

**Silk Cage Series - III**

**Corridors, Coasts, and  
Contestation: China's  
Influence Operations in the  
Bay of Bengal and the BCIM  
Space**

**Webinar Report**

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Institute for Security & Development Policy

Stockholm Center for South Asian and Indo-Pacific Affairs (SCSA-IPA)

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# LIST OF SPEAKERS



**Dr. Jessica C. Liao** is an Associate Professor of Asian Studies in the Department of National Security and Strategy at the U.S. Army War College and an Adjunct Professor at Georgetown University's Walsh School of Foreign Service. Previously, she served as an Associate Professor of Political Science at North Carolina State University (2016–2025). A former 2020–21 Wilson China Fellow, she also served as an Economic Development Specialist at the U.S. Embassy in Beijing, where her portfolio included China's relations with Africa, the Middle East, and Southeast Asia. She holds a Ph.D. in International Relations from the University of Southern California. Her research focuses on China's foreign policy and economic statecraft, U.S.-China relations, and China–Southeast Asia relations. The author's views expressed here are personal and do not reflect the official policy or position of the Department of the Army or any U.S. government entity.

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**Professor J Mohan Malik** teaches Strategic Studies at the UAE National Defence College, and is a Non-Resident Fellow at the NESAC Center for Strategic Studies, Washington, DC. Prior to joining the UAE National Defence College, he was Professor in Asian Security at the U.S. Defense Department's Asia-Pacific Center for Security Studies in Hawaii, and Director of Defence Studies Program at Deakin University, Australia. He specializes in great power politics, maritime security and the geopolitics of the Indo-Pacific region. Professor Malik is the author and editor of several books, including *Maritime Security in the Indo-Pacific* (Rowman & Littlefield, 2014), *China and India: Great Power Rivals* (Lynne Rienner Publishers, 2011), *Religious Radicalism and Security in South Asia* (APCSS, 2004), and *Australia's Security in the 21st Century* (Allen & Unwin, 1999).

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**Mr. Sanjay Pulipaka** is currently the Chairperson of the Politeia Research Foundation and an expert on Indo-Pacific geopolitics and India's foreign policy, with prior senior roles at leading Indian think tanks and fellowships at the University of Cambridge and under the Fulbright Program. He has published widely on geopolitics, connectivity projects, the Belt and Road Initiative (BRI), democracy, federalism, and international relations theory.



**Dr. Shahab E. Khan** is a Professor at the Department of International Relations at Jahangirnagar University, Dhaka, Bangladesh. His areas of expertise focus on Foreign Affairs, Defence, and Security, i.e., terrorism and extremism; Migration (particularly the Bay of Bengal region, Rohingya, and Northeast India); and energy. Furthermore, his regional focus includes Southeast and South Asia and the Indo-Pacific Region. Prof. Khan is currently supervising doctoral research focusing on Myanmar, security policy, countering violent extremism, and maritime affairs in the Indo-Pacific Region.

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**Ms. Su Myat Thwe** is a Visiting scientist at the Global South Studies Center and a PhD candidate in Social and Cultural Anthropology at the University of Cologne. Trained as a lawyer in Myanmar, she holds degrees in law and business administration, with professional experience in corporate communications and social responsibility. Her research focuses on displacement and refugee studies, marginalization and access to justice, and humanitarianism and educational equity in conflict settings. Her current doctoral research explores resilience and agency among displaced Myanmar youths in Thailand, focusing on education in borderlands..

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## Moderator



**Dr. Jagannath Panda** is the Head of the Stockholm Center for South Asian and Indo-Pacific Affairs (SCSA-IPA) at the Institute for Security and Development Policy (ISDP), Sweden. Dr. Panda is also a Professor at the Department of Regional and Global Studies at the University of Warsaw; and a Senior Fellow at The Hague Center for Strategic Studies in the Netherlands. As a senior expert on China, East Asia, and Indo-Pacific affairs, Prof. Panda has testified to the US-China Economic and Security Review Commission at the US Congress on 'China and South Asia'. He is the Series Editor for *Routledge Studies on Think Asia*.

# DISCUSSION

This webinar, the third in the Silk Cage Series, examined how China utilized the Bay of Bengal and the Bangladesh-China-India-Myanmar (BCIM) space to operationalize influence across South Asia and the northeastern Indian Ocean. As part of the Stockholm Center for South Asian and Indo-Pacific Affairs (SCSA-IPA) project, “The Silk Noose: China’s Power Architecture in South Asia and the Indian Ocean Region,” the discussion moved beyond infrastructure to explore how corridors and coasts functioned as strategic tools for reshaping regional order and autonomy. The entire webinar is available on [YouTube](#).

The Bay of Bengal occupies a critical position in China’s regional calculus, linking continental corridors to maritime routes and vital sea lines of communication. For Beijing, the region served as both a gateway and a buffer, providing access to maritime trade while establishing a strategic presence along India’s eastern seaboard. This overlapped with China’s interest in the BCIM corridor, which sought

to integrate southwestern China with eastern India, Bangladesh, and Myanmar.

The BCIM corridor is a proposed 2,800 km, multi-modal connectivity project aiming to link Kunming (China) with Kolkata (India) via Myanmar and Bangladesh. It seeks to boost trade, infrastructure development, and economic cooperation, fostering a “win-win” partnership between South and Southeast Asia. Although BCIM



was originally conceived for economic connectivity, it became strategically contested as India grew wary of China's expanding footprint. While the corridor stalled institutionally, China pursued its objectives through bilateral and minilateral pathways, embedding itself in ports, energy projects, and digital infrastructure. Unlike overt military expansion, China's approach relied on indirect mechanisms, pairing infrastructure financing with elite engagement and security cooperation to shape regional policy without formal alliances.

For India, this expanding presence presented a multidimensional challenge, blurring the boundaries between land and sea competition. China's outreach altered the strategic geometry of India's eastern neighborhood, raising urgent questions regarding deterrence and maritime domain awareness.

- The webinar addressed the following questions:
  - How does China integrate corridors like BCIM with its maritime strategy in the Bay of Bengal?
  - To what extent are China's engagements in the region economic initiatives versus influence operations?
  - How are the Bay of Bengal states managing opportunities and constraints arising from China's presence?
  - What are the implications of China's eastern outreach for India's maritime and neighbourhood security?



*“Chinese influence operates differently across national contexts while contributing to a broader regional pattern.*

*The Bay of Bengal thus emerges as a region where China capitalizes on political asymmetries and institutional gaps to build and sustain long-term strategic leverage.”*

*– Jagannath Panda*

- How should external actors respond to China's growing influence in the Bay of Bengal space?

**D**r. Jagannath Panda opened the session by outlining the focus of the webinar: China's influence operations in the Bay of Bengal and the BCIM (Bangladesh–China–India–Myanmar) Economic Corridor. He highlighted how China builds its long-term strategy toward the Indian Ocean through

these corridors and how it seeks to influence the countries along them, particularly the immediate Southeast Asian regions.

For external stakeholders such as the European Union, Japan, and the United States, China's activities in the Bay of Bengal highlight the limits of existing regional frameworks and the difficulty of offering credible alternatives to Chinese engagement. Competing connectivity and maritime initiatives exist but often lack the political embeddedness and sustained presence that characterize China's approach.

Another contested issue is regional agency and fragmentation. The Bay of Bengal states actively seek external investment to support development and diversification, yet they face uneven bargaining power vis-à-vis China. Bangladesh's balancing strategies, Myanmar's political volatility, and India's concerns over strategic encroachment illustrate how Chinese influence operates differently across national contexts while contributing to a broader regional pattern. The Bay of Bengal thus emerges as a region where China capitalizes on political asymmetries and institutional gaps to build and sustain long-term strategic leverage.

The first speaker, **Dr. Jessica C. Liao**, was asked how she understands China's inroads into the Indian Ocean region, particularly the Bay of Bengal, and China's strategies in using the BCIM Economic Corridor.

Starting the discussion, she outlined two main points: incremental, fragmented but adaptable and pragmatic bilateral engagement, and the real fear of debt in the region.

China's engagement with the Bay of Bengal has pivoted from a multilateral to a bilateral form, mainly for pragmatic reasons. The BCIM is a multilateral corridor connecting China's Yunnan province to eastern India, but it stalled due to India's concerns about economic asymmetry and broader geopolitical rivalry between the two countries. As a result, China began pivoting toward bilateral initiatives tailored to the "mutual interests" and domestic contexts of recipient countries.

China's economic engagement is not a one-size-fits-all approach; rather, it is highly tailored to specific countries. These engagements operate across a wide spectrum—from strategic to commercial interests. She noted that the implementation of these initiatives is largely driven by the fragmented interests of various Chinese actors, ranging from provincial governments and state-owned enterprises (SOEs) following state directives to private firms seeking business opportunities and attempting to turn political momentum

into individual interests.

For example, the Malacca dilemma, Beijing's strategic imperative to secure alternative maritime and energy routes, serves as an overarching strategic motivation. In practice, however, the implementation of economic engagements often looks quite different.

In Myanmar's case, large-scale, heavily securitized, and strategically significant projects such as the China–Myanmar Economic Corridor linking Yunnan to the Indian Ocean, as well as the oil and gas pipelines and the Kyaukphyu deep-sea port are often driven by business interests. As a result, they sometimes lack coordination and supervision from Beijing.

In contrast, China's engagements with Bangladesh are more commercially driven. For instance, Beijing pledged \$42 billion in investment to Dhaka for critical infrastructure projects such as an underwater tunnel.

More recently, Chinese textile and garment investments have shifted toward Bangladesh in order to establish a textile and garment industry ecosystem that benefits from lower tariffs and preferential EU customs treatment.

However, these economic initiatives may also have dual-use implications, as seen in the modernization of the Mongla port, which has subsequently hosted visits from Chinese naval fleets. Therefore, China's approach to bilateral relations can be described as incremental, fragmented,



***“Economic initiatives may also have dual-use implications, as seen in the modernization of the Mongla port in Bangladesh, which has subsequently hosted visits from Chinese naval fleets. China’s approach to bilateral relations is incremental, fragmented, but also pragmatic. They are constantly testing the water and interest from the US.”***

***– Jessica C. Liao***

but adaptable and pragmatic, constantly testing the waters and the level of interest from the United States and regional powers like India.

Another point noted by Dr. Liao is that although China's investments and engagements are rapidly expanding, Beijing's actual political influence in

these countries is often overestimated and complicated by domestic political dynamics and fluctuations of the host countries.

This is especially evident in Myanmar. Despite intensified fighting between the junta and ethnic armed groups, Beijing has maintained a pragmatic and dual engagement approach toward key actors. China bolsters the junta while also giving some direct or indirect support to ethnic armed groups to ensure the protection of specific Chinese interests.

However, as the speaker noted, China is not as monolithic or as powerful as it is often perceived to be. Some projects, such as the Myitsone Dam, have been stalled since 2011 despite significant Chinese investment.

Furthermore, while rising debt is a real concern for small and poor countries, it does not inherently translate into leverage for Beijing. In practice, high levels of indebtedness can actually diminish Chinese power by forcing a choice between the political backlash of asset seizures and the financial strain of absorbing massive losses. Dr. Liao also emphasized that there are often neglected vulnerabilities that undermine China's soft power, such as the negative socio-economic impacts caused by China's growing illegal commercial footprint.

She further elaborated that many Global South countries face domestic governance challenges, which make

them vulnerable to illegal commercial activities involving Chinese actors. For example, special economic zones along the Myanmar–Thailand border, originally branded as Belt and Road Initiative (BRI) projects, have reportedly turned into so-called industrial scam centres, involved in human trafficking, drug trafficking, and other illicit activities affecting both local and Chinese citizens. These issues have drawn attention from both regional and global media.

A similar example involves illegal mining practices in regions bordering China's Yunnan province. As a result, influence often comes with high costs and depends greatly on how influence itself is defined. While economic engagement can indeed generate influence operations, in many cases, these initiatives also create more challenges than expected.

The short answer to the central question of the webinar – whether China is building connectivity to promote regional integration, or it is operationalizing influence through corridors, economic costs, and political access – was “yes” by the second speaker, **Professor J Mohan Malik**. However, he emphasized that bringing countries in South and Southeast Asia together is extremely difficult, describing it as “like herding cats,” given the region's divergent national interests,

domestic constraints, and competing geopolitical push-and-pull factors.

Professor Malik also noted that recent developments in the Gulf have been sobering for China and may force Beijing to reassess assumptions it has long held about the recipient countries of Chinese trade and investment. While China frames its external engagement as a win-win strategy of economic development and cooperation, many countries remain skeptical of this narrative. This skepticism arises partly because China blends infrastructure development, arms sales, and trade investment as part of what he described as Beijing's civil-military fusion strategy.

At the outset, Professor Malik made a provocative argument: contrary to the common perception that China is difficult to read, he believes China is one of the most transparent countries in the world. According to him, Beijing regularly broadcasts its strategic ambitions through official initiatives, leadership speeches, and policy documents – whether it is “Go Global” strategy, the concept of a “Two-Ocean Navy,” the Sanya strategy, the “New Type of Great Power Relations,” the China-Pakistan Economic Corridor, and the BCIM Economic Corridor and the later framework of the Belt and Road Initiative (BRI), as well as morerecent initiatives such as Made in China 2025, the Global Development Initiative, the Global Governance Initiative and the Global



***“China has linked continental corridors like the BCIM and the Myanmar-China Economic Corridor with its maritime strategy in the Bay of Bengal under the Maritime Silk Road. Together, they have compressed the distance between China’s southwestern provinces and the Indian Ocean.***

***– J Mohan Malik***

Security Initiative.

Professor Malik recalled that as early as 1993, when China’s navy was still relatively limited, PLA generals openly declared that “the Indian Ocean is not India’s ocean, but the South China Sea is China’s.” In his view, such statements illustrate the consistency and transparency of China’s strategic thinking over the past three decades. He argued that China’s

maritime ambitions are closely tied to global economic realities. Modern supply chains are largely maritime supply chains, and oceans and seabeds are becoming increasingly important arenas of great-power competition, particularly for access to minerals and rare earth resources.

Within this context, the Bay of Bengal holds significant strategic importance for China. The region serves as a gateway to the Indian Ocean, connecting Southeast Asia with South Asia and linking continental transport corridors with maritime routes. As the world's largest trading nation and manufacturing power, China has strong incentives to establish a sustained presence and influence in the Bay of Bengal. Therefore, China is slowly trenching itself as a regional power in the Indian Ocean, and the launch of the China Indian Ocean Forum (CIOF) in 2022 is an example of an attempt by Beijing to shape regional dynamics without accommodating India's role as a major regional actor.

Furthermore, Professor Malik pointed out that China has linked continental initiatives, such as the BCIM and the China–Myanmar Economic Corridor, with its Maritime Silk Road strategy in the Bay of Bengal. Although the BCIM concept has largely stalled due to India's opposition, China continues to pursue infrastructure links connecting Kunming with Mandalay, Dhaka, and potentially Kolkata, through highways, railways, energy pipelines, and industrial zones.

These corridors are designed to feed directly into ports along the Bay of Bengal in Myanmar and Bangladesh. In particular, the development of the Kyaukphyu port in Myanmar, combined with operational oil and gas pipelines running to Yunnan, exemplifies how China seeks to integrate maritime and inland infrastructure.

According to Professor Malik, this strategy effectively transforms the Bay of Bengal from a distant maritime periphery into a seaward outlet for China's western hinterland.

He further connected this development to China's long-standing "Two-Ocean strategy." Just as the United States maintains strategic access to both the Pacific and Atlantic Oceans, China aspires to establish influence and presence in both the Pacific and the Indian Oceans. This strategy was later embedded within the Belt and Road Initiative. Regarding the future of the BCIM corridor, Professor Malik argued that it may effectively evolve into the China–Bangladesh–Myanmar corridor, given India's continued opposition to the BRI. Finally, after experiencing significant Trump-inflicted financial and political setbacks in Latin America and the Gulf, China may increasingly redirect its investment focus toward Asia, such as doubling down on infrastructure, port development, economic zones, and energy projects, particularly in the Bay of Bengal littoral states across Southeast and South Asia.

The third speaker, **Mr. Sanjay Pulipaka**, began by noting that as China has risen as a global power, by scaling up its economic engagement with countries around the world, particularly in Southeast Asia and South Asia. In recent years, this engagement has included not only major economic investments but also political outreach—and this expanding Chinese engagement is one of the key dynamics that must be taken into account when discussing regional connectivity initiatives. The integration of the BCIM Corridor into the Belt and Road Initiative reflects how China’s various regional initiatives gradually merged into the broader BRI framework.

One important factor behind the BRI and related initiatives, according to Mr. Pulipaka, is China’s excess domestic industrial capacity. When a country produces more than its domestic market can absorb, it must either increase domestic consumption or seek external markets. China, however, has faced difficulties in significantly increasing domestic consumption. As a result, it has increasingly relied on exports and has emerged as one of the most dominant exporting economies in the world.

In this context, initiatives such as the BRI serve to facilitate market access for Chinese goods. By creating economic corridors, promoting free trade arrangements, and establishing new frameworks of economic engagement, China seeks to ensure that

its products can reach markets around the world with greater ease.

Mr. Pulipaka also noted that China used its access to the World Trade Organization (WTO) as another way to expand its exports instead of integrating into the global trading system and socializing into international norms and rules. This dynamic later contributed to debates about whether China should be granted market economy status within the WTO framework. Although the WTO itself currently faces significant challenges, these developments form the broader context in which initiatives such as BCIM and the BRI have evolved.

Therefore, turning to the concept of influence, Mr. Pulipaka emphasized that influence can take many forms. One important dimension is the promotion of ideas and norms that a country believes in. Another is the ability to shape how other countries think and make decisions. Encouraging other states to view issues from one’s own perspective is therefore a key mechanism through which influence is exercised in international politics.

At the same time, influence can sometimes undermine local voices, local economic interests, and domestic initiatives. One of the major criticisms of China’s economic engagement and related influence operations, according to Mr. Pulipaka, is that local stakeholders are often insufficiently consulted during project planning and implementation.



***“Influence sometimes has a propensity to undermine local voices, local initiatives, and local economic interests.***

***One of the criticisms of China’s economic investments and influence operations is that they are not factored with the local voices, local interests, and local stakeholders during project implementation and conceptualization.”***

***– Sanjay Pulipaka***

He provided an example from the BRI maps released by Chinese authorities, where Kolkata (Calcutta) appeared as one of the nodes in the BRI network. This raised questions in India regarding how and why the city had been selected, particularly since there had been no consultations with

Indian authorities, businesses, or other stakeholders. While Kolkata’s inclusion might be understandable within the BCIM framework, its appearance in the broader BRI map generated considerable debate within India. Other ports, such as Mumbai on India’s western coast or Visakhapatnam on the eastern coast, might also have been logical choices, yet the decision appeared to have been made unilaterally.

Much of this hesitation was influenced by developments in Myanmar, which occupies a central position within the BCIM framework.

In India, there was a perception that Myanmar’s natural resources were increasingly flowing into China while Chinese investments were not sufficiently contributing to local manufacturing development within Myanmar itself. This raised concerns in India that participation in BCIM could potentially transform India’s northeastern region into a transit corridor or “conveyor belt” for resources flowing toward China rather than stimulating local industrial development within India.

Similar concerns emerged regarding major infrastructure projects in Myanmar. For example, Chinese investment the Myitsone Dam was widely perceived as primarily benefiting China, since much of the generated electricity was to be exported to China. Public opposition within Myanmar eventually led to the suspension of the project.

Another concern within India relates

to China's excess industrial exports. Given the relatively porous borders within South Asia, there were fears that Chinese goods could be routed into India indirectly through third countries such as Myanmar if India became formally integrated into the BCIM framework. This could further exacerbate India's already significant trade imbalance with China.

He noted that India's trade deficit with China has averaged between \$80 and \$90 billion in recent years, a figure he compared to the scale of the China–Pakistan Economic Corridor. The possibility that additional Chinese exports could enter India via third-country routes therefore, raised significant economic concerns.

In addition, there has also been criticism regarding the lack of transparency surrounding many BRI projects, particularly with respect to market viability, financial sustainability, and environmental impact assessments. These concerns have been raised not only in India but also in other countries participating in BRI projects.

He then discussed various forms of Chinese influence operations in the region. Like other major powers, China seeks to exert influence abroad, but it has also done so through newly created regional frameworks and political engagement strategies. He noted instances where China reportedly attempted to mediate between different political factions, including communist parties, in neighboring countries when governing coalitions

appeared unstable.

Economic leverage has also played a role in China's influence-building efforts. In some cases, concerns have been raised about the use of debt to deepen economic relationships. Mr. Pulipaka mentioned the debates of the "debt-trap diplomacy" in Sri Lanka.

Influence operations can also extend into the digital domain. Mr. Pulipaka cited the example of the social media platform TikTok, which was eventually banned in India. He noted that influence operations can sometimes involve restricting or shaping the flow of information, and digital platforms represent an important arena where such dynamics can unfold.

In conclusion, Mr. Pulipaka emphasized that the balance of power in South Asia has been significantly affected by China's rise and its expanding economic engagement in the region. This represents a major strategic challenge for India. Historically, during the period of the British Empire, administrative centers such as Kolkata and later Delhi functioned as hubs of political and economic authority in the region. For the first time in modern history, however, a neighboring power is now expanding its economic, political, and strategic influence across the South Asian subcontinent in a way that directly challenges India's traditional regional influence.

This shifting regional dynamic is something that India will increasingly need to address.

The next speaker, **Dr. Shahab E. Khan**, focused on Bangladesh's perspective on China's growing engagement in the Bay of Bengal and the broader region, highlighting several key factors shaping Dhaka's policy choice. These factors include regional economic context, fear of debt dependency, and defense cooperation with China.

First, Dr. Khan pointed to the broader regional economic context. Despite ongoing strategic tensions between China and India - particularly along the border and in relation to Pakistan - economic relations between the two countries remain extremely strong. Bilateral trade has surpassed \$125 billion, while India continues to run a large trade deficit with China, reaching approximately \$99 billion. For policymakers in Dhaka, this demonstrates that even amid geopolitical rivalry, economic interdependence between China and India continues to grow, suggesting that economic pragmatism often outweighs strategic rhetoric.

Turning to the frequently discussed issue of debt dependency, Dr. Khan noted that Bangladesh presents a somewhat different case compared to other countries often cited in debates about Chinese "debt-trap diplomacy." Chinese loans to Bangladesh amount to roughly \$17 billion, representing about 4.1% of the country's GDP in terms of public debt exposure. This level remains significantly below the global



***“If you look at Bangladesh’s debt portfolio, the Chinese debt is roughly around \$17 billion, which is 4.1% of GDP in terms of Bangladesh’s public debt exposure. That is largely 6.9% below the global average in China’s portfolio. So what it means is that we are still careful when it comes to the Chinese debt. A number of BRI projects that were supposed to kick off were cancelled not only by Dhaka but also by Beijing, given the viability of these projects.”***

**– Shahab E. Khan**

average within China's lending portfolio. As a result, Bangladesh's policymakers generally view their engagement with Chinese financing as relatively manageable and carefully planned.

He also pointed out that several projects initially planned under the Belt and Road Initiative were eventually cancelled - not only by Dhaka but also by Beijing, due to concerns about their financial viability. This, in turn, has provided some reassurance to both policymakers and the private sector in Bangladesh that potential debt risks are being assessed more cautiously.

A third major area of influence concerns defense cooperation. Historically, a large share of Bangladesh's military equipment - around 80% of its defense supplies came from China. However, this figure has declined to approximately 67%, reflecting Bangladesh's ongoing efforts to diversify its defense procurement.

This diversification has become visible in Bangladesh's recent diplomatic and defense discussions with a range of partners, including Pakistan, Turkey, and the United Kingdom, as well as potential acquisitions such as the Eurofighter aircraft. These efforts illustrate Dhaka's broader strategy of maintaining a pragmatic and diversified defense portfolio, even while continuing its longstanding cooperation with China.

At the same time, Dr. Khan stressed that Bangladesh's primary security concerns

are not centered on India. Instead, the country's immediate security anxieties are largely connected to Myanmar, with the Arakan Army creating a complex security environment for Bangladesh.

This situation is further complicated by the ongoing Rohingya refugee crisis, which has already resulted in more than 1.1 million refugees residing in Bangladesh, with the potential of additional refugee flows into Bangladesh.

Bangladesh's engagement with Myanmar therefore, involves navigating both state and non-state actors, which significantly complicates diplomatic efforts. These dynamics create what Dr. Khan described as a strategic vacuum in Rakhine State, leaving Bangladesh particularly vulnerable to instability along its immediate border.

Within this context, China emerges as a key external actor in Myanmar's affairs. Instability in Myanmar has broader implications for regional stability, where China has its strategic interests, and the main one is China's blind spot - the Bay of Bengal. And the Bay of Bengal remains a channel for Dhaka for the resolution of conflicts in Myanmar. For Bangladesh, this situation creates a certain degree of strategic dependency on China in terms of stabilizing Myanmar.

Economic interdependence further reinforces this relationship. Around 37 percent of Bangladesh's imports come from China, and these imports play a

critical role in supporting Bangladesh's export-oriented manufacturing sector, particularly its exports to Western markets. This creates a complex economic dynamic in which Bangladesh relies on Chinese inputs to sustain its trade relationships with the United States and Europe.

At the same time, Dhaka has explored supply-chain diversification, including discussions with Washington about trade agreements and alternative sourcing arrangements. However, structural limitations, such as infrastructure constraints and production capacity, have made rapid diversification difficult.

Similar challenges exist in the area of technology access. While Bangladesh has an interest in diversifying its technological partnerships, the ability to acquire Western technologies is often limited by financial capacity. As Dr. Khan noted, consumer purchasing power and economic capacity ultimately shape which technologies can realistically enter the Bangladeshi market.

For this reason, Chinese influence in Bangladesh is not always the result of deliberate strategic alignment but often arises from structural economic realities and practical constraints.

Finally, Dr. Khan highlighted the importance of the Bay of Bengal in Bangladesh's national strategic thinking. Bangladesh secured its maritime boundaries through international arbitration with both India and Myanmar, a process that significantly expanded the

country's recognized maritime zone.

This legal victory has strengthened nationalist sentiment and heightened political interest in protecting Bangladesh's strategic autonomy in its maritime domain. Within this context, China's role has become particularly visible through defense cooperation, including the supply of two Ming-class submarines to Bangladesh.

These submarines represent China's first significant strategic footprint in what Dr. Khan described as an "arc of instability" stretching from Afghanistan through Kashmir, Nepal, Northeast India, and Myanmar to the Chittagong Hill Tracts and Cox's Bazar. In this evolving strategic landscape, Chinese military cooperation provides Beijing with a more direct presence in the region.

Dr. Khan concluded that China's influence in Bangladesh is therefore developing through a combination of economic interdependence, security cooperation, and regional instability, particularly in relation to Myanmar and the Bay of Bengal.

The last speaker, **Ms. Su Myat Thwe**, brought perspectives from the ground level to the discussion by focusing on the lived experiences of local communities in Myanmar.

She began by noting that discussions about Myanmar often simplify the country's conflict dynamics into a binary between a state actor and a single resistance actor, which is far more complex in reality, considering multiple parallel actors operating across different geographical regions and communities in Myanmar. As a result, the political and security landscape remains highly fragmented.

Since the 2021 military coup, both long-standing ethnic armed organizations and newer resistance groups have contributed to the current fragmented political geography. This fragmentation has important implications for how infrastructure corridors and external influence operate in Myanmar, as these dynamics shape the implementation of projects in extreme ways.

Many of the major Chinese-backed projects discussed earlier in the webinar were originally initiated during Myanmar's quasi-civilian government period between roughly 2011 and 2020, when the country attempted to balance engagement with both China and Western partners. Within this framework, one of the most important initiatives is the China–Myanmar Economic Corridor (CMEC) under the Belt and Road Initiative (BRI).



***“Taken together, the infrastructure projects form a layered strategic geography: maritime access through Kyaukphyu, energy corridors across central Myanmar, continental connectivity through northern regions, and the hydrological leverage along the Irrawaddy River. From a strategic perspective, Myanmar becomes a pinch connecting continental China to both the Indian Ocean and South Asia”***

**– Su Myat Thwe**

The CMEC connects China's Yunnan Province to the Bay of Bengal, not only through major infrastructure projects but also through broader economic investments in sectors such as extractive industries, trade, and manufacturing.

Ms. Thwe highlighted three major infrastructure projects that illustrate how these corridors link land and maritime routes.

The first is the Kyaukphyu deep-sea port in Rakhine State, which provides China with maritime access to the Bay of Bengal and, ultimately, the Indian Ocean.

The second consists of the China-Myanmar oil and gas pipelines, which connect Myanmar's coast to Yunnan Province and have been operational since 2013 and 2017 respectively. These pipelines run across the central heartland of Myanmar. Using a geographical metaphor, Ms. Thwe explained that if Myanmar's map were visualized as a standing human figure, the pipelines would run roughly across the "waistline" or central part of the country.

The third project involves renewed discussions around the Ledo Road, historically known in the United States as the Stilwell Road, which could connect China through northern Myanmar to India via a land corridor. If implemented, this northern corridor would cross several conflict-affected regions. Although discussions were initially initiated by India, recent developments suggest that

China has also become increasingly involved in the connectivity project, and its future trajectory remains uncertain.

Another important project frequently mentioned in discussions of Chinese involvement in Myanmar is the Myitsone Dam, located at the headwaters of the Irrawaddy River. This area has often been described metaphorically as the country's "spinal cord," both geographically and economically, as the river functions as a vital source of agricultural livelihood and transportation across Myanmar.

Taken together, these projects form what Ms. Thwe described as a layered strategic geography: maritime access through Kyaukphyu, energy corridors across central Myanmar, continental connectivity through northern regions, and hydrological influence through projects along the Irrawaddy River. From a strategic perspective, this geography positions Myanmar as a critical hinge between continental China, the Indian Ocean, and South Asia - essentially a space where India and China geographically and strategically intersect.

However, from the perspective of local communities, these corridors often intersect directly with conflict zones and contested territories, which are also areas experiencing large-scale displacement. As a result, infrastructure projects are frequently associated with displacement and social disruption.

While local populations clearly feel

these pressures, armed groups and political actors also experience them differently depending on their position and leverage. Some armed organizations, such as the United Wa State Army (UWSA), the Myanmar National Democratic Alliance Army (MNDAA), and the Ta'ang National Liberation Army (TNLA), have experienced tighter constraints in navigating relations with external actors.

Others, including the Kachin Independence Army (KIA) and the Arakan Army (AA), have been able to maneuver more flexibly within these pressures, although they too remain constrained by the broader geopolitical environment.

At the same time, Ms. Thwe argued that Myanmar's military government has, in some ways, willingly entered what she

described as a "cage" shaped by China's influence. For the military authorities, relying on Chinese support may provide political and economic survival, especially as they face international isolation. Nevertheless, even within this constrained environment, the military leadership continues attempting to preserve a degree of autonomy and flexibility in its relationship with China.

Ms. Thwe concluded by emphasizing that Myanmar's evolving dynamics cannot be understood solely through geopolitical analysis. They must also be viewed through the experiences of communities living in conflict-affected regions, whose lives are directly shaped by infrastructure development, armed conflict, and external strategic competition.

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## Q&A

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**Dr. Jagannath Panda** opened the second round by directing the participants' attention to the Q&A box, encouraging them to begin reviewing the submitted questions. He proposed conducting this round in reverse order, starting with Su. The first question sought to identify which Chinese government department wields the most influence over Beijing's policy in the Bay of Bengal, and which specific actors are currently adhering to, or disregarding official foreign policy

in the region. A second inquiry focused on the long-term outlook for the region, asking if the speakers envisioned a Bay of Bengal integrated under a Sinocentric security architecture, or one permanently fragmented by the competition between Chinese influence and Indian/Western pushback. Also, how should India strategically respond to increasing surveillance by Chinese research vessels and port activities to protect its security interests in the Indian Ocean. Another

question pertained to grassroots and civil society initiatives pushing back against Chinese influence in coastal and inland communities. Dr. Panda then invited Ms. Su Myat Thwe to lead the discussion, suggesting she begin with the final question regarding civil society initiatives in countries such as Myanmar.

**Dr. Su Myat Thwe** began by acknowledging that she shared the audience's desire for definitive answers, but offered to provide a Myanmar-centric perspective by conceptualizing the current situation through a "triangle of Chinese influence." At the apex of this triangle, she placed political will, noting that while some global powers dismiss Myanmar's significance, China views the country as a strategic priority in the Bay of Bengal due to the Malacca Strait and the necessity of stable neighboring corridors. The two remaining points of the triangle represented arms power and financial resources. She noted that while some nations may possess the political will to resist or influence developments, they often lack the military capacity or financial means to do so. Encapsulating this triangle was a fourth, dominant factor: technology. Dr. Thwe argued that external technological dependency and surveillance have created an "invisible prison," effectively stifling the population.

Addressing the question of community resistance, Dr. Thwe explained that the population is currently trapped

in "survival mode." She recalled past successes where the Burmese people successfully pushed back against the Myitsone Dam, the Letpadaung copper project, and other BRI-linked extractive investments. However, she noted that while active resistance flourished before the current military regime, it has become nearly impossible today, with 70 percent of the country under active combat and the remaining 30 percent living within a "squeezed" civilian structure. She highlighted the diaspora as a notable exception, maintaining collaboration and speaking out from abroad, while criticizing the pre-crisis global order for its lack of effective support.

In response to a follow-up from Dr. Jagannath Panda regarding the future of Myanmar-China cooperation, Dr. Thwe remarked that the complexity of actors on the ground makes a single definitive scenario impossible. However, she asserted that the military would likely maintain control despite shifts in governance, continuing to rely on China as a "Big Brother."

Simultaneously, she observed the military hedging this reliance to avoid over-dependence, citing the handover of special economic zone projects to Russia despite Chinese interest, and a previous reliance on Japanese Official Development Assistance. She concluded by noting that as Myanmar becomes increasingly isolated and blacklisted by the Financial Action

Task Force, the military may look toward a Chinese cross-border transfer system as an “exit strategy” to bypass global financial structures and formalize their economy.

**Dr. Shahab E. Khan** addressed the panel by first cautioning that his perspectives should be viewed as an evolving analysis rather than definitive facts. Regarding the power structure in Beijing, he identified the National Development and Reform Commission (NDRC) as a pivotal player in Belt and Road Initiative (BRI) projects, noting its rigorous internal surveillance mechanisms for corruption and accountability. While he acknowledged Foreign Minister Wang Yi’s significant influence, Dr. Khan clarified that the Chinese system operates through a complex multilateral structure rather than a single key decision-maker. He contrasted this with the “contradictory messaging” often seen in Washington citing the current debates over executive authority during the Iran crisis to argue that while the Chinese system is highly regimental, it still contains various power vacuums within its foreign policy establishment.

Turning to the future of the Bay of Bengal, Dr. Khan expressed skepticism regarding a “Sinocentric” integrated entity. Drawing on past discussions with Su in Bangkok, he noted that China’s presence in Myanmar is characterized by a fragmented “ecosystem” of parallel administrations that is difficult to manage long-term. He characterized the military

regime’s relationship with China as purely transactional. Meanwhile, he described the U.S. sanctions via the Burma Act as significant but noted that its future remained uncertain under the current Trump Administration, especially since the regime’s energy sector had largely bypassed American sanctions.

Dr. Khan also highlighted a growing security friction: the development of Chinese-built military infrastructure in Cox’s Bazar and Rakhine, which directly confronts the U.S. presence in the region, something India needs to be aware of.

Finally, Dr. Khan introduced the critical role of rare earth elements in regional geopolitics. He argued that India’s quest for military indigenization and its transition to electric vehicles (EVs) would shift its interests in the Bay from pure security to a diversified search for natural resources. This resource competition, he noted, would also draw in the French, given their massive overseas maritime territories and interests in seabed resources and supply chain logistics. He concluded that these factors point toward a “transactional multipolarity” rather than a Sinocentric hegemony. The ultimate regional balance, he argued, would depend on India’s emergence as a viable security provider and the effectiveness of American enterprises in Bangladesh and Myanmar.

**Mr. Sanjay Pulipaka** addressed the possibility of a Sinocentric architecture

in the Bay of Bengal, expressing deep skepticism. While acknowledging that China remained a dominant economic player, he noted that India was actively working to address its significant trade deficit with Beijing. He pointed out that while Indian exports to China stood at \$20 billion, imports exceeded \$100 billion, a disparity that has prompted India to diversify its trade by pursuing free trade agreements with Europe, New Zealand, Oman, and others. He added that despite “painful” negotiations with the United States, India remained committed to securing a trade deal to mitigate its dependence on China.

Regarding maritime security, Mr. Pulipaka noted that India was closely monitoring the submarines China had provided to Bangladesh and Myanmar. In response, India was aggressively strengthening its maritime domain awareness through new radar installations and upgraded facilities in the Andaman and Nicobar Islands. He concluded that India’s presence in the Indian Ocean and the Bay of Bengal would become increasingly vital, bolstered by collaborations and military exercises with the Quad, Indonesia, and other major powers.

Furthermore, Mr. Pulipaka observed that Chinese investments were facing increased scrutiny due to rising awareness among grassroots organizations and civil society. He argued that influence in the region was not merely a product of

economic activity, but of political leverage. As a primary example, he cited China’s permanent seat on the UN Security Council, which provides “political cover” to regional actors. He recalled the discovery of the Shwe gas field; despite a proposal from Indian and Korean firms to use the gas for regional electricity, the Myanmar military chose China to ensure a veto at the UN against international pressure. Finally, he addressed the state of civil society, noting that while Myanmar’s capacity to evaluate Chinese agreements had collapsed following the coup, similar evaluative efforts were gaining momentum in other countries. Consequently, Mr. Pulipaka maintained that a Sinocentric architecture was unlikely to materialize in the coming years.

Dr. Panda then turned the floor over to **Professor Mohan Malik**, who addressed several critical questions regarding Chinese internal influence and the future of regional stability. Professor Malik argued that the most significant influence on Chinese policy in the region came from State-Owned Enterprises (SOEs), particularly those focused on energy, digital infrastructure, and power alongside the Chinese Navy and the Ministry of State Security. He noted that it was an open secret that the intelligence services of China, Pakistan, and increasingly Bangladesh, coordinate their operations across South Asia.

Regarding the future of regionalism,

Professor Malik contrasted the integration seen in East Asia with the fragmentation of South Asia. He explained that while Southeast Asian nations often viewed integration with China as being in their own interest due to shared values and economic priorities, South Asian states were moving in a different direction. He argued that smaller South Asian states, having emerged from a historical context tied to India, were now seeking to distance themselves due to identity and religious fault lines. Consequently, he characterized SAARC (the South Asian Association for Regional Cooperation) as essentially “dead,” noting that India was instead pivoting its investments toward BIMSTEC (the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation).

Professor Malik concluded with a stark prediction: the northern Indian Ocean is set to become as contested and conflict-prone as the South China Sea. He observed the crystallization of rival blocs, with the United States and its allies India, Indonesia, and Vietnam on one side, and China’s network of partners, including North Korea, Cambodia, Myanmar, Bangladesh, and Pakistan on the other. He asserted that just as the U.S. would not allow Beijing to dominate the Western Pacific, Beijing would not permit India to dominate the Bay of Bengal. This dynamic, he warned, would inevitably translate into increased competition, deeper fragmentation, and

more frequent naval skirmishes.

As the final guest speaker, **Dr. Jessica C. Liao** provided a nuanced critique of Chinese decision-making and the strategic agency of smaller states. Addressing the question of who “calls the shots” in Beijing, Dr. Liao argued that, contrary to the image of a monolithic power, the reality was often characterized by “nobody” having singular control. She explained that Chinese policy implementation was defined by overlapping jurisdictions and a highly risk-averse bureaucracy. Unless the top leadership initiated a “campaign mobilization” style of policy, most bureaucrats remained hesitant. She cited China’s COVID-19 policies as an example of this “pendulum swing,” where the entire system waited for a signal from the top before following through.

Dr. Liao further identified not only a “vertical” but also a “horizontal” fragmentation in the implementation of the Belt and Road Initiative (BRI). Below the National Development and Reform Commission (NDRC), she noted that the Ministry of Foreign Affairs (MFA) and the Ministry of Commerce (MOFCOM) often operated with conflicting priorities. In the specific context of the Bay of Bengal, she emphasized the significant role of provincial governments, especially the Yunnan Province. These line ministries, SOEs, and subnational actors often possess divergent interests that complicate the implementation of national policies laid

out by Beijing. Furthermore, she observed a rising trend of public and state security ministries increasing their involvement in the Global South. Using Myanmar as a case study, she warned that when a recipient state suffered from a “governance deficit” such as the junta only controlling 40 percent of its territory, it created a vacuum that allowed Chinese influence and official forces to overtake essential state functions like law enforcement, ultimately compromising national sovereignty.

Regarding the future of a Sinocentric region, Dr. Liao shifted the focus away from great power competition and toward the hedging postures of smaller states. She argued that these nations often take a pragmatic turn, viewing the uncertain power dynamic not just as a threat, but as an opportunity to maximize their interests and mitigate the risk of being abandoned by one side or the other. She pointed to Bangladesh as an example where domestic political shifts allowed for a calculated engagement with China to maximize national benefits.

Dr. Liao concluded by stating that this “leveraging” by smaller states meant that traditional powers like India had to “up their game.” She asserted that India could no longer rely on being a “presumed power in the region” and must instead expand its partnerships with other capable actors, such as Japan, while revitalizing existing multilateral mechanisms to remain competitive in the region.

**Dr. Jagannath Panda** concluded the discussion by thanking Dr. Liao and expressing his concurrence with her assessment of Chinese agency in BRI decision-making. He agreed that the specific actors involved often shifted depending on the project’s strategic nature; for maritime initiatives, the PLA Navy frequently intersected with state-owned enterprises, while the significant role of the Ministry of State Security remained a constant, undeniable factor. Regarding the regional outlook, Dr. Panda echoed the panel’s consensus that establishing a Sinocentric order in the Bay of Bengal would be a formidable challenge for Beijing. He emphasized that the agency of smaller states, alongside the strategic maneuvers of major players like the United States, India, and Japan, would remain critical. While Japan was not the primary focus of this session, he noted that the next webinar in the series would specifically address Chinese investment in Southeast Asia and the Indo-Peninsular corridor, featuring a Japanese scholar to discuss Tokyo’s regional investment strategy.

# KEY TAKEAWAYS

## **Nature of China's Regional Engagement**

- China's engagement in the Bay of Bengal region is bilateral, incremental, adaptable, and pragmatic, rather than driven by a single coherent regional strategy.
- Beijing prefers country-specific arrangements, tailoring its approach to local political and economic conditions.
- Its influence is often overestimated, as domestic political dynamics in partner countries frequently constrain China's leverage.

## **Drivers of China's Strategy**

- China's role as a major manufacturing and trading power necessitates secure access to global markets and energy routes.
- The Bay of Bengal is strategically important as a gateway to the Indian Ocean and for broader regional power projection.
- A key motivation behind the Belt and Road Initiative (BRI) is to address excess domestic industrial capacity by expanding external markets and connectivity corridors.

## **Economic Engagement and Debt Concerns**

- Chinese investments, particularly under the BRI, raise concerns about debt sustainability, prompting recipient countries to evaluate financial risks carefully.
- Large-scale infrastructure projects are often assessed in terms of long-term economic viability and strategic dependence.

## **Infrastructure and Connectivity Initiatives**

- China is developing integrated continental-maritime connectivity through major infrastructure projects in Myanmar, including: Kyaukphyu deep-sea port; China-Myanmar oil and gas pipelines; and the proposed Ledo (Stilwell) Road corridor. These projects form part of the China-Myanmar Economic Corridor, linking China's inland regions to the Indian Ocean.

## **Political and Security Dimensions**

- China engages pragmatically with diverse actors, including military regimes, to safeguard strategic investments.
- In Myanmar, cooperation with military authorities reflects a security-first approach to protecting infrastructure and assets.
- China's position as a permanent member of the UN Security Council provides "political cover" to partners, enhancing its diplomatic influence.

### **Military and Strategic Cooperation**

- Military engagement is a growing dimension of China's regional role, particularly in Bangladesh, including arms sales and training cooperation
- Such defense ties strengthen bilateral strategic relationships.

### **Complexity of Chinese Decision-Making**

- Chinese policymaking is fragmented across multiple actors, including state-owned enterprises, provincial governments, and ministries.
- In the absence of strong central directives, a risk-averse bureaucracy often leads to overlapping responsibilities and delays in implementation.

### **Local Resistance and Changing Political Contexts**

- Earlier grassroots resistance to Chinese projects (e.g., Myitsone Dam in Myanmar) demonstrated local pushback. However, post-coup conditions in Myanmar have weakened civil society, with much of the population focused on basic survival amid conflict.
- The diaspora now plays a key role in voicing civil society concerns.

### **Agency of Smaller States**


- Smaller regional states are active strategic actors, not passive recipients of great power influence.
- Countries like Bangladesh and Myanmar adopt hedging strategies, balancing relations with multiple powers to maximize national interests.

### **Emerging Strategic Trends in the Region**

- A shift toward "securitization" of natural resources is underway, especially with rising competition for rare earth elements.
- India's interests are expanding from traditional security concerns to resource security and technological needs (e.g., electric vehicles, defense production).
- External powers, including Western countries such as France, are increasingly drawn into the region due to resource competition.

### **Future Regional Order: Transactional Multipolarity**

- The emerging regional order is likely to be one of "transactional multipolarity" rather than dominance by any single power.
- Smaller states will continue to leverage competition among major powers (China, India, the U.S.) to their advantage.
- This dynamic reduces the likelihood of absolute hegemony by any one actor.



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