
Hegemonic Disputes in the Indo-Pacific and their Impact on Peru

Humberto Martinez Mujica

Summary

This article analyzes the situation of instability in the Indo-Pacific, caused by the hegemonic disputes between the United States and the People's Republic of China, as well as the latter with Malaysia, the Philippines, Taiwan, Vietnam, Brunei and Japan, over maritime territories claimed by each of the parties. Likewise, it analyzes how this scenario affects the maritime communication lines of Peru, which flow from its coasts to the main ports of Southeast Asia, taking into account that these concentrate most of the Peruvian trade routes. In order to deal with this situation, Peru's naval capabilities must be strengthened to have a fleet of warships that can withstand a prolonged stay at sea and stabilize maritime areas in case of conflict, as part of a powerful multinational Peacekeeping force that supports the foreign policy of the Peruvian State.

Palabras Clave: Indo-Pacific, Hegemonic Disputes, Foreign Trade, Peru.

Introduction

The Indo-Pacific region accounts for almost half of the world's gross domestic product (global GDP). Most of the Peruvian trade routes flow through this region, through the corresponding maritime communication lines (LLCCMMs).¹ In the Asia-Pacific basin, the current superpowers cohabit, the United States (USA) and the People's Republic of China (PRC), and other relevant powers such as Japan, Australia, South Korea and India. However, while this region offers many opportunities for trade and economic development to coastal countries, the coasts of Southeast Asia witness the disputes of hegemonic countries to prevail as the most influential power in that strategic region.²

Both superpowers (the US and the PRC) have designed their own strategies to increase their power and control in this area. The PRC has maritime territorial disputes in the South China Sea (MSC) with Malaysia, the Philippines, Taiwan, Vietnam, Brunei and Japan,³ with this region being the destination of a significant part of Peruvian exports. Therefore, it is sensitive to Peruvian interests how security in the Indo-Pacific Sea can be affected by the geopolitical crises that arise due to the constant friction between the actors present there. In this sense, what is analyzed in this article is of significant importance because it deals with security in the fluidity of Peruvian foreign trade.⁴

There is also piracy activity off the Somali and Indian coasts in the region.⁵ Both the hegemonic dispute of the two superpowers and the territorial disputes of the PRC with its neighboring countries could become a high-intensity conflict, which would affect the arrival of Peruvian exports to the countries of Asia and the Pacific. Therefore, this situation makes it necessary to develop a strategy to deal with this possibility, in order to stabilize the disputed areas and project military forces in the conflict zones, as part of a multinational peacekeeping force.⁶

According to the Foreign Trade Association of Peru (COMEX), Peru's trade with Asian markets is very important for the national trade balance, having a sustained growth trend,⁷ so the disputed areas of the MSC and the LLCCMM that flow through this important strategic area are key to national interests. In that sense, it should be taken into account that Callao is the main Peruvian port, from where exports to Asian markets flow. Likewise, it should be considered that the port of Chancay will surpass Callao in capacities and infrastructure in the medium term, so that the central region of the country will be consolidated as a concentrator of maritime trade from the South American Pacific to the Asian continent.

In this context, the Peruvian Navy (MGP) makes efforts to continue promoting its relations and raise its level of interoperability with the coastal navies of the Indo-Pacific. However, greater resources are needed to support the institutional effort in international cooperation and maritime security in that strategic region.

Geopolitical Context: Hegemonic Disputes

Despite the US Navy's unchallenged global hegemony, there is growing US concern about the rapid rise of emerging powers, such as the PRC. Mainly because it represents a serious challenge to the ability of the US to exert control and influence in the main LLCCMMs, as well as to project naval power on land in its Zones of Interest.⁸ In this regard, the International Monetary Fund points out that in 2014, the PRC exceeded the US in Gross Domestic Product and Purchasing Power Parity. Also, according to the projections of this international organization, the PRC will continue to grow steadily, in the face of an economic decline of the US and the European Union towards the year 2050. In the military field, between 1992 and 2017, the PRC has also increased its defense spending by approximately 800 %, ⁹ steadily closing the gap from the US.

More than 90 % of global trade is conducted by sea, while various LLCCMMs (both general cargo and energy transport) flow from the Persian Gulf through the South China Sea. Specifically, the MSC mobilizes 30 % of world maritime trade. This situation makes this area vital for the trade of the US and its allies, but also for the PRC since through the LLCCMMs that flow through the Strait of Malacca their trade and energy resources, essential for their economic growth, are transported.¹⁰

Also, since the mid-1990s, the PRC has initiated a naval modernization plan, transforming it into a much more up-to-date and capable Navy, which has allowed it to conduct a greater number of operations both in that area and in the vicinity of the Indian Ocean, the Middle East and Europe. Likewise, the PRC has developed a sustained shipbuilding program that makes it have the largest fleet in the world, listing a total of 360 ships compared to the 297 of the US Navy.¹¹

The PRC's shipbuilding designs and developments are providing it with ships with a similar level of technology and armament to that of its Western counterparts. The development of weapon systems includes new families of anti-ship missiles, such as ballistic missiles (ASBM) with a range of up to 4,000 kilometers, anti-ship cruise missiles (ASCM) with a range of up to 1,500 kilometers (some models having supersonic speed), drones (surface, submarine and air), as well as sophisticated C4ISR systems. (command, control, communications, computers, intelligence, surveillance and reconnaissance). Undoubtedly, the ASBM and ASCM constitute a direct threat to the naval forces of the US and its allies and can be used to deny these naval forces access to their areas of influence and control. These weapon systems are deployed at launch sites located in coastal areas, but also aboard surface, submarine and air units. Therefore, these systems are intended to deter opposing navies from attempting to project their forces into the area or into coastal areas, in the event of crisis or conflict.¹²

Additionally, in the vicinity of the Strait of Hormuz, where one of the main energy transport LLCCMMs flows, Iran has been deploying weapon systems in its coastal areas that could compromise the freedom of transit of oil and gas vessels in the event of conflict or crisis, a situation that would seriously affect the interests of the US and its allies. Russia has been doing the same in its areas of strategic interest, such as the Black Sea, the Caspian Sea and the Syrian coastal territory.¹³

Maritime Territorial Disputes

The PRC, already knowing itself to be a new superpower, claims for itself a growing presence and influence in those areas that it considers vital and strategic for the maintenance of its economy and industry. This has been materializing with its territorial claim over a large maritime space in the so-called MSC, an area that is also the center of claims of six other coastal States. In this area, the PRC makes its power felt through the increase of its naval presence and the construction of artificial islands. On these islands, the PRC has been installing naval bases and military airfields, as well as weapons systems that allow it to project its military power on this maritime trade route, which collides with the desire of the United States to maintain free maritime transport and ensure its freedom of navigation and influence in this strategic area.¹⁴

In this regard, some of the disputed islands and reefs are: the Paracel Islands (claimed by China and Vietnam, but occupied by China), the Spratly Islands

(claimed by China, Taiwan and Vietnam, and – partially – by the Philippines, Malaysia and Brunei, but occupied by all these countries except Brunei), the Scarborough Reefs (claimed by China, Taiwan and the Philippines, but controlled by China since 2012), and the Senkaku Islands (claimed by China, Taiwan and Japan, but managed by Japan).¹⁵

Anti-Access / Area Denial Strategy

According to US strategists, the PRC, in its attempt to deny its adversaries freedom of movement on the battlefield, has drawn up the Anti-Access/Area Denial (A2/AD) Strategy. For enemy anti-access in the area of operations, the Chinese plan to employ combat aircraft, warships, ballistic missiles and specialized cruisers to attack key targets. Area denial is the action of denying the enemy his freedom of action in areas under friendly control, employing defensive means, such as air and sea defense systems. This A2/D2 strategy being developed by the PRC, Russia and Iran, poses a serious challenge to the US Naval Forces and its allies, in their effort to keep LLCCMMs open to navigation.

U.S. naval leaders openly express the danger of these new challenges and competitors in the oceans and maritime trade routes, whether at major international events (such as the 2015 *Surface Navy Association National Symposium*) or in the development of their maritime national security strategies and policies (such as the *A Cooperative Strategy for 21st Century Sea power* of 2015 and *"Advantage At Sea"* of 2020).¹⁶ The U.S. Navy's response to such challenges is the strategy proposed by its surface warfare community, called "Distributed Lethality" (LD), which consists of exercising maritime control over large areas of sea, where the LLCCMMs occur, using as many naval units as possible with a robust capacity of weapons, sensors and C4I systems against emerging powers that try to make their A2/D2 strategies effective.

Distributed Lethality

As described in the "U.S. Surface Force Strategy" of the year 2015: It seeks the challenge of sea control and the implementation of an LD as an organizational and operational principle to control the sea at will. The LD seeks to strengthen the defensive and offensive capabilities of the surface forces in order to carry out more effective offensive operations and defeat multiple aggressions. In this sense, the concept of LD would allow the control of the sea in a selected place. This would be achieved by increasing the individual offensive and defensive capabilities of each ship, employing them in dispersed formations over large geographical areas, thereby generating distributed fires.

LD differentiates the characteristics of both operational and tactical levels. At the tactical level, the LD increases the lethality of the unit and reduces the vulnerability of warships to detection and designation as targets. At the operational level, the LD employs ships as elements of offensive packages of adaptive forces that are

missional and capable of dispersed operations. Adaptive force packs allow commanders the ability to scale force capabilities depending on the level of the threat. This means of employment is designed for open battlefields and allows concealment and deception in order to inject uncertainty and complexity into the adversary's targeting effort.¹⁷

Importance of Southeast Asian Waters for Peru's Foreign Trade

The coasts of Peru are part of an ocean basin that extends from Patagonia to Alaska, and then projects to Oceania and Southeast Asia. The Pacific basin is home to the largest ocean extension on the planet and concentrates half of the world's population, including the main hegemonic powers (USA and China) and other relevant powers (Japan, South Korea, Taiwan, Hong Kong and Singapore), concentrating more than 40 % of the world's GDP. These conditions offer Peru enormous opportunities in the field of trade, placing an increasing volume of exports and boosting its growth and economic development. Peru has made important trade agreements, joining, for example, APEC (*Asian Pacific Economic Cooperation*). In the field of Defense, Peru is part of the Western Pacific Naval Symposium,¹⁸ actively participating, through the MGP, in the largest naval exercises in the world called Rim of the Pacific (RIMPAC), and promoting the relations of that armed institution with its peers in the Pacific basin.¹⁹

According to COMEX, 42 % of Peruvian exports went to China, India, South Korea and Japan. Likewise, exports to Asia-Pacific countries are steadily increasing, so the disputed areas of the MSC and the LLCCMM that flow through this important strategic area are of special importance for Peruvian interests.²⁰ It should be noted that four of the five countries in the world with which Peru exchanges the most trade belong to the Pacific basin. According to former Foreign Minister Óscar Maúrtua, trade between Peru and the other 20 APEC economies reached a record 58 billion dollars in 2018. Thus, APEC economies account for 64 % of Peru's total trade. In 2019, Peru's exports to APEC were around 29 billion dollars. On the other hand, imports in favor of the Peruvian State represented 65 %, equivalent to 26 billion dollars.²¹ Therefore, what happens in the Asia Pacific basin will directly impact Peru's economy and development.²²

According to the Ministry of Foreign Trade and Tourism, Peru's bilateral trade with APEC member states has been steadily increasing since Peru's entry into this important economic forum in 1998. Currently, Peru's main economic partners are China, and the United States, and South Korea, in that order. The trend is bullish, so there will be many more opportunities to expand market for primary and non-primary Peruvian products in that strategic region. Similarly, it may be mentioned that Peru's trade towards the Asian and Oceanian markets is influenced either by the LLCCMM.²³

In this context, MGP has six missile frigates to protect the LLCCMM on the high seas. However, due to their limited damage absorption capacity and autonomy, these frigates do not have sustained ocean navigation capabilities.²⁴ Although most of these frigates have recently been updated, their hulls and structures are aged, so it would not be advisable to deploy them in oceanic spaces far from the South American coast. In order to have surface units with sustained and reliable navigation capabilities in open and distant seas, it is necessary to replace them with new ships (larger size, displacement, fire capabilities and damage absorption), so that they can interoperate within a multinational naval force.

Non-Western View of China-US Hegemonic Disputes

The dispute between the US and the PRC is due to the fact that the former is threatened by the enormous power emerging from the latter, thus generating a situation called the "Thucydides Trap," alluding to the scenario where a new power emerges and disputes hegemony over the dominant power. This produces a series of frictions when the former tries to constrain the latter. In the case between the US and the PRC, there is a dispute over influence in the Indo-Pacific area, but also in areas of computer technology and telecommunications, biotechnology, among others. All these series of conflicts could turn into a war between the two superpowers, with unimaginable consequences, given the nuclear power of both.²⁵

In the context of hegemonic and territorial disputes in the Indo-Pacific region, both powers have developed their own strategies to deal with their security challenges and increase their political influence in the area. On the one hand, the PRC has deployed military bases and airports at strategic points of the so-called String of Pearls, and weapon systems capable of inflicting considerable damage on those opposing military forces that are projected in the area, as part of the so-called A2/AD strategy. On the other hand, the US has woven a series of political, commercial and military alliances, which seek to undermine Chinese influence and power in the disputed areas and in the focal points of the surrounding maritime trade, developing the so-called LD strategy. This context of continuous disputes increases tension in Southeast Asia, presenting a considerable risk of military conflict between the parties in fronts.

Since Peru's entry into APEC, the Indo-Pacific area has become relevant to Peru's foreign trade. The trend of Peruvian exports to Asian markets is markedly growing, with China, South Korea, Japan, Hong Kong and Taiwan being its main destinations. The Peruvian LLCCMM arrives at the main ports of these countries, crossing the South and East China Seas, areas involved in hegemonic and territorial disputes, which generate a climate of continuous instability and a permanent risk of conflict. This scenario jeopardizes the continued flow of Peruvian exports, as it could be halted or slowed down in the event of an armed conflict.

This situation forces Peru to have naval resources capable of being sent on peacekeeping missions in the maritime field, in order to contribute to a de-escalation of the conflict and to a subsequent stabilization of the areas affected by possible military confrontations, within the framework of a multinational maritime force mandated by the United Nations. However, the main surface units currently held by MGP do not have sufficient capacities for such naval operations. Therefore, the renewal of these surface units by new units must be promoted with the capacity to operate in oceanic spaces far from the coasts, equipped with weapons and sensors of current technology, and to deal with symmetric and asymmetric threats.

These new surface units will also make it possible to increase the levels of interoperability with the units of the countries bordering the Indo-Pacific, being able to work in a combined manner (with total normality and reliability) in the multinational exercises that are carried out in the area, such as RIMPAC or KOMODO (multinational exercise held annually in Indonesia's maritime domain), or as part of a multinational peacekeeping force.

Conclusions

The US LD Strategy arises as a response to the A2/D2 strategies of emerging powers, such as the PRC, in their eagerness to increase their presence and protect areas considered vital to their economy and geopolitical influence, as the growing Chinese naval and military deployment in the MSC and in the Indian Ocean could, in the event of crisis or conflict, compromise freedom of navigation and projection of American power. The sustained increase in the PRC's defense investment will favor the improvement of the capabilities of its weapons systems, both in range and in accuracy and power, increasing the number of new surface, submarine and air platforms, and presenting a serious challenge to the interests of the US and its allies in these areas, which could turn into an armed conflict.

Foreign trade with Asian markets has been expanding steadily for more than 20 years, being of vital importance the protection and security of the LLCCMM through which such trade flows. Given this context of instability and possible conflicts in the Indo-Pacific, and being an area of strategic interest, the Defense Sector must promote a shipbuilding program, considering the design and construction of surface units with offensive, defensive and oceanic navigation capabilities. These actions will make it possible to contribute significantly to the defense of national interests abroad.

About the Author

Captain of the Peruvian Navy and Bachelor of Maritime-Naval Sciences. He has completed the Basic Staff Program and the Command and General Staff Program at the Naval War College, as well as the Joint Command and Staff Program at the

Joint Armed Forces College. He has completed a master's degree in Development and National Defense at the Center for Higher National Studies – Graduate School.

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