursuing a policy of stabilisation with Beijing, senior ministers have also openly acknowledged the reality of strategic competition and the need to strengthen deterrence, deepen regional partnerships and build collective resilience. For Australia and its partners, that requires a sustained strategy of engagement, coordination and investment across multiple domains.

Strengthening regional partnerships

Demand for security cooperation across the Indo-Pacific is growing. PICs, Southeast Asian states and Indian Ocean partners are seeking support to manage maritime security, protect sovereignty and build resilience. Most aren't looking to align with China, but to preserve their agency and expand their options.

Australia and its partners have increasingly responded to that demand through expanded security cooperation, capacity-building initiatives and deeper regional engagement. Those efforts provide a strong foundation for like-minded powers, including regional littoral states, to further strengthen a regional order that's rules-based, non-hegemonic and stable.

But sustaining and expanding those partnerships will be essential to ensure that regional states retain the ability to make sovereign choices free from coercion. In the face of rapid change, middle powers will need to be bold and work together in flexible and reinforcing ways.

Expanding maritime domain awareness, supporting regional policing and coastguard capabilities and deepening defence cooperation will be central to those efforts. Australia, Japan, India and other partners are already investing in many of those areas, but there remains significant scope to build greater capacity and coordination across the region. Such efforts are most effective when framed as supporting sovereignty and regional priorities, rather than as elements of strategic competition.

Defence and security cooperation should also be closely coordinated with other assistance packages. China doesn't wield influence through security means alone. Ensuring that defence and diplomatic efforts are mutually reinforcing will be critical to strengthening regional resilience and helping Indo-Pacific states navigate intensifying strategic competition on their own terms.

Strengthening regional frameworks

China's expanding presence is prompting greater alignment among regional states. Shared concerns about maritime security, sovereignty and stability are creating new opportunities to strengthen regional frameworks and expand multilateral cooperation.

There's a unique opportunity to build a more networked regional architecture—one that deepens cooperation and strengthens regional agency. Minilateral groupings, issue-based coalitions and flexible coordination mechanisms can complement formal institutions, allowing partners to align where their interests converge.

For Australia, that means continuing efforts that deepen engagement with Southeast Asia and Pacific as well as Indian Ocean partners in ways that reinforce regional institutions rather than bypass them. Supporting the resilience and effectiveness of those institutions, particularly in areas such as maritime governance, legal frameworks and crisis response, will be important.

Enhancing presence, access and denial

A more contested environment increases the value of presence. Regular military deployments, joint exercises and coordinated operations build familiarity, strengthen partnerships and demonstrate commitment. For Australia, that includes strengthening its surveillance posture, increasing naval and air activity and expanding access arrangements with regional partners.

However, presence alone is insufficient. The strategic effect of military activity lies in the combination of presence, access and denial. Access agreements, logistics networks and forward operating arrangements enable sustained operations, while the ability to constrain adversaries' freedom of action reinforces deterrence.

Interoperability between partners, such as Australia, Japan, India and the US, remains a central priority. Such efforts do more than signal capability. They shape operational realities, improve the ability to operate in complex environments and contribute to a balance in which coercive actions become more difficult and costly.

Investing in resilience

China's grey-zone activities highlight vulnerabilities in infrastructure, supply chains and information systems. Addressing those vulnerabilities is both a defensive necessity and a strategic opportunity.

Resilience must be understood broadly. It includes not only undersea cables, energy flows and critical infrastructure, but also governance frameworks, legal systems and information environments that are resistant to external pressure. Strengthening those systems reduces exposure to coercion while reinforcing national sovereignty.

This isn't solely a domestic task. Supporting resilience in regional states, through capacity building, technical assistance and institutional partnerships, can build trust and reinforce stability across the Indo-Pacific. Effective competition will require integrating defence and security efforts with economic, technological and informational tools.

Security has never been solely about the military domain. A comprehensive understanding of national security must encompass the full range of government activity and national capability, from infrastructure investment and development assistance to digital standards, economic resilience and secure supply chains. Building resilience across those domains strengthens the capacity of states to withstand coercion and make sovereign decisions in an increasingly contested strategic environment.

Competing through economic and technological statecraft

China's influence is also shaped by its role in infrastructure development, technology ecosystems and regional economies. Those domains create long-term patterns of dependence that can translate into strategic leverage and, in some cases, create conditions that support Beijing's future security and military objectives.

Australia and its partners have increasingly recognised the importance of such domains. Initiatives such as the Australian Infrastructure Financing Facility for the Pacific, alongside growing cooperation with Japan, the US and other partners on infrastructure financing, digital connectivity and economic resilience, demonstrate an expanding effort to provide credible alternatives. Those initiatives help to shape the strategic environment over the long term. Building public understanding of why infrastructure financing, economic resilience and technology partnerships matter is therefore an important part of strategic competition. Those investments aren't simply development projects; they're instruments for supporting sovereignty, strengthening resilience and preserving a regional order in which states retain the freedom to make their own choices.

Shaping regional norms

As China's activities become more persistent, the importance of norms and rules increases. Upholding freedom of navigation, transparency in security agreements and respect for sovereignty will be central to maintaining stability.

However, norms aren't self-sustaining. They must be reinforced through consistent practice, sustained presence and, where necessary, collective pushback. Australia and its partners already play an important role through active diplomacy, support for international law, freedom-of-navigation activities, regional institutions and practical cooperation. Those efforts help to preserve the conditions that have underpinned regional stability for decades, ensuring that disputes are managed peacefully, sovereignty is respected and no single power can unilaterally dictate the rules of the region.

Supporting organisations such as the Pacific Islands Forum, and deepening engagement with Southeast Asian and Indian Ocean partners, will be critical to ensuring that regional norms remain relevant and resilient in a more contested environment. Building public understanding of why those efforts matter is also important. Investments in diplomacy, regional institutions and international partnerships can sometimes appear less tangible than defence spending or infrastructure projects, but they play a vital role in shaping the strategic environment, strengthening regional agency and reducing opportunities for coercion.

Conclusion

China’s presence is growing, but its impact isn’t predetermined. The regional environment will be shaped by how states respond. For Australia and its partners, that requires sustained engagement, clear priorities and a willingness to compete across security, economic and political domains.

The objective isn’t to exclude China, but to ensure that its growing presence doesn’t translate into dominance. That will require managing long-term strategic competition, strengthening resilience, building coalitions and reinforcing a regional order in which all states retain the ability to make independent choices.

In this context, competition and cooperation aren’t mutually exclusive. Managing both, simultaneously and over time, will define the rest of the Indo-Pacific century.

Acronyms and abbreviations

ADF	Australian Defence Force
CCG	China Coast Guard
CCP	Chinese Communist Party
GSI	Global Security Initiative
IFC-IOR	Information Fusion Centre – Indian Ocean Region
HADR	humanitarian assistance and disaster relief
IOR	Indian Ocean region
IPMDA	Indo-Pacific Partnership for Maritime Domain Awareness
ISR	intelligence, surveillance and reconnaissance
PAP	People's Armed Police
PICs	Pacific island countries
PLA	People's Liberation Army
PLAN	PLA Navy
PNG	Papua New Guinea
PSCs	private security companies
SAGAR	Security and Growth for All in the Region

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