The Indian Ocean Region: South Asia Subregion

By Anthony H. Cordesman, Abdullah Toukan, Michael Wang, and Eric P. Jones


Please provide comments to acordesman@gmail.com
The strategic impact of the South Asia Subregion of the Indian Ocean Region is dominated by two issues: The risk of another serious round of conflict between the now nuclear-armed forces of India and Pakistan; and the extent to which India emerges as a rival of China in military and economic terms, and as a major regional air-sea power in the entire region.

The risk of a major round of conflict seems low, but continuing tension, minor clashes, and terrorist attacks seem likely. However, the risk of a sudden major crisis and escalation to serious conflict cannot be dismissed in spite of efforts by both countries to establish better relations.

While the countries in the Subregion present moderate overall risk in terms of their strategic impact on the IOR, Figure 1 shows that they present a higher level of internal risk in terms of

The Indian Ocean Region: South Asia Subregion

1

Figure 1: Governance and Economic Risk Indicators for the South Asia Sub-Region

3

India-Pakistan Military Balance

4

Figure 2: India, China, and Pakistan: Summary Force Totals - Part One

5

Figure 2: India, China, and Pakistan: Summary Force Totals - Part Two

6

Figure 3: India, China, and Pakistan: Summary Defense Expenditures

7

Land and Air Balance

8

Figure 4: Bangladesh India, and Pakistan: Land Forces Equipment

10

Figure 5: Bangladesh, India, and Pakistan: Artillery

11

Figure 6: Bangladesh, India, and Pakistan: Air Forces

12

Figure 7: Bangladesh, India, and Pakistan: Combat Aircraft by Type

13

Conventional Imbalance Pushes Pakistan Toward Asymmetric Options

14

The Risk of an India-Pakistan Nuclear War

14

Figure 8: IISS Estimate of India-Pakistan Missile Balance

15

The Potential for Non-Nuclear Hostilities

16

Pakistan Nuclear Security Concerns

18

The Indian Navy, China, Pakistan, and South Asian Maritime Security

21

Indian Naval Buildup and Capability for Sea Control

22

Figure 9: South Asian Major Combat Ships by Country

23

Figure 10: Indian and Pakistani Naval Aviation

24

Pakistan Naval Modernization

25

Pakistan’s Asymmetric Maritime Capabilities

25

Figure 11: Mumbai Attack Sites

27

China as a Growing Factor in Indian and Pakistani Sea-Air Developments

27

India: An Emerging Global Economic Power?

29

Politics, Governance, and Development Mix Progress with Self-Inflicted Wounds

29

Transnational Problems and Counterterrorism

31

Pakistan: A State That Never Quite Fails But Does Not Succeed

33

Bangladesh

37

Exemplar of Future Sources of Instability

38

Figure 12: Population Density in Low-Elevation Coastal Zones (LECZ) in Bangladesh

39

Sri Lanka: Winning a Civil War and Shifting to Internal Political Conflict

41

Sri Lanka’s Lessons in Maritime Asymmetric Warfare

43

Diego Garcia

44

Stability and Security in the South Asia Sub-Region

45
economics and governance. In many ways, both India and Pakistan face more of a threat from their own internal politics than they do from each other or any other foreign threat.

India has the potential to emerge as a major power, but currently lacks the political leadership and effective governance necessary to achieve its potential. The other states in the region—Pakistan, Sri Lanka, and Bangladesh—are caught up in internal political and economic tensions that threaten their stability and development, marginalize them as powers, and could push them closer to the status of failed states.

There are some positive signs in each country as well, but as of yet they do not represent dominant forces or indicators that they will become major forces in the region. In practice, the strategic situation will only change in the mid- and long-term to the extent India can expand its broader role in the IOR and to the extent the United States and China redefine their roles relative to India, Pakistan, and in securing the flow of petroleum out of the Gulf.

**Figure 1: Governance and Economic Risk Indicators for the South Asia Sub-Region**

![Governance and Economic Risk Indicators for the South Asia Sub-Region](image)
India-Pakistan Military Balance

India and Pakistan are radically different states in terms of size and power. India is a nation of 3.29 million square kilometers versus Pakistan’s 796,095 square kilometers (4.1:1), and India has a coastline of 7,000 kilometers, versus 1,046 kilometers for Pakistan (6.7:1). In 2015, India had a population of 1,252 million compared to 199 million in Pakistan (6.3:1), and India’s GDP in PPP terms was $8,027 billion versus $930.8 billion for Pakistan (8.6:1).1

Figure 2 and Figure 3 show that India has a major advantage in both military spending and total forces relative to Pakistan and the other powers in the Subregion, although India is not close to China in military spending or the size and quality of its forces.

As both Figures show, India has much larger conventional forces than Pakistan. India’s military is by far the largest in the subregion, with some 1.3 million personnel on active duty across the Army, Navy, and Air Force, and another 1.1 million in reserve.2 By comparison, Pakistan maintains a total force of only 643,800, excluding 282,000 paramilitary units focused on internal security and the tribal regions on the Afghan border, which would not be useful in defense against India.3 At the same time, Figures 2 and 3 show that China remains the largest military force in Asia, with more Active Forces than India and Pakistan combined—though the vast majority of Chinese forces are stationed in its interior and near its coastline, and would have to be mustered and redeployed to the South Asian border region in order to be actively involved there.

A study by the Stockholm International Peace Research Institute (SIPRI) released in March 2014 estimated that India had a massive lead over Pakistan in arms imports. It ranked India as the top importer in the world with a 7% share in 2004-2008 and a 14% share in 2009-2013, 75% of which came from Russia, 7% from the US and 6% from Israel. It ranked Pakistan as the third largest importer in the world with only a 2% share in 2004-2008 and a 5% share in 2009-2013; 54% of which came from China, 27% of which came from the US, and 6% of which came from Sweden.4

SIPRI reported that India’s arms imports had risen by 111% from 2004-2008 to 2009-2013 and the Pakistan’s arms imports increase by 119% during that same period. It reported that India received 90 out of an order of 222 modern Su-30Mk II fighters, and 27 out an order of 45 MiG-29K fighters it had ordered for its carriers. India also has 62 MiG-29SMT and 49 French Mirage 2000-5 fighters on order, and was considering orders of 144 Russian T-50s and 126 French Rafale aircraft. In contrast, Pakistan had taken delivery of 42 Chinese JF-17 fighters out of an order of 147 and had obtained 18 more F-16Cs from the US and 13 used F-16Cs from Jordan.5
### Figure 2: India, China, and Pakistan: Summary Force Totals - Part One

<table>
<thead>
<tr>
<th>Number of Troops</th>
<th>China</th>
<th>India</th>
<th>Pakistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Army</td>
<td>1,600,000</td>
<td>1,150,900</td>
<td>550,000</td>
</tr>
<tr>
<td>Navy/Marines/CG</td>
<td>235,000</td>
<td>67,900</td>
<td>23,800</td>
</tr>
<tr>
<td>Air Force</td>
<td>398,000</td>
<td>127,200</td>
<td>70,000</td>
</tr>
<tr>
<td>Reserves</td>
<td>510,000</td>
<td>1,155,000</td>
<td>0</td>
</tr>
<tr>
<td>Strat Missile Forces</td>
<td>100,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Paramilitary</td>
<td>660,000</td>
<td>1,403,700</td>
<td>282,000</td>
</tr>
<tr>
<td><strong>Total Troops:</strong></td>
<td><strong>3,503,000</strong></td>
<td><strong>3,904,700</strong></td>
<td><strong>925,800</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Army &amp; Marines</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>MBT</td>
<td>6,540</td>
<td>2,974</td>
<td>2,561</td>
</tr>
<tr>
<td>LT TK/RECCE</td>
<td>973</td>
<td>110</td>
<td>0</td>
</tr>
<tr>
<td>APC</td>
<td>5,020</td>
<td>336</td>
<td>1,435</td>
</tr>
<tr>
<td>AIFV</td>
<td>4,102</td>
<td>1,455</td>
<td>0</td>
</tr>
<tr>
<td>Artillery</td>
<td>13,218</td>
<td>9,682</td>
<td>4,472</td>
</tr>
<tr>
<td><strong>Total Land Forces:</strong></td>
<td><strong>29,853</strong></td>
<td><strong>14,557</strong></td>
<td><strong>8,468</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Navy &amp; Coast Guard</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amphibious</td>
<td>130</td>
<td>60</td>
<td>4</td>
</tr>
<tr>
<td>Aircraft Carrier</td>
<td>1</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Mine Warfare/Countermeasures</td>
<td>49</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Patrol and Coastal Combatants</td>
<td>586</td>
<td>207</td>
<td>36</td>
</tr>
<tr>
<td>Principle Surface Combatants</td>
<td>73</td>
<td>28</td>
<td>10</td>
</tr>
<tr>
<td>Submarines</td>
<td>61</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>Support</td>
<td>218</td>
<td>57</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total Naval Forces:</strong></td>
<td><strong>1118</strong></td>
<td><strong>374</strong></td>
<td><strong>79</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Air Force, Navy &amp; Army Aviation</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fighter</td>
<td>866</td>
<td>95</td>
<td>210</td>
</tr>
<tr>
<td>Bomber</td>
<td>150</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fighter/Ground Attack</td>
<td>1,000</td>
<td>739</td>
<td>192</td>
</tr>
<tr>
<td>Transport</td>
<td>399</td>
<td>305</td>
<td>51</td>
</tr>
<tr>
<td>Training</td>
<td>1,056</td>
<td>356</td>
<td>230</td>
</tr>
<tr>
<td>Attack Helicopters</td>
<td>200</td>
<td>19</td>
<td>38</td>
</tr>
<tr>
<td>Multi Role Helicopters</td>
<td>373</td>
<td>738</td>
<td>129</td>
</tr>
<tr>
<td>Support Helicopters</td>
<td>496</td>
<td>45</td>
<td>76</td>
</tr>
<tr>
<td>ISR</td>
<td>58</td>
<td>40</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total Air Forces:</strong></td>
<td><strong>4,598</strong></td>
<td><strong>2,337</strong></td>
<td><strong>936</strong></td>
</tr>
</tbody>
</table>
Figure 2: India, China, and Pakistan: Summary Force Totals - Part Two

**Figure 3: India, China, and Pakistan: Summary Defense Expenditures**

<table>
<thead>
<tr>
<th>Defense Spending 2014 (USD $Billions)</th>
<th>China</th>
<th>India</th>
<th>Pakistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>IHS Jane’s</td>
<td>$155.24</td>
<td>$46.50</td>
<td>$7.00</td>
</tr>
<tr>
<td>IISS</td>
<td>$180.00</td>
<td>$45.30</td>
<td>$6.22</td>
</tr>
<tr>
<td>SIPRI</td>
<td>$216.37</td>
<td>$49.97</td>
<td>$8.54</td>
</tr>
<tr>
<td>Official Budget</td>
<td>$132.00</td>
<td>$38.35</td>
<td>$7.00</td>
</tr>
</tbody>
</table>

Source: Adapted From IISS, *The Military Balance 2016*, Chapter Six, Asia; and SIPRI Index, & Jane’s Sentinel Series
Land and Air Balance

This imbalance of forces extends to both the number and quality of major combat arms across all domains, and particularly in air and sea power—which are the dominant arms that would directly affect any conflict in the Indian Ocean.

India has a major lead in armored maneuver systems, which would form the centerpiece of any conventional ground conflict between India and Pakistan. As Figures 4, 5, and 6 show, India maintains some 3,200 main battle tanks to Pakistan’s 2,400, as well as some 2,000 mechanized armored fighting vehicles and reconnaissance vehicles to Pakistan’s 1,390. In a conventional conflict, India could provide fire support to these maneuver units from some 9,600 artillery pieces, in comparison to Pakistan’s 4,600.

These figures do, however, count total weapons inventory and only a fraction of these totals could be engaged in most real world conflicts. Both armies have significant problems in sustaining their operations, in combined arms and joint warfare, and in complex, large-scale maneuvers. India is upgrading its armor and is making an effort to modernize its command and control, combined arms, joint warfare, and army IS&R capabilities, but it is not clear how the results of these efforts compare to those in Pakistan.

As for China, it could not project land forces easily into the region in large numbers, or sustain them, without Pakistani permission and support. Even then, it would take some time to build up major capabilities. China can, however, project and sustain more land forces into the area around its disputed border with India.

The imbalance between India and the other states in the Subregion also exists in air power. Figure 6 and Figure 7 show India possesses around 327 3rd and 4th generation fighter aircraft, including 62 MiG 29s, 50 Mirage 2000s, and 215 Su-30s. 27 Rudra attack helicopters, 20 M-25/M-35 Hinds complement the fighters. The remainder of India’s 881 combat fighter force are not modern systems, likely proving ineffective against an enemy with advanced capabilities. India has recently faced problems in modernizing its air force and filling in gaps in its fighter capability; they recently canceled its Medium Multi Role Combat Aircraft (MMCRA) acquisition program. The $12 billion program would have acquired 126 Rafale fighters from French aircraft manufacturer Dassault Aviation. India deploys some of its most advanced aircraft, its Su-30s, near its borders with Pakistan and China. It is also seeking to buy at least 272 more Su-30s and more advanced combat aircraft from Russia.

India has acquired two out of an order of three EMB-145 airborne early-warning and control (AEW&C) aircraft in addition to three larger A-50EI Phalcon AEW aircraft—giving it a significant improvement in overall sensor and air combat management capability. Its AEW&C aircraft have moderate ELINT capability and India also has 3 Gulfstream IV SRA-4 IS&R aircraft.

The Indian Ministry of Defense approved the acquisition of five Russian S-400 Triumph long-range air defense systems, expected to include more than 6,000 missiles, in December 2015. India would become the second S-400 customer, after China, if a deal is finalized in 2016. The S-400 system is capable of destroying aircraft, missiles, and UAVs to ranges of 400km.

Pakistan’s combat air power is considerably smaller and somewhat older. The modern core of the Pakistani Air Force is composed of 76 F-16s. Its other more advanced aircraft include 50 JF-17 light fighters built in China (with plans to acquire a further 200), as well as modified
Chinese J-10s. Pakistan has approximately 330 modern and effective combat aircraft out of a total of 423, plus 32 AH-1F *Cobra* with TOW anti-tank missiles and 16 AH-1S *Cobra* and 1 Mi-24 Hind attack helicopter. Pakistan has 10 obsolescent *Mirage IIIIR* (*Mirage IIIRP*) IS&R aircraft; two Falcon 20 electronic intelligence aircraft; 4 Saab 2000 *Erieye*; and 2 ZDK-03 AEW&C aircraft.

Neither country has an advanced ground based surface-to-air missile defense system. India does, however, have an effective medium to high altitude and some low altitude sensor coverage, S-125 SA-3B *Goa* (Pechore) and 180 SA-6 (2K12 Kub) heavy surface-to-air missile launchers and extensive holdings of short range and man-portable surface-to-air missiles. Pakistan has good medium to high altitude radar coverage, and related C3 facilities, but only has limited numbers of CSA-1 heavy surface-to-air missiles, an upgraded Chinese copy of the new obsolescent SA-2. Pakistan also intends to procure a multitude of Chinese surface-to-air missiles, such as the FM-90, HQ-17, and HQ-9, in order to build an integrated air defense system.\(^{16}\)

This imbalance should give India an edge in air combat and ground attack capabilities. It is important to note that Pakistan has been steadily narrowing the airpower gap from 4 to 1 modern aircraft in India’s favor in the early 2000s to 2.6 to 1 in India’s favor now.\(^{17}\) The cancelation of the Indian MMRCA program is likely to delay its air force modernization while Pakistan proceeds with acquiring even more advanced JF-17s, potentially reducing the air gap to under 2.4 to 1.\(^{18}\) Especially in light of recent developments, the difference in force strength and quality is small enough that much depends on how each side deploy its forces, their basing structure and sustainability in the area of combat, their sortie generation rate, and their real-world air training and tactics.

This situation might change if Pakistan opened its air bases to Chinese air units, if China and Pakistan developed a capability to repair and sustain Chinese air units, and/or if Pakistan supported a large Chinese deployment of surface-to-air missiles. This, however, is a theoretical and contingent on some shift in Chinese-Pakistani military relations that made Chinese deployment of land forces in Pakistan both possible and credible in terms of military support and sustainment. There are no current indications that either nation has such plans.
Figure 4: Bangladesh India, and Pakistan: Land Forces Equipment

Figure 5: Bangladesh, India, and Pakistan: Artillery

Figure 6: Bangladesh, India, and Pakistan: Air Forces

Figure 7: Bangladesh, India, and Pakistan: Combat Aircraft by Type

<table>
<thead>
<tr>
<th>Type</th>
<th>Bangladesh</th>
<th>India</th>
<th>Pakistan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FTR (Fighter)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MiG-29 Fulcrum</td>
<td>8</td>
<td>62</td>
<td></td>
</tr>
<tr>
<td>MiG-29K (Naval Av)</td>
<td>33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F-7 Airguard</td>
<td>32</td>
<td>123</td>
<td></td>
</tr>
<tr>
<td>F-16A/B</td>
<td>24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FT-7 (Multi Variants)</td>
<td>13</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Mirage IIIB</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FGA (Fighter Ground Attack)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F-16C/D</td>
<td></td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>JF-17 Thunder</td>
<td></td>
<td>53</td>
<td></td>
</tr>
<tr>
<td>Mirage IIID/IIIE</td>
<td></td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>Mirage 5</td>
<td></td>
<td>51</td>
<td></td>
</tr>
<tr>
<td>Sea Harrier (Naval Av)</td>
<td></td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Jaguar IB/IM/IS</td>
<td></td>
<td>103</td>
<td></td>
</tr>
<tr>
<td>Su-30MKI Flanker</td>
<td></td>
<td>225</td>
<td></td>
</tr>
<tr>
<td>Mirage 2000 E/ED</td>
<td></td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>MiG-21</td>
<td></td>
<td>226</td>
<td></td>
</tr>
<tr>
<td>MiG 27ML</td>
<td></td>
<td>124</td>
<td></td>
</tr>
</tbody>
</table>

**Conventional Imbalance Pushes Pakistan Toward Asymmetric Options**

India’s significant advantage in conventional land, air, and surface-to-air missile strength compels Pakistan to use asymmetric tools to seek a strategic edge, while also forcing Pakistan to rely on a nuclear deterrent to make up for its lack of conventional warfighting capability. Since the 1980s and the military regime of Muhammad Zia ul-Haq, Pakistan has used Islamist militants as proxies to further its strategic goals of advancing its claims for control of Kashmir, preventing an India-Afghanistan alliance, and putting pressure on India by “shifting...the theater of violence from the domestic soil of Pakistan to India,” to quote David C. Headley, a Pakistani-American arrested for supporting the 2008 Mumbai attacks.¹⁹

This strategy has also led Pakistan to covertly support terrorist groups such as Lashkar-e-Taiba and the Haqqani Network.²⁰ These proxy groups allow Pakistan to impose military pressure on India’s security while maintaining a high degree of plausible deniability. Pakistan maintains that these groups are banned and operate illegally, but Western experts and intelligence agencies have long maintained that Pakistani Inter-Services Intelligence (ISI) provides them with direct training and material support. David Headley testified that the ISI provided Lashkar-e-Taiba with financial and material assistance and coordinated directly in preparation for the 2008 Mumbai attacks.²¹

In response to Pakistan’s emphasis on supporting terrorist groups as asymmetrical proxies against India, Indian conventional force doctrine has shifted to what it calls a “Cold Start.” India would respond to a major Pakistani provocation by invading Pakistan with fast-moving armored maneuver forces attacking along multiple avenues of approach.²² Its purpose would be to swiftly inflict heavy damage on the Pakistani military in retaliation for a perceived Pakistani provocation before international pressure to prevent hostilities could be brought to bear.

For its part, Pakistan would probably seek to blunt the Indian assault while counter attacking into India as well. As discussed above, India’s conventional force advantage is such that it would likely achieve rapid dominance over the Pakistan in purely military terms, unless Pakistan received help from an outside power, such as China. However, if Pakistan were afraid that it would take major military losses, or see Indian forces capture major bases and cities, there is a great likelihood Pakistan would resort to the deployment of nuclear weapons in order to stave off a complete military collapse.

**The Risk of An India-Pakistan Nuclear War**

The possibility of a nuclear confrontation between India and Pakistan remains a serious threat. Each state is believed to possess at least 90-110 nuclear warheads in steadily increasing inventories, including theater nuclear weapons, as well as the missile inventories shown in **Figure 8**. If these forces were actually used in combat, they could do major damage to each state and the fallout would likely devastate the environment of the surrounding region.²³
**Figure 8: IISS Estimate of India-Pakistan Missile Balance**

<table>
<thead>
<tr>
<th><strong>India</strong></th>
<th><strong>Pakistan</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Combat Missile Units</strong></td>
<td><strong>Missile Strength</strong></td>
</tr>
<tr>
<td>1 gp with Agni I</td>
<td><strong>Strategic:</strong> ε60</td>
</tr>
<tr>
<td>1 gp with Agni II</td>
<td><strong>MRBM</strong> ε30 Ghauri/Ghauri II (Hatf-5);</td>
</tr>
<tr>
<td>1 gp (reported forming) with Agni III</td>
<td>some Shaheen-2 (Hatf-6 – in test); Shaheen-3 (in test)</td>
</tr>
<tr>
<td>2 gp with SS-150/250 Prithvi I/II</td>
<td><strong>SRBM</strong> ε30 Ghaznavi (Hatf-3 – PRC M-11)/Shaheen-1</td>
</tr>
<tr>
<td><strong>Missile Strength</strong></td>
<td>(Hatf-4); some Abdali (Hatf-2); some Nasr (Hatf-9)</td>
</tr>
<tr>
<td><strong>Strategic:</strong> 54</td>
<td><strong>LACM</strong> some Babur (Hatf-7); Ra’ad (Hatf-8 – in test)</td>
</tr>
<tr>
<td><strong>ICBM</strong> Agni V (in test)</td>
<td><strong>Tactical • SRBM</strong> 105 Hatf-1</td>
</tr>
<tr>
<td><strong>IRBM</strong> Agni III (entering service); Agni IV (in test)</td>
<td><strong>Aircraft</strong></td>
</tr>
<tr>
<td><strong>MRBM</strong> ε12 Agni II</td>
<td>1-2 sqn of F-16A/B or Mirage 5 may be assigned</td>
</tr>
<tr>
<td><strong>SRBM</strong> 42: ε12 Agni I; ε30 SS-250 Prithvi II;</td>
<td>a nuclear strike role</td>
</tr>
<tr>
<td>some SS-350Dhanush (naval testbed)</td>
<td><strong>LACM</strong> Nirbhay (likely nuclear capable; in development)</td>
</tr>
<tr>
<td><strong>LACM</strong> Nirbhay (likely nuclear capable; in development)</td>
<td><strong>Aircraft</strong></td>
</tr>
<tr>
<td><strong>Aircraft</strong></td>
<td>Some Indian Air Force assets (such as Mirage 2000H</td>
</tr>
<tr>
<td>Some Indian Air Force assets (such as Mirage 2000H</td>
<td>or Su-30MKI) may be tasked with a strategic role</td>
</tr>
<tr>
<td>or Su-30MKI) may be tasked with a strategic role</td>
<td><strong>Space</strong></td>
</tr>
<tr>
<td><strong>Space</strong></td>
<td><strong>Satellites:</strong> 6</td>
</tr>
<tr>
<td><strong>Communications</strong> 3 GSAT</td>
<td><strong>Satellites:</strong> 6</td>
</tr>
<tr>
<td><strong>ISR</strong> 3: 1 Cartosat 2A; 2 RISAT</td>
<td><strong>Communications</strong> 3 GSAT</td>
</tr>
</tbody>
</table>


The rough parity in nuclear capability between India and Pakistan would seem to allow for a deterrence framework similar to the Mutually Assured Destruction (MAD) scheme that prevailed between the United States and the Soviet Union during the Cold War. However, some analysts like Paul Bracken, a researcher in the dynamics of nuclear confrontation, feel that newer nuclear powers (such as India, Pakistan, Israel, or potentially Iran) may not be as likely to refrain from deployment of their weapons as the superpowers were during the 20th Century.

He suggests that the possession of nuclear weapons by both countries will in fact make them more crisis prone. Pakistan shapes its defense strategy to rely on nuclear forces in order to offset India’s massive superiority in conventional weapons. Thus, there is an incentive for Pakistan to deploy its nuclear weapons at the outset of a crisis in order to prevent India from achieving a swift conventional military victory.

South Asia specialist Steve Coll feels that the possession of nuclear weapons by both sides has made lower-intensity forms of conflict more likely. A major conventional conflict between the
two states has become far more dangerous due to the introduction of nuclear weapons, but both sides—especially Pakistan—now see the use of asymmetric tools as more acceptable for advancing military goals in the region. At least in the eyes of some in Pakistan, the acquisition of nuclear weapons has become a protective umbrella for aggressive Pakistani asymmetric action in Kashmir since nuclear weapons dramatically increase the risk of Indian retaliation in response to terrorist attacks.

These uncertainties are further complicated by the potential for regional terrorist groups to act as independent spoilers, forcing confrontations between the two nuclear states. This pattern was evident in the 2001-2002 India-Pakistan nuclear crisis, which was precipitated by a terrorist attack on the Indian Parliament on December 13, 2001. Due to Pakistan’s longstanding support for jihadist groups as an asymmetric weapon against India, there were immediate questions about Pakistani sponsorship of the attacks. India mobilized for war, leading to fears of Pakistani nuclear weapons release in the face of a massive Indian onslaught. Ultimately the crisis was eased through international mediation on the part of U.S. Secretary of State Colin Powell and others who were able to prevail upon Indian leadership not to commit to attacking Pakistan.

The potential for jihadist groups to force an escalation of India-Pakistan tensions was shown again months later when an attack on the residences of an Indian Army base in Kashmir resulted in the deaths of 34 people, including 22 wives and children of soldiers stationed at the base. India prepared to invade Pakistan in retaliation for what was assumed to be a Pakistani sponsored attack. It was assumed that Pakistan would respond with nuclear weapons due to its inability to seriously challenge India using conventional means.

The Mumbai attacks of 2008 also resulted in increased tensions between India and Pakistan, with the armies of both states mobilized and preparations made by India for a possible invasion of Pakistan in response to the attacks. In each of these instances, war was averted only through conciliatory gestures by both Indian and Pakistani leadership under intense pressure from Western states. The implication of this is that future crisis negotiation will depend heavily on the personalities and temperaments of the leaders involved.

These incidents demonstrate that while neither India nor Pakistan want a nuclear exchange; action by regional jihadist groups such as Lashkar-e-Taiba might force an escalatory cycle that precipitates a nuclear crisis. These two states have, with international assistance, managed to maintain cool heads amidst each of these crises and have de-escalated them. However, jihadist groups remain extremely active in the region. There is still strong potential for a terrorist attack in India, which could result in another nuclear crisis between India and Pakistan.

The Potential for Non-Nuclear Hostilities

As mentioned above, the presence of nuclear parity between India and Pakistan may make low-intensity conflict more, rather than less, likely and could trigger significant escalation. Pakistan has superior asymmetric forces in the form of jihadist groups supported by Pakistani Inter-Services Intelligence (ISI), but faces the risk of Indian conventional retaliation to terrorist or other asymmetric attacks. Steve Coll quotes an anonymous Pakistani General as saying that during the 2001-02 nuclear crisis, without a Pakistani nuclear deterrent “there might have been a war.” This General goes on to say that the primary lesson of the crisis is that “possession of nuclear weapons has not been a bad idea.”
However, much of the theory that seeks to assess the nuclear crisis dynamics between India and Pakistan is based on speculation, and past cases only provide an uncertain indication of how leaders on each side might be expected to respond to a conventional military crisis in the future. The 1999 Kargil War fought between Indian and Pakistani forces in Kashmir is to date the only instance of two hostile nuclear powers fighting in conventional conflict. The war attracted intense international scrutiny, specifically over the nuclear issue and the possibility that nuclear weapons were being readied for deployment.\textsuperscript{33}

The trend since that time has been that any major escalation in tensions between India and Pakistan receives immediate and intense international attention in order to resolve the situation peacefully. It is virtually guaranteed that future escalations would invite similar international intervention due to the potential for conventional war to escalate into the nuclear realm. Thus, the trend of the past 15 years indicates that any escalation in tension will receive immediate international attention, and both India and Pakistan will face enormous pressure to resolve the dispute peacefully.

The continuing presence of jihadist groups in South Asia makes a terrorist attack on India at almost inevitable at some point in the future. If the record of the past 15 years provides any indication, India will in all likelihood mobilize forces to strike against Pakistan in retaliation for such attacks, especially if intelligence points to Pakistani military support for the attackers as was the case in the 2008 Mumbai attacks (detailed fully below).

In such an event, India may be forced to retaliate in some manner against targets in Pakistan, either militant training camps for groups like Lashkar-e-Taiba, or official Pakistani military targets. In such an event, the escalation chain will hinge on India’s capabilities for precise targeting. If India can limit its strikes to militant targets, the war would be unlikely to escalate past the nuclear threshold. However, should India stage a conventional invasion of Pakistan as appeared likely during the 2001-02 crisis, the Pakistani military would likely feel compelled to employ nuclear weapons in order to ensure its national survival. Furthermore, in any such crisis, the possibility for miscalculation on both sides is such that the exact chain of events or the precise trigger for nuclear escalation would be impossible to predict.

**The Kashmir Conflict**

The disputed region of Kashmir, in northernmost India – parts of which are claimed by India, Pakistan, and China, remains an outstanding issue between the three countries. The CIA describes this issue as follows:\textsuperscript{34}

Kashmir remains the site of the world's largest and most militarized territorial dispute with portions under the de facto administration of China (Aksai Chin), India (Jammu and Kashmir), and Pakistan (Azad Kashmir and Northern Areas); India and Pakistan resumed bilateral dialogue in February 2011 after a two-year hiatus, have maintained the 2003 cease-fire in Kashmir, and continue to have disputes over water sharing of the Indus River and its tributaries; UN Military Observer Group in India and Pakistan has maintained a small group of peacekeepers since 1949;

India does not recognize Pakistan's ceding historic Kashmir lands to China in 1964; to defuse tensions and prepare for discussions on a maritime boundary, India and Pakistan seek technical resolution of the disputed boundary in Sir Creek estuary at the mouth of the Rann of Kutch in the Arabian Sea; Pakistani maps continue to show its Junagadh claim in Indian Gujarat State;

Prime Minister Singh's September 2011 visit to Bangladesh resulted in the signing of a Protocol to the 1974 Land Boundary Agreement between India and Bangladesh, which had called for the settlement of
longstanding boundary disputes over undemarcated areas and the exchange of territorial enclaves, but
which had never been implemented;

Bangladesh referred its maritime boundary claims with Burma and India to the International Tribunal on
the Law of the Sea; Joint Border Committee with Nepal continues to examine contested boundary sections,
including the 400 square kilometer dispute over the source of the Kalapani River; India maintains a strict
border regime to keep out Maoist insurgents and control illegal cross-border activities from Nepal.

India and Pakistan have fought two wars over the disputed province, which has killed an
estimated 68,000 people. As the war over the Rann of Kutch showed, it is hard to predict the
points at which India and Pakistan can go to war. The Indian army currently has five infantry
divisions and an air base, (and another one under construction) in Kashmir, as well as more
infantry divisions and an armored tank division south of the Line of Control.35

The IISS reported in an assessment in the 2013 edition of its annual Military Balance that,36
India continues to reinforce its military capability in its border regions with Pakistan and China. The air
force has over the past two to three years deployed its most capable multi-role combat aircraft, the Sukhoi
Su-30MKI Flanker, at bases in the northeast and in the northwest, while the army established two
additional mountain divisions (the 56th and 71st) and plans a mountain strike corps in the former region.
Flankers were deployed to Tezpur and Chabua air bases in 2009 and 2011 respectively, with the type being
deployed to Bhatinda and Halwara during 2012. Leh and Nyoma are likely planned forward-operating
bases for the Flanker, with the latter being upgraded presently. Nyoma is under 15 miles from the Line of
Actual Control with China.

In September 2013, however, the Prime Ministers of the respective countries met on the sidelines
of the UN General Assembly, though many have expressed doubt that the meeting would lead to
any long lasting peace for the region and between the two countries. The meeting took place
among several violent clashes over the previous two months that killed a total of eight soldiers of
both Pakistani and Indian origin, and caused relations to crater.37 Furthermore, in late October
2013, violence across border posts broke out, leaving 12 people, including children, dead from
machine guns and mortar fire. However, it is unclear if this violence is merely a cross border
skirmish or indicative of more widespread violence to come.38 Small-arms, artillery, and mortar
fire across the Line of Control in Kashmir flared up again in the second half of the summer of
2015, killing civilians and military personnel.39

To reduce tensions, the neighbors announced their intention to resume high-level bilateral talks
in December 2015 (the first of their kind since 2012),40 and Indian Prime Minister Narendra
Modi conducted a surprise visit to meet with Pakistani Prime Minister Nawaz Sharif in Lahore
that same month; it was the first visit by an Indian premier in almost 12 years.41 Despite these
positive developments in Indo-Pakistani relations, a January 2016 terrorist attack by Jaish-e-
Mohammed on the Indian Pathankot Air Force Base seems to have derailed bilateral talks for the
time being.42 The attack was relatively small, but even a small attack by a Pakistani-based
terrorist group against a hard military target seems to have the capability to undo the fragile
diplomatic progress made by India and Pakistan.

**Pakistani Nuclear Security Concerns**

Aside from concerns about the conflict between India and Pakistan escalating into the nuclear
domain, there have been longstanding concerns about the security of Pakistan’s nuclear weapons
and the possibility that these might fall into the hands of terrorists or rogue elements within the
Pakistani military. These concerns were heightened in 2004 by revelations that Abdullah Qadeer
Khan, one of the lead physicists in Pakistan’s nuclear program and considered to be the “father
of the Pakistani bomb” had been operating a nuclear technology smuggling group which had provided uranium enrichment technology and nuclear development know-how to countries such as Iran, Libya, and North Korea.43

The technology and information sharing smuggling network is considered to have been instrumental in bringing both the Iranian and North Korean nuclear programs through the embryonic stage. A.Q. Khan was never formally arrested or charged, and was released from house arrest in 2009 on orders from the Islamabad High Court.44 It is unclear if elements of A.Q. Khan’s smuggling network remained active during his house arrest, or if it has been reactivated in the years since his release. Secretary of State Hillary Clinton noted in 2011 that the United States and Pakistan were cooperating to dismantle all nuclear smuggling networks which could present a proliferation threat.45

There has been no evidence that A.Q. Khan’s network provided nuclear material or know-how to al Qaeda or other terrorist groups, but the Congressional Research Service notes that other scientists from the Pakistani nuclear program, Sultan Mahmood—a known Islamic fundamentalist—and Chaudiri Majeed met with Osama bin Laden and Ayman al-Zawahiri in August, 2001 to discuss nuclear weapons designs and the technology which would be required to provide al Qaeda with a functioning nuclear weapon.46 It is believed that the Pakistani military effectively disrupted these plans in the wake of the 9/11 attacks when President Musharraf agreed to support the U.S. Global War on Terror. However, this event highlights the continuing potential for members of Pakistan’s military or nuclear establishments to divert weapons technology and know-how to terrorist groups either for profit or ideology.

The security of Pakistan’s actual nuclear weapons has also been a matter of continuing scrutiny, but U.S. officials and analysts generally agree that the Pakistani military maintains acceptably high levels of security over its nuclear weapons. Pakistani weapons are believed to be stored in “component form,” in which their warheads are stored separately from the missiles that will deliver them to their targets. Additionally, the fissile cores of the warheads may be stored separately from the triggering components.47 These parts would have to be properly assembled before a weapon could be detonated. This allows for a strong additional layer of security over Pakistan’s weapons in that a terrorist or nuclear thief would have to penetrate the security around at least two separate storage sites, steal the requisite component parts, and have the technical knowledge to assemble them.

However, a report published in the West Point Combatting Terrorism Center’s Sentinel journal notes that these measures are not foolproof. The report notes that terrorist groups have attacked military installations believed to store nuclear weapons or related technologies before (including bases at Wah, Kamra, and Saragodha) and that the tactics employed by the Tehreek-i-Taliban Pakistan (TTP) in their attack on the Pakistani Army’s General Headquarters in Rawalpindi on October 10, 2009 could feasibly enable the penetration of a nuclear site if they were replicated against one in the future.

During this event, the terrorists were able to gain access to the installation through the use of actual military uniforms, identification documents, and vehicles.48 Furthermore, the attackers had accurate maps and other intelligence of the facility, allowing them to conduct detailed operational planning for every step of their attack. This would also be feasible in the case of Pakistani nuclear facilities. The Sentinel report notes that:49
As many as 70,000 people in Pakistan reportedly have access to, or knowledge of, some element of the Pakistani nuclear weapons production, storage, maintenance, and deployment cycle, from those involved in manufacture of fissile material, through those engaging in nuclear weapons design, assembly and maintenance, to those who transport and safeguard the weapons in storage and would deploy the weapons in a crisis. That number will also rise steadily as the size of the nuclear arsenal grows.

Finally, upon reaching more secured entry points, the lead elements in the attack detonated suicide vests, destroying security checkpoints with them and allowing follow-on elements to flow through.\(^5\) This particular tactic could, in theory, allow penetration of perimeter defenses of any depth, as a terrorist group with proper intelligence of security protocols—which the TTP clearly possessed during the October 2009 attack—and enough suicide bombers could cascade perimeter defenses, each bomber blowing a hole in a layer of perimeter security through which others could enter. The *Sentinel* report concludes that:\(^5\)

A frontal assault of this kind on nuclear weapons storage facilities, are the most robustly defended elements of Pakistan’s nuclear weapons cycle, is no longer an implausible event. The successful location and penetration of such a site by terrorists, even if they were ultimately unsuccessful in accessing nuclear assets, would itself be a transformative event both in terms of the U.S.-Pakistan nuclear relationship and in terms of international anxiety about the security of Pakistan’s nuclear weapons. Such an assault would also critically undermine Pakistan’s reassurances about the security of its nuclear weapons elsewhere in the weapons cycle, particularly in transit. As the number of Pakistan’s nuclear weapons rise, and as the nuclear weapons security challenges thereby steadily multiply, the odds that Pakistan’s nuclear weapons security will eventually by compromised continue to rise.

The potential gap in this security arrangement would increase significantly during a crisis in which the military decided to prepare the weapons for potential deployment. Weapons components would presumably have to be removed from storage and assembled with their delivery systems, a process which would by necessity involve compromising at least some of the security measures currently in place. Under crisis circumstances, during which the Pakistani military would be placing far more emphasis on readying nuclear weapons for immediate deployment rather than on standing security measures, it would be far easier for a terrorist group or renegade military unit with proper intelligence of Pakistan’s nuclear security protocols to penetrate those measures and capture a weapon. These concerns are heightened due to the deliberate opacity surrounding Pakistan’s nuclear doctrine and the circumstances under which the military would begin readying weapons for deployment.

These issues will be compounded as Pakistan begins fielding a new generation of tactical nuclear weapons designed not to deter an Indian nuclear strike, but rather to counter India’s overwhelming conventional military superiority.\(^5\) In the event of an Indian invasion, especially if India were employing its “Cold Start” doctrine and pursuing an armored blitzkrieg into Pakistani territory, Pakistan intends to employ these smaller nuclear weapons to destroy Indian armored columns where its own conventional units would be unable to do so.

As a result of this different target set, Pakistan’s tactical nuclear weapons are forward deployed on short-range missiles near the Indian border, where they would be ready for quick deployment in the event of an Indian invasion. The placement of these weapons makes them inherently vulnerable to being overrun by Indian forces, providing an intense “use it or lose it” incentive to Pakistani leaders to launch them before they are seized by Indian units. As a result, there are indications that the Pakistani military has provided “partial pre-delegation” of launch authority to local commanders so that they would be prepared to use their weapons should they be in danger of being overrun before launch orders could be given by Pakistan’s central military command in Rawalpindi.\(^5\)
This arrangement is inherently dangerous as it distributes control of at least some of Pakistan’s weapons across a greater array of frontline commanders, which “inevitably dilutes command and control of nuclear weapons, however competent officials might be.” This obviously increases the chances that one of these commanders, or a member of his staff, could divert weapons, fissile material, or nuclear technology, either due to ideology, for profit, or under coercion.

U.S. options for supporting the security of Pakistan’s nuclear arsenal remain extremely limited. The United States has offered assistance to Pakistan to support improvements to its nuclear security, but these efforts are hindered due to the secrecy Pakistan maintains around its weapons, and fears aired publicly in Pakistan that U.S. Special Operations Forces might attempt to seize Pakistan’s entire nuclear arsenal—an action that is almost certainly outside the actual capabilities of U.S. forces. As a result, information sharing between Pakistan and the United States regarding nuclear security remains extremely limited, and consists mostly of U.S. officials sharing best practices and various technical options that will increase the reliability of Pakistani security measures.

The U.S. military does maintain the capability to secure and “render safe” a nuclear weapon that has fallen into the hands of terrorists. Former Chairman of the Joint Chiefs of Staff Hugh Shelton has been quoted saying that U.S. Special Operations units were already conducting these sorts of operations in the 1990s, and now regularly rotate through Central Asia in case nuclear weapons or fissile material are captured by a terrorist group. Former National Security Council Director for Combatting Terrorism Strategy Michele Malvesti has also written that this is “arguably the nation’s most critical capability by virtue of their counter-proliferation mission.”

However, for all the potency of U.S. forces, the size, complexity, and dispersed posture of the Pakistani nuclear force requires that real and lasting security efforts focus on bolstering Pakistani security measures and encouraging greater transparency in terms of its security measures, nuclear doctrine, and command and control structures. This is likely the only way to alleviate international fears over the security of Pakistani nuclear weapons.

The Indian Navy, China, Pakistan, and South Asian Maritime Security

It is the air-sea balance in India-Pakistani forces—rather than the air-land balance—that is most likely to have a broader regional impact on the IOR. While past conflicts have focused on land-air battles, India and Pakistan are involved in an ongoing sea-air arms race, and this could lead to one or both sides interfering with local maritime traffic as well as a more serious sea-air battle in any future conflict.

India has a much greater lead over Pakistan in sea power than in air and land forces. Figure 9 shows this imbalance in terms of major combat vessels. India has two aircraft carriers and a nuclear submarine. It has a comparatively large mix of amphibious ships—including one large LPD, 5 LMs, and 5 LSTs—and 57 support ships. It has a marine force of 1,200 men and 8 LCUs, as well as a substantial naval aviation force of 7,000 men. Pakistan has a 1,600-man marine force, but no carrier or nuclear submarine program. It only has landing craft, and 17 smaller logistic and support craft.

The comparative size of Indian and Pakistani naval aviation is shown in Figure 10.
Indian Naval Buildup and Capability for Sea Control

India’s naval order of battle is in many ways a smaller version of an advanced Western blue-water navy, fully support by an air component and missile forces, and constitutes the most powerful naval force amongst countries actually bordering the Indian Ocean. Indian naval planning focuses on the creation of a powerful maritime strike capability employing sophisticated surveillance platforms—to include unmanned aerial surveillance—and air- and surface-launched precision guided munitions.\(^59\)

India’s forces are designed primarily for sea control and maritime power projection, allowing India to protect maritime shipping and trade, as well as its energy supplies. This is a mark of naval dominance over the other states (with the exception of Australia) fronting the Indian Ocean, which do not have powerful enough naval forces to engage in activities outside of coastal defense.

According to IISS, the Indian Navy receives 16.5% of the national defense budget, and has major procurement programs aimed at modernizing its naval capabilities.\(^60\) This plan centers on India’s acquisition of aircraft carriers in order to have two combat-ready carriers at any given time.\(^61\) For the time being these include the newly-acquired Vikramaditya, a former Soviet Kiev-class carrier which was transferred to India at the end of 2013, as well as the older Viraat, which initially entered service with the Royal Navy in 1959. The Viraat will be replaced by the Vikrant, India’s first domestically built aircraft carrier, and is scheduled to enter service in 2018.\(^62\) In addition, India plans to procure a second domestic carrier, the INS Vishal, which would be a much-upgraded version of the Vikrant-class.\(^63\)

Indian naval aviation is further bolstered by its acquisition of eight P-8I aircraft from the United States, the first of which was delivered in December 2012.\(^64\) These aircraft are highly capable anti-submarine and anti-surface warfare platforms, which include advanced radars and magnetic detection equipment to track both surface and sub-surface targets, and can be armed with AGM-84 cruise missiles in both anti-ship and standoff land-attack variants, Mk54 torpedoes, and sea mines.\(^65\) India’s naval aviation assets are complimented by sophisticated surface and submarine warfare capabilities, including 11 guided missile destroyers, 11 guided missile frigates, and 14 diesel fast attack submarines.\(^66\)

India is developing six new Scorpene class diesel-electric submarines, and is also developing an indigenous ballistic missile submarine, capable of firing the K-15 ballistic missile with a range of 750km.\(^67\) This will give India a highly survivable nuclear missile capability, akin to the U.S. nuclear triad, and will allow for a guaranteed second strike capability in the event of a nuclear exchange.

India has further enhanced its naval security by pursuing extensive naval agreements with a number of other countries in the region as well as out-region partners including Vietnam, Indonesia, Malaysia, and Japan. The Indian Navy also regularly conducts exercises with the U.S. and Royal Australian Navies.\(^68\)

In order to counter submarine threats, India is building four dedicated anti-submarine corvettes of the Kamorta-class. Employing advanced stealth technologies, the Kamorta-class ships are 90% indigenous, demonstrating India’s commitment to anti-submarine warfare and its growing shipbuilding capability.\(^69\) The ship is built to operate in a blue water environment, reflecting India’s naval focus.
Figure 9: South Asian Major Combat Ships by Country

Figure 10: Indian and Pakistani Naval Aviation

India

FIGHTER/GROUND ATTACK
1 sqn with MiG-29K/KUB Fulcrum
1 sqn with Sea Harrier FRS 1 (Mk51); Sea Harrier T-4N (T-60)

ANTI-SUBMARINE WARFARE
4 sqn with Ka-28 Helix A; SA316B Alouette III (Chetak); Sea King Mk42A/B

MARITIME PATROL
2 sqn with BN-2 Islander; Do-228-101; II-38SD May; Tu-142M Bear F
1 sqn with P-8I Neptune

SEARCH & RESCUE
1 sqn with Ka-31 Helix B

AIRBORNE EARLY WARNING & CONTROL
1 sqn with SA316B Alouette III (Chetak); Sea King Mk42C
1 sqn with Dhruv

TRANSPORT
1 (comms) sqn with Do-228
1 sqn with HS-748M (HAL-748M)

TRAINING
1 sqn with HJT-16 Kiran Mk/I/II, Hawk Mk132

TRANSPORT HELICOPTER
1 sqn with UH-3H Sea King

ISR UAV
1 sqn with Heron; Searcher MkII

EQUIPMENT BY TYPE
AIRCRAFT 71 combat capable
FTR 33 MiG-29K/KUB Fulcrum

Pakistan

EQUIPMENT BY TYPE
AIRCRAFT 10 combat capable
ASW 10: 3 Atlantic; 7 P-3B/C Orion
MP 6 F-27-200 MPA
TPT 4: Light 3 ATR-72-500 (MP); PAX 1 Hawker 850XP

HELICOPTERS
ASW 12: 5 Sea King Mk45; 7 Z-9C Haitun
MRH 6 SA319B Alouette III

MSL • AShM AM-39 Exocet

Pakistani Naval Modernization

While Pakistan does not have the same resources as India to build its naval forces, Pakistan continues to gradually modernize and improve its Navy. Pakistan’s largest recent naval acquisition was the decision to buy eight Chinese Type 39B Yuan Class SSKs. The Yuan Class, equipped with an AIP system allowing it to stay underwater for extended periods, would greatly increase the effectiveness of Pakistan’s submarine force, which currently operates 5 SSK submarines that are approximately 40 years old. The new submarines would be able to provide some much needed ability to counter Indian surface warships along with missions such as laying naval mines and firing nuclear-tipped cruise missiles.

Cooperation with the Chinese extends beyond sub-surface cooperation. Beijing is helping Pakistan along a broad range of naval modernization activities. These include assistance in constructing “four "Improved F-22P" frigates equipped with enhanced sensors and weaponry (possibly including the HQ-17 surface-to-air missile developed from the Russian Tor 1/SA-N-9); and six Type-022 Houbei stealth catamaran missile boats, to be built by Pakistan's state-owned shipbuilder Karachi Shipyard and Engineering Works (KSEW).” Pakistan has turned to China to make up for comparative deficiencies in its shipbuilding program vis-à-vis India. Pakistani-Sino cooperation has resulted in assistance in warship construction and financing.

Pakistan’s Asymmetric Maritime Capabilities

Pakistan, India’s longtime international rival, lacks the conventional naval forces to challenge India. With 10 frigates and 8 submarines, Pakistan has some ability to protect its coastline and inhibit an adversary’s seaborne maneuverability. It cannot sustain an intense naval campaign against an enemy like India with its advanced naval assets.

If a confrontation were to take place, Pakistan would probably try to apply asymmetric warfare tactics to circumvent India’s conventional strengths, much as it has done in the land-warfare domain. While maritime terrorism has historically been less effective than its land-based counterpart, it is not without precedent. While al-Qaeda’s 2000 attack on the USS Cole in Aden Harbor is the most prominent example, South Asia also has a history of seaborne terrorist attacks against naval and commercial maritime assets.

This includes the 2008 Mumbai attack by Pakistani-based terrorist group Lashkar-e-Taiba (reportedly with some degree of support from Pakistani military intelligence), in which the attackers departed by boat from Karachi, hijacked a fishing vessel at sea, and used it to make an amphibious landing in seaside slums in Mumbai, away from Indian police presence. The attackers then split into small cells to attack multiple dispersed targets around the city center, shown in Figure 11, while their actions were coordinated by a command group in Pakistan via voice and text-message communications on cellular phone networks.

Another example is the Sea Tigers, the maritime suicide-bombing unit of the Liberation Tigers of Tamil-Elam (LTTE) in Sri Lanka. This group was able to conduct repeated large scale attacks against the Sri Lankan Navy using fast attack craft, swarming tactics, vessel-borne IEDs, and mines placed in harbors and sea lanes by divers. LTTE’s actions were supported by “warehouse ships” that stored weapons, ammunition, and supplies hid in shipping and fishing fleets sometimes thousands of kilometers from the engagement area, effectively creating a sanctuary for terrorist actions in international waters.
Pakistan could choose to employ similar tactics in the event of hostilities with India as a means to inflict damage on India’s more capable navy, as well as on its commercial shipping, which is critical for India’s economy. Pakistan would likely be even more capable than the LTTE in such an effort as it could apply the resources of a state towards organizing, training, and equipping a highly capable maritime asymmetric force, while still maintaining a semblance of plausible deniability should that group conduct attacks against civilian targets.

The use of such asymmetric tactics and forces has been the Pakistani model for advancing its interests in Afghanistan and Kashmir since at least the 1980s. As the Mumbai case demonstrates, the Pakistani military can provide superior training, intelligence, and command and control than a non-state actor would otherwise be able to achieve. This would be critical in maritime asymmetric warfare due to the need for a networked command structure to coordinate swarming attacks against a sophisticated naval force such as the Indian Navy.

India has responded to this threat. As its severity became apparent in the wake of the 2008 Mumbai attacks, India established the Sagar Prahari Bal, a maritime force protection group with 1,000 Marines and 80 patrol boats. India also has a maritime special operations unit, the Special Forces Marine Commando, with a strength of 2,000 Marines. These forces are supported by a Coast Guard of 9,550 sailors and 98 patrol vessels of various classes.

The development of these units suggests that India takes the threat of maritime terrorism and asymmetric warfare seriously. However, investments in the Indian Navy remain focused on the development of a blue-water battle fleet capable of confronting a technologically sophisticated adversary at sea, despite the fact that a confrontation with Islamist militants (potentially supported by Pakistani ISI) remains far more likely than a major engagement against the Chinese People’s Liberation Army Navy.
China as a Growing Factor in Indian and Pakistani Sea-Air Developments

At the same time, the extent to which the tensions between India and Pakistan will be affected by Indian concern over China’s air-sea-missile build up is a growing uncertainty in making long term strategic assessments of the military situation in the IOR. India has long engaged in a confrontation with China over its land border, and while this conflict is far from the IOR, it inevitably affects Indian attitudes towards China. The history of Indian conflicts, clashes, and tensions with China can have broad implications for the IOR.

India has long seen itself as the dominant naval power in the IOR in spite of the role of U.S. air and sea forces have played. India may accept U.S. maritime superiority, particularly since it has never had any strategic impact on India, but China is a very different story. China’s emergence as a major air-sea power is a challenge to India’s position in the IOR; it is also a potential source of aid to Pakistan, and is a future source of political or military challenges to India.

Chinese naval operations in the Indian Ocean have centered on counter-piracy and the protection of maritime trade, and Admiral Terry McKnight, who commanded the multinational counter-
piracy Combined Task Force-151 in 2009 recounts that the Chinese Navy maintained friendly and cooperative relations with other navies operating in the region.\textsuperscript{80}

China has also become involved in port construction and upgrades at several locations around the Indian Ocean, including the development of a new facility at Gwadar in Pakistan. These activities, along with Chinese port development agreements with various countries in the Indian Ocean have led to concerns that there is a Chinese “String of Pearls” strategy for a sustained naval presence throughout the region.\textsuperscript{81} Some posit that China is constructing naval ports around the world in ways that could threaten India, including the ability to halt massive amounts of their trade via maritime chokepoints. In addition to the Gwadar port, China has also constructed a port in Karachi, Pakistan, several ports in Myanmar, and container terminals in Sri Lanka and Bangladesh.

As yet, none of these ports have become active naval bases. They are a long way from ports and bases on the Chinese mainland, and China would also need to be able to establish bases for its naval and air forces, which would be subject to the control of the host country.\textsuperscript{82} It is likely that some of the more current fears about the “String of Pearls” have been exaggerated, but there is little question such a basing capability could evolve over time, and that the possibility has already contributed to a growing Indian concern over Chinese intentions in the region, particularly since Chinese ships began activity in the Indian Ocean in 2008—for the first time in 500 years.

In November 2015, China announced that it would establish its first overseas “military outpost” in the East African nation of Djibouti.\textsuperscript{83} China’s Foreign Ministry was careful to avoid using the word “base” to describe the installation, but stated that it will be used to resupply its ships that participate in UN antipiracy missions in the region. The port in Djibouti would be an ideal logistical location for protecting Chinese oil imports from the Middle East as they cross the Indian Ocean, and it is consistent with the global maritime strategy laid out by the Chinese Ministry of National Defense that was publically released in May 2015.\textsuperscript{84} The U.S. maintains a military base in Djibouti, its only one on the African continent, as does France.\textsuperscript{85}

While China seems to be focused on the Pacific, India cannot ignore the fact that China has recently been developing its aircraft carrier and other naval offensive weapons capabilities. These include new surface and sub-surface combatants such as the Type 52 destroyer and Russian Kilo-class diesel-electric fast attack submarines. This mix of weapon systems indicates that China intends to develop an advanced blue-water naval capability. This force is currently focused on waters closer to China, and is not yet capable of projecting major combat power into the Indian Ocean in a manner that would threaten the Indian Navy.

It is clear that the longstanding tensions between India and China, the emergence of both countries as regional naval powers, and China’s close relations with Pakistan have led India to plan for naval competition and even confrontation with China in the Indian Ocean. Tensions between India and China rose throughout 2013 due to an incursion by Chinese forces into an Indian-controlled portion of disputed territory in Kashmir.\textsuperscript{86} While this dispute itself is currently confined to the land domain, it reinforces the sense in India that China is willing to act aggressively towards India, which will inevitably have repercussions for Indian planning with regard to China’s naval presence in the IOR.
India: An Emerging Global Economic Power?

India is a nation under massive demographic pressure. The U.S. Census Bureau estimates that its population increased from 370 million in 1950 to 1,252 million in 2015, and will increase to 1,396 million in 2025 and 1,657 million in 2050. Even so, if India can avoid major conflicts and deal with its internal stability problems, it still has the potential to become a major world economic power and a major regional military power.

As yet, however, India has been unable to establish either a stable pattern of economic growth, or the quality of governance and political stability necessary to achieve this status. As the debates that shaped India’s election in 2014 have highlighted, India remains corrupt, deeply divided by province, caught up in sectarian and ethnic divisions, and still presents serious barriers to outside and internal investment and economic development.

Politics, Governance, and Development Mix Progress with Self-Inflicted Wounds

The World Bank governance index for 2014 rates India as having moderate accountability, effectiveness of governance, and rule of law, but low political stability, absence of violence and substantial corruption. Transparency International ranked India as 76th in world in terms of overall corruption—a rating that is down from 94th prior to the 2014 elections. The World Bank ranked India 130th in the world in ease of doing business in 2016, with exceptional barriers to starting a business, enforcing contracts, getting electricity, paying taxes and dealing with construction permits.

The CIA reports that India’s per capita income only averaged $6,300 in 2015, ranking a low 158th in the world, with almost 30% of its population below the poverty line. It summarized India’s political and economic status as follows in March 2016:

Years of nonviolent resistance to British rule, led by Mohandas Gandhi and Jawaharlal Nehru, eventually resulted in Indian independence, which was granted in 1947. Large-scale communal violence took place before and after the subcontinent partition into two separate states - India and Pakistan. The neighboring nations have fought three wars since independence, the last of which was in 1971 and resulted in East Pakistan becoming the separate nation of Bangladesh.

India's nuclear weapons tests in 1998 emboldened Pakistan to conduct its own tests that same year. In November 2008, terrorists originating from Pakistan conducted a series of coordinated attacks in Mumbai, India's financial capital. Despite pressing problems such as significant overpopulation, environmental degradation, extensive poverty, and widespread corruption, economic growth following the launch of economic reforms in 1991 and a massive youthful population are driving India's emergence as a regional and global power.

…India's diverse economy encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries, and a multitude of services. Slightly less than half of the work force is in agriculture, but, services are the major source of economic growth, accounting for nearly two-thirds of India's output with less than one-third of its labor force. India has capitalized on its large educated English-speaking population to become a major exporter of information technology services, business outsourcing services, and software workers.

India is developing into an open-market economy, yet traces of its past autarkic policies remain. Economic liberalization measures, including industrial deregulation, privatization of state-owned enterprises, and reduced controls on foreign trade and investment, began in the early 1990s and served to accelerate the country's growth, which averaged under 7% per year from 1997 to 2011. India's economic growth began slowing in 2011 because of a decline in investment caused by high interest rates, rising inflation, and investor pessimism about the government's commitment to further economic reforms and about the global
situation. Rising macroeconomic imbalances in India and improving economic conditions in Western countries led investors to shift capital away from India, prompting a sharp depreciation of the rupee.

Growth rebounded in 2014 and 2015, with both years exceeding 7%. Investors’ perceptions of India improved in early 2014, due to a reduction of the current account deficit and expectations of post-election economic reform, resulting in a surge of inbound capital flows and stabilization of the rupee. Since the election, economic reforms have focused on administrative and governance changes largely because the ruling party remains a minority in India’s upper house of Parliament, which must approve most bills. Despite a high growth rate compared to the rest of the world, in 2015, India’s government-owned banks faced mounting bad debt, resulting in low credit growth and restrained economic growth.

The outlook for India’s long-term growth is moderately positive due to a young population and corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. However, India’s discrimination against women and girls, an inefficient power generation and distribution system, ineffective enforcement of intellectual property rights, decades-long civil litigation dockets, inadequate transport and agricultural infrastructure, limited non-agricultural employment opportunities, high spending and poorly-targeted subsidies, inadequate availability of quality basic and higher education, and accommodating rural-to-urban migration are significant long-term challenges.

The World Bank’s *India Development Update* of April 2015 was more optimistic in their discussion of the Indian economy. The economy has been on an upturn in the last three quarters—growth has accelerated, inflation has declined, current account deficit has narrowed, and external buffers have been replenished. GDP growth (at market prices) is projected to accelerate to 7.2 percent in 2014-15, compared to 6.9 percent in the previous year. On the production side, growth is driven by the services sector, which continues to outperform manufacturing; and on the expenditure side, it is driven by public and private consumption, with modest contributions from investment and exports. Underpinned by the global trends, inflation declined to 4.6 percent during the second half of 2014-15 from an average of 7.3 percent in the first half of the year. The decline in inflation and fiscal restraint generated some room for monetary accommodation, making it possible for the RBI to lower the policy rates twice in the last quarter of 2014-15.

The deficit target for 2014-15 is likely to be met despite weak revenue collection, primarily by compressing current and capital expenditure. Deviating from recent trends, the recently announced budget for 2015-16 proposed to improve the quality of expenditure by increasing capital expenditure by about 0.2 percent of GDP next year; while allocating a larger share of tax revenue to the States, along with greater spending discretion. There was some decline in fuel subsidies, due to subsidy reforms as well as the decline in the price of oil. Meeting the budgeted fiscal targets for 2015-16 would depend on the realization of tax buoyancy assumed in the budget, as well as the targets for disinvestment receipts, and the assumptions on oil prices and growth outcomes. The government slowed down the pace of medium term fiscal consolidation to make room for “funding infrastructure investment”, proposing to consolidate the deficit to 3 percent of GDP in the next three years, instead of two as was proposed in the previous budget; setting the glide path of deficit to 3.9 percent, 3.5 percent and 3.0 percent respectively in 2015-16, 2016-17 and 2017-18.

While the decline in the price of oil helped contain the oil import bill; moderation in the price of gold and restrictions on gold imports helped restrain the import of gold. Both these developments restrained the trade deficit to $112 billion in the first three quarters of 2014-15, compared to $117 billion over the same period in the previous fiscal year. With the steady stream of remittances and services exports, the current account deficit was curtailed at $26 billion in the first three quarters of the fiscal year, compared to $31 billion over the same period in the previous year. The RBI refurbished its reserve buffers, increasing it by nearly $40 billion during the year to $338 billion as of February 27, 2015.

Acceleration in growth is conditional on the rate of investment picking up to 11 percent during FY2016-FY2018. 2 Pace of growth of government consumption expenditure is expected to increase in 2015-16 on account of the anticipated revision in public salaries under the ambit of the 7th Pay Commission; and private consumption expenditure is expected to respond gradually, increasing to 9 percent by 2017-18 from 6.1 percent in 2014-15. Low crude prices, improved production capacity, and the adoption of the flexible
inflation targeting framework, would likely keep inflationary pressures under check, inflationary expectations anchored and help prevent overheating in the medium-term.

Global growth is expected to pick-up modestly this year, but less than previously anticipated. Several countries and regions with strong trade, diaspora and investment links with India continue to face a soft growth patch, dampening the external outlook. Countries that figure most prominently among large destinations for Indian exports as well as its diaspora, such as the UAE, Saudi Arabia, the broader set of GCC, but also China and Europe, face subdued growth prospects. These could translate into some slowdown in remittances, and possibly in FDI flows into India, while undermining the prospects for resurgence in exports growth.

India’s economy grew at 7.5% in the first quarter of 2015; this was the first time that economic growth in India exceeded China’s to be the world’s fastest growing large economy. However, economic interdependence between the two countries means that a slowdown in China also impacts India. Slowing growth and stock market volatility in China has caused the Asian Development Bank to lower its forecast of Indian economic growth from 7.8% to 7.4%. Both India and China have cut interest rates in order to boost consumer demand and economic growth. Economic activity in India has a major impact on the Indian Ocean Region.

### Transnational Problems and Counterterrorism

As discussed earlier, India faces several serious transnational problems, due primarily to Pakistan’s longstanding support for terrorist and insurgent groups—many of which now operate semi-autonomously from Pakistani control—but also due to internal security threats from Maoist terrorists and separatist groups.

India’s counterterrorism efforts have only limited to moderate effectiveness, and reporting tends to undercount domestic ethnic and religious violence that is not tied to outside sources. The U.S. State Department summarizes these challenges and India’s responses as follows:

According to the South Asia Terrorism Portal, 805 people were killed as a result of terrorist attacks in India in 2012. While this figure represents a 25 percent decrease from the previous year, India remained subject to violent terrorist attacks and continued to be one of the most persistently targeted countries by transnational terrorist groups such as Lashkar-e-Tayyiba (LeT). Included in the total number of fatalities were the 364 deaths ascribed to left-wing violent extremism, almost 80 percent of which were Communist Party of India Maoist or Maoist/ Naxalite violence, which the Indian government considers its most serious internal security threat. To date, those groups have not specifically targeted U.S. or other international interests.

In 2012, Indian sources continued to attribute violence and deaths in Jammu and Kashmir to transnational terrorist groups it alleges are backed by Pakistan. India and Pakistan attempted to decrease tensions in their bilateral relationship by increasing official dialogue between their two governments, lessening trade restrictions, and relaxing some visa requirements in 2012. Continued allegations of violations of the Line of Control between India and Pakistan (the border along Jammu and Kashmir), however, and Indian concerns about Pakistani-based terrorist groups remained impediments to normalizing relations.

In December, the Indian government reached an agreement with the Pakistani government for a second visit of a Pakistan Judicial Commission to visit India to cross-examine witnesses for the Mumbai attack prosecutions in Pakistan, but the visit must be approved by the courts in both countries; this had not occurred by year’s end. Terrorist opponents of better India-Pakistan relations, including LeT and its leader Hafiz Saeed, continued to call for violent attacks against India.

The United States and India increased counterterrorism capacity building efforts and cooperation, with the Indians participating in several courses provided by the Department of State’s Antiterrorism Assistance program, along with other regional capacity building programs. The annual U.S.-India Counterterrorism Joint Working Group meeting allowed both countries to share counterterrorism perspectives and policies, as well as propose initiatives for future cooperation. In addition, the U.S. Federal Bureau of Investigation,
through the Office of the Legal Attaché, conducted additional exchanges with Indian law enforcement personnel, and DHS, through the Homeland Security Dialogue with the Ministry of Home Affairs, expanded its interaction with Indian officials on cyber security, counterfeit Indian currency that could be used to finance terrorism, port security, and megacity policing initiatives.

As part of its strategy to increase border security, the Ministry of Home Affairs Department of Border Management is building fences and roads and installing floodlights along both the Indo-Pakistan border and the Indo-Bangladesh border. In 2012, land was identified for the establishment of 116 of 131 new coastal police stations and the land acquisition process began for 74 of those stations as part of the government’s Coastal Security Plan.

The Government of India’s efforts to establish a National Counterterrorism Center were stalled when Chief Ministers from several states objected to its establishment on the grounds that it infringed upon the states’ constitutional rights and responsibilities to maintain law and order. Earlier 2009 initiatives to establish a National Intelligence Grid, a platform for information-sharing between law enforcement, intelligence services, and other government agencies, and a national crime record database had not been implemented by year’s end, but some progress was reported. The Crime and Criminal Tracking Network and Systems will create a nation-wide environment for the real-time sharing of crime and criminal information.

...India is a member of the Financial Action Task Force (FATF) and two FATF-style regional bodies; the Eurasian Group on Combating Money Laundering and Terrorist Financing and the Asia/Pacific Group on Money Laundering. The international community has targeted LeT individuals and entities under terrorism sanctions, and through FATF, the United States has worked with India to help improve its anti-money laundering/combating the financing of terrorism regime. The number of cases under investigation has continued to increase, but the number of persons convicted has remained low in comparison with the terrorism finance risk faced by India.

... India is a founding member of the Global Counterterrorism Forum (GCTF) and was an active participant in the GCTF and other UN forums on counterterrorism throughout the year. The Indian and Bangladeshi governments agreed in December to enhance cooperation under their bilateral Coordinated Border Management Plan to control illegal cross-border activities and reviewed the functioning of their system for sharing information on security-related matters.

... India’s counter radicalization and violent extremism efforts are mostly directed by state and local authorities; under the Indian Constitution police and public order issues are state functions. The Indian government has programs that attempt to rehabilitate and integrate various groups, mostly insurgents, back into the mainstream of society, such as the “Scheme for Surrender cum-Rehabilitation of militants in North East.” While not a counter radicalization scheme per se, it is directed at disaffected members of Indian society who support separatist and at times violent movements. Indian government officials have raised concerns about how social media and the internet can be used to stir communal unrest and radicalization. However, there was no national program or policy on countering radicalization or violent extremism.

Reporting by the U.S. National Consortium for the Study of Terrorism, which has ties to the U.S. National Counterterrorism Center, rated India as the fourth most violent country in the world in terms of internal terrorism in 2014.\textsuperscript{97} It had a total of 763 documented attacks, 426 killed and 643 wounded. Its report described Indian terrorism as follows:\textsuperscript{98}

Among the countries with the highest numbers of terrorist attacks and fatalities in 2014, India was unusual on several dimensions. In particular, terrorist attacks in India were less likely to be lethal (32% were lethal compared to 51% worldwide) and resulted in fewer casualties (both fatalities and injuries) per attack.

Several casualty metrics for fatalities and injuries in India decreased in 2014; a smaller percentage of attacks were lethal, and there were fewer deaths and injuries per attack. However, the total number of terrorist attacks increased 21%, the total number of fatalities increased 4%, and the number of hostages recorded in India increased by 59%.

Terrorist attacks in which the primary tactic was bombing/explosion were less prevalent in India (42%) than worldwide (56%), and there were no suicide attacks in India in 2014. The types of tactics that were considerably
more common in India than the rest of the world included kidnappings (17% compared to 10% worldwide) and facility/infrastructure attacks (9% compared to 6% worldwide).

More than half of the terrorist attacks in India in 2014 took place in four states: Jharkhand (15%), Jammu and Kashmir (13%), Assam (12%), and Manipur (12%).

Compared to the other countries that experienced the most terrorist attacks and fatalities in 2014, the diversity of perpetrator groups was much greater in India, with 45 groups active in 2014. However, nearly 60% of the terrorist attacks carried out in India in 2014 were attributed to the Communist Party of India-Maoist or Maoist perpetrators not specifically identified as belonging to a particular organization.

**Pakistan: A State That Never Quite Fails But Does Not Succeed**

Pakistan is another state under intense demographic pressure. The U.S. Census Bureau estimates that its population increased from 40.4 million in 1950 to 199.1 million in 2015, and will increase to 228.46 million in 2025 and 290.8 million in 2050.99 Pakistan is making some progress towards a more stable pattern of democratic elections, but has failed to make effective progress in terms of internal stability and security, economic reform, and improved governance.

The World Bank governance index for 2014 rates Pakistan as having poor accountability, very poor political stability, poor effectiveness of governance, poor regulatory accountability, very poor rule of law, and very high corruption.100 Transparency International ranked Pakistan 117th in world in terms of overall corruption, with major problems in terms of budget openness and controlling corruption.101 The World Bank ranked Pakistan at 138th in the world in ease of doing business in 2016, with exceptional problems in getting electricity, paying taxes, and enforcing contracts.102

The CIA reports that Pakistan’s per capita income only averaged $4,900 in 2016, ranking a low 171st in the world, and that 22.3% of its population is living below the poverty line. It summarized its current political and economic situation as follows in March 2016: 103

The separation in 1947 of British India into the Muslim state of Pakistan (with West and East sections) and largely Hindu India was never satisfactorily resolved, and India and Pakistan fought two wars - in 1947-48 and 1965 - over the disputed Kashmir territory. A third war between these countries in 1971 - in which India capitalized on Islamabad's marginalization of Bengalis in Pakistani politics - resulted in East Pakistan becoming the separate nation of Bangladesh.

In response to Indian nuclear weapons testing, Pakistan conducted its own tests in 1998. India-Pakistan relations have been rocky since the November 2008 Mumbai attacks, but both countries are taking steps to put relations back on track. Nawaz Sharif took office as Prime Minister in 2013, marking the first time in Pakistani history that a democratically elected government completed a full term and transitioned to a successive democratically elected government.

…Decades of internal political disputes and low levels of foreign investment have led to slow growth and underdevelopment in Pakistan. Agriculture accounts for more than one-fourth of output and two-fifths of employment. Textiles account for most of Pakistan's export earnings, and Pakistan's failure to diversify its exports has left the country vulnerable to shifts in world demand. Pakistan's human development continues to lag behind most of the region. Official unemployment was 6.5% in 2015, but this fails to capture the true picture, because much of the economy is informal and underemployment remains high.

As a result of political and macroeconomic instability, the Pakistani rupee has depreciated more than 40% since 2007. The government agreed to an International Monetary Fund Standby Arrangement in November 2008 to prevent a balance of payments crisis, but the IMF ended the Arrangement early because of Pakistan's failure to implement required reforms. Although the economy has stabilized, it continues to
underperform. Foreign investment has not returned to levels seen during the mid-2000s due to investor concerns related to governance, electricity shortages, and a slow-down in the global economy. Remittances from overseas workers, averaging more than $1 billion a month, remain a bright spot for Pakistan.

After a small current account surplus in fiscal year 2011 (July 2010/June 2011), Pakistan’s current account turned to a deficit spurred by higher prices for imported oil and lower prices for exported cotton. Falling global oil prices in 2015 contributed to a narrowing current account deficit and decreasing inflation, despite weak export performance. In September 2013, after facing balance of payments concerns, Pakistan entered into a three-year, $6.7 billion IMF Extended Fund Facility. The Sharif government has since made modest progress implementing fiscal and energy reforms, and in December 2015 the IMF described Pakistan's near-term economic outlook as “broadly favorable.”

Pakistan remains stuck in a low-income, low-growth trap, with growth averaging about 3.5% per year from 2008 to 2014. Pakistan must address long standing issues related to government revenues and the electricity and natural gas sectors in order to spur the amount of economic growth that will be necessary to employ its growing and rapidly urbanizing population, more than half of which is under 22. Other long term challenges include expanding investment in education and healthcare, adapting to the effects of climate change and natural disasters, and reducing dependence on foreign donors.

Pakistan and India have made cyclical efforts at creating stable, friendly relations, but every such effort has so far failed. As a result, Pakistan is stuck in a pattern of military confrontation it cannot really afford and where it cannot win. It is increasingly relying on nuclear weapons and support of extremist or terrorist movements in dealing with India—efforts that have backfired in terms of its own internal stability and terrorist attacks. The CIA describes Pakistan’s overall mix of transnational challenges as follows:

…”Various talks and confidence-building measures cautiously have begun to defuse tensions over Kashmir, particularly since the October 2005 earthquake in the region. Kashmir nevertheless remains the site of the world's largest and most militarized territorial dispute with portions under the de facto administration of China (Aksai Chin), India (Jammu and Kashmir), and Pakistan (Azad Kashmir and Northern Areas). UN Military Observer Group in India and Pakistan has maintained a small group of peacekeepers since 1949.

India does not recognize Pakistan's ceding historic Kashmir lands to China in 1964. India and Pakistan have maintained their 2004 cease-fire in Kashmir and initiated discussions on defusing the armed standoff in the Siachen glacier region. Pakistan protests India's fencing the highly militarized Line of Control and construction of the Baglihar Dam on the Chenab River in Jammu and Kashmir, which is part of the larger dispute on water sharing of the Indus River and its tributaries. To defuse tensions and prepare for discussions on a maritime boundary, India and Pakistan seek technical resolution of the disputed boundary in Sir Creek estuary at the mouth of the Rann of Kutch in the Arabian Sea. Pakistani maps continue to show the Junagadh claim in India's Gujarat State.

Since 2002, with UN assistance, Pakistan has repatriated 3.8 million Afghan refugees, leaving about 2.6 million. Pakistan has sent troops across and built fences along some remote tribal areas of its treaty-defined Durand Line border with Afghanistan, which serve as bases for foreign terrorists and other illegal activities. Afghan, Coalition, and Pakistan military meet periodically to clarify the alignment of the boundary on the ground and on maps.

This description does not provide a realistic picture of the degree to which Pakistani military and intelligence services have direct ties to the Taliban in Afghanistan, Pakistan has failed to limit the existence of Afghan insurgents in its FATA area, and still covertly supports Islamist extremist groups that have committed acts of terrorism in Kashmir and the rest of India. The U.S. State Department is somewhat more tactful and politically correct in describing the situation in Pakistan than other countries, in part because it still needs Pakistani cooperation for counterterrorism missions in Afghanistan, but it still reports an increasing level of violence that is supported by studies by Pakistani analysts and NGOs.
Pakistan remains a critical counterterrorism partner that is plagued with numerous violent extremist groups, many of which target Pakistani government or members of other religious sects. Counterterrorism cooperation with Pakistan during 2014 was mixed, and Pakistan continued to deny visas for trainers focused on law enforcement and civilian counterterrorism assistance. In 2014, Pakistan launched a military operation in North Waziristan (later expanded to Khyber Agency) aimed at eliminating terrorist safe havens. The government’s counterterrorism efforts included providing support to the military operation and countering terrorist retaliation in urban areas. Pakistan also confronted terrorist groups that attacked Pakistani civilians, law enforcement agencies, and military and paramilitary troops. Tehrik-e-Taliban Pakistan (TTP) claimed responsibility for a December 16 attack on an Army-run school in Peshawar, one of the country’s deadliest acts of terrorism, which it termed as retaliation for the North Waziristan military operation.

In 2014, terrorists used remote-controlled improvised explosive devices (IEDs) in bicycles, motorcycles, cars, and rickshaws; suicide bombers; targeted assassinations; rocket-propelled grenades; and other combat tactics to attack schools, markets, government institutions, mosques, and other places of worship. Lashkar e-Tayyiba (LeT) and its alias organizations continued to operate freely in Pakistan, and there were no indications that Pakistan took significant enforcement actions against the group. Attacks by sectarian groups against minorities continued. However, the Shia commemoration of Ashura, which was a focal point of violence in 2013, passed without major attacks or rioting.

Karachi, in particular, continued to suffer from political and ethnic violence by different groups, including militant organizations, fundamentalist religious groups, and the militant wings of political parties. Some militant groups worked to assert control over political parties and criminal gangs operating in the city and surrounding areas of southern Sindh. The security situation in Karachi remained a priority concern for Pakistan’s leadership, which launched an operation against terrorists and criminals operating in the city.

In February, Pakistan promulgated a National Internal Security Plan (NISP) aimed at combating terrorism and addressing the drivers of violent extremism. By December, most of the policies laid out in the NISP had not been implemented. For example, the National Counter Terrorism Authority (NACTA), which was to be the centerpiece of a budget and bureaucratic disputes over personnel and chain of command. After the Peshawar school attack, the government formed a committee of political party, military, and intelligence representatives to produce a national plan of action against terrorism.

...Pakistan’s law enforcement and national security structure needs improvement. Although the various security agencies attempt to detect, deter, and respond to terrorist incidents, the government’s institutional framework is not conducive to interagency cooperation and coordination. There is only sporadic interagency information sharing, no comprehensive integrated database capability, and specialized law enforcement units lack the technical equipment and training needed to implement the enhanced investigative powers provided in the 2012 Fair Trial Act. Prosecutors have a limited or inadequate role during the investigation phases of terrorism cases. Jurisdictional divisions among and between military and civilian security agencies continued to hamper effective investigation and prosecution of terrorism cases. Intimidation by terrorists against witnesses, police, victims, prosecutors, defense lawyers, and judges contributed both to the slow progress of cases in Anti-Terrorism Courts, and a high acquittal rate.

...The military conducted significant counterterrorism operations in North Waziristan and Khyber agencies in the tribal areas, and civilian forces conducted operations in Sindh, Balochistan, Khyber Pakhtunkhwa, and Punjab. In Karachi, security forces continued an operation against organized crime and terrorist groups. Security forces intercepted large stockpiles of weapons and explosives, and discovered bomb-making facilities and sophisticated telecommunication networks. Pakistan continued to arrest terrorists and initiate prosecutions throughout 2014. However, the enhanced tools provided by the Fair Trial Act of 2012 and the NACTA law are still in the process of being implemented by the government. These laws are designed to equip intelligence agencies, law enforcement agencies, and prosecutors with the necessary legal tools to detect, disrupt, and dismantle terrorist activities and organizations. If fully activated, NACTA could facilitate increased coordination and collection of counterterrorism intelligence among security agencies and provincial police, and provide a vehicle for national policy and strategy formulation for all aspects of counterterrorism.

...Pakistan’s cooperation with the United States on information sharing and law enforcement continues, but needs improvement with respect to kidnapped U.S. citizens. Law enforcement cooperation continued with
respect to terrorist attacks and plots against U.S. personnel, and the Embassy and Consulates General in Lahore, Karachi, and Peshawar. Pakistani law-enforcement officials have pledged to assist in the apprehension of U.S. citizen fugitives in Pakistan. Practical implementation of this pledge has been lacking, however.

Delays in obtaining Pakistani visas for training personnel have been an obstacle to counterterrorism assistance for security forces and prosecutors, including assistance planned through the Department of State’s Antiterrorism Assistance program, most of which was redirected to other regional partners.

…Pakistan participated in counterterrorism efforts in both regional and international forums. As a member of the Global Counterterrorism Forum (GCTF), Pakistan attended GCTF meetings and supported GCTF initiatives. Pakistan is a partner in the UK’s Counterterrorism Prosecution Reform Initiative, and provincial governments contributed to related rule-of-law programs in Malakand and Punjab. Pakistan participated in South Asian Association for Regional Cooperation meetings on counterterrorism; is a member of Interpol; and participated in multilateral groups where counterterrorism cooperation was discussed, including the Shanghai Cooperation Organization (as an observer) and the D-8 Organization for Economic Cooperation. Pakistan participated in UNSC meetings on sanctions and counterterrorism, and in a UN Counterterrorism Committee’s Executive Directorate regional workshop for South Asian judges, prosecutors, and investigators in the Maldives in November.

The Ministry of Information and Broadcasting and the military’s Inter-Services Public Relations employed strategic communications strategies to counter radicalism and build support for counterterrorism initiatives. However, overall policy coordination had yet to be implemented under NACTA. Integration of reformed militants into society remains a major priority for the government; to that end, the military joined civil-society leaders to operate the Sabaoon Rehabilitation Center, a de-radicalization program that attempts to rehabilitate youth exposed to militancy through education and counseling.

In practice, Pakistani counterinsurgency forces have had a mixed record of success to date, and even when they have been tactically successful, they rarely can secure any area they attempt to clear without displacing the population. Pakistani counterterrorism capabilities are compromised by support of extremist movement in pressuring India and Afghanistan, and by the excessive use of force and repression in dealing with Baluchi and other internal opposition groups.

Reporting by the U.S. National Consortium for the Study of Terrorism, which has ties to the US National Counterterrorism Center, rated Pakistan as the second most violent country in the world in terms of internal terrorism in 2014. It had a total of 1,821 documented attacks, 1,757 killed and 2,837 wounded. Its report described Pakistani terrorism as follows:

The total number of terrorist attacks reported in Pakistan decreased 6%, total fatalities decreased 25%, and total injuries decreased 44% in 2014 compared to 2013.

No specific perpetrator organization was identified in source materials for 79% of all attacks in Pakistan. Of the remaining attacks, 29% were carried out by Tehrik-i-Taliban Pakistan (TTP). Attacks attributed to TTP killed more than 540 and wounded more than 770 in 2014.

Thirty other groups, including a number of Baloch nationalist groups such as the Baloch Republican Army, the Baloch Liberation Front, the United Baloch Army, the Baloch Liberation Army, and the Balochistan Liberation United Front, carried out attacks in Pakistan, particularly in Balochistan.

In 2014, 32% of all terrorist attacks in Pakistan took place in Khyber Pakhtunkhwa province, 29% took place in Balochistan, 22% took place in Sindh, and 12% took place in the Federally Administered Tribal Areas (FATA).

The most frequently attacked types of targets in Pakistan were generally consistent with global patterns: more than 22% of all attacks primarily targeted private citizens and property and 21% primarily targeted the police. However, government targets (7%) were less prevalent in Pakistan compared to global patterns (13%), and utilities (8%) and educational institutions (6%) were more likely to be the target of terrorism in Pakistan compared to global patterns, where they each comprise 3% of all attacks.
In short, Pakistan remains a high-risk country because of poor governance and failed economic reform, a military that arms to confront India and supports terrorism outside the country, and serious in country tensions and violence. The Sharif government has promised reforms and efforts to change this situation, but has not had time to attempt major reforms and its capability to make them remains uncertain.

In 2014, Pakistan launched Operation Zarb-e-Azb in North Waziristan of the Federally Administered Tribal Areas to drive out Islamic militants. The operation has seen heavy fighting between the Pakistan Army and various insurgent groups, including al-Qaeda, Tehrik-e-Taliban (TTP), Islamic Movement of Uzbekistan, the Chechen Islamic Jihad Union, Emirate-e-Kaukav, and the East Turkistan Islamic movement. After a year of fighting, there has been a significant decline in militant attacks, dropping more than 50%. As Pakistan continues the operation, militants have flowed into Afghanistan. While Pakistan has failed to kill major Islamist leaders, there has been less violence in Pakistani cities.

Bangladesh

Bangladesh faces serious demographic and economic challenges and has growing problems with political stability as is two major factions struggle for power and the ruling faction becomes increasingly authoritarian. It is also highly vulnerable to weather factors and to rising sea levels as a result of global warming. Even so, it has made significant political and economic progress. The U.S. Census Bureau estimates that its population increased from 45.6 million in 1950 to 169 million in 2015, and will increase to 197.7 million in 2025 and 250.2 million in 2050.

Bangladesh has failed to make progress in terms of internal stability and security, and improved governance. The World Bank governance index for 2015 rates Bangladesh as having poor accountability, very poor political stability and absence of violence, poor effectiveness of governance, very poor regulatory accountability, very poor rule of law, and poor control of corruption. Transparency International ranked Bangladesh as 139th in world in terms of overall corruption, with problems in terms of budget openness. The World Bank ranked Bangladesh at 174th in the world in ease of doing business in 2016, with major problems in getting electricity, registering property, registering property, and enforcing contracts.

The CIA reports that Bangladesh’s per capita income was only $3,600 in 2015, ranking 178th in the world, and had 31.5% of its population below the poverty line.

The CIA reported in March 2016 that...

...Partition [of India] in 1947 resulted in an eastern wing of Pakistan in the Muslim-majority area, which became East Pakistan. Calls for greater autonomy and animosity between the eastern and western wings of Pakistan led to a Bengali independence movement. That movement, led by the Awami League (AL) and supported by India, won independence for Bangladesh in a brief war in 1971, during which at least 300,000 civilians died.

The post-independence, AL government faced daunting challenges and in 1975 was overthrown by the military, triggering a series of military coups that resulted in a military-backed government and subsequent creation of the Bangladesh Nationalist Party (BNP) in 1978. That government also ended in a coup in 1981, followed by military-backed rule until democratic elections in 1991.

The BNP and AL alternated in power between 1991 and 2013, with the exception of a military-backed, emergency caretaker regime that suspended parliamentary elections planned for January 2007 in an effort to reform the political system and root out corruption. That government returned the country to fully democratic rule in December 2008 with the election of the AL and Prime Minister Sheikh Hasina. In January 2014, the incumbent AL won the national election by an overwhelming majority after the BNP
boycotted, extending Hasina's term as prime minister. With the help of international development assistance, Bangladesh has made great progress in food security since independence, and the economy has grown at an annual average of about 6% over the last two decades.

…Bangladesh's economy has grown roughly 6% per year since 1996 despite political instability, poor infrastructure, corruption, insufficient power supplies, slow implementation of economic reforms, and the 2008-09 global financial crisis and recession. Although more than half of GDP is generated through the service sector, almost half of Bangladeshis are employed in the agriculture sector with rice as the single-most-important product.

Garment exports, the backbone of Bangladesh's industrial sector, accounted for more than 80% of total exports and surpassed $25 billion in 2015. The sector continues to grow, despite a series of factory accidents that have killed more than 1,000 workers, and crippling strikes, including a nationwide transportation blockade implemented by the political opposition during the first several months of 2015. Steady garment export growth combined with remittances from overseas Bangladeshis—which totaled about $15 billion and 8% of GDP in 2015—are the largest contributors to Bangladesh's sustained economic growth and rising foreign exchange reserves.

Nevertheless, Bangladesh is too poor to play a meaningful role in maritime or external issues in the IOR. It does face some limited transnational challenges over its borders and maritime rights. Bangladesh referred its maritime boundary claims with Burma and India to the International Tribunal on the Law of the Sea;

Indian Prime Minister Singh's September 2011 visit to Bangladesh resulted in the signing of a Protocol to the 1974 Land Boundary Agreement between India and Bangladesh, which had called for the settlement of longstanding boundary disputes over undemarcated areas and the exchange of territorial enclaves, but which had never been implemented;

Bangladesh struggles to accommodate 29,000 Rohingya, Burmese Muslim minority from Arakan State, living as refugees in Cox's Bazar; Burmese border authorities are constructing a 200 km (124 mi) wire fence designed to deter illegal cross-border transit and tensions from the military build-up along border.

Exemplar of Future Sources of Instability

Bangladesh in many ways exemplifies the confluence of global trends that may drive instability in the Indian Ocean Region in coming decades, with a large and extremely dense population living in an environmentally vulnerable coastal region, under weak national governance. This has resulted in half the population living below the poverty line in slum conditions that have allowed for Islamist terrorist groups and transnational criminal organizations to make inroads into Bangladeshi society.

Bangladesh has suffered from numerous humanitarian disasters due to the flooding of its low-lying terrain and river systems (which are also heavily polluted) during the annual monsoon seasons. This has resulted in a continuous internal migration to major cities such as Dhaka, in which as much as half of the population lives in slums. Figure 12 below illustrates the high population density throughout Bangladesh, with those areas of the country that are also 10 meters or less above sea level marked in red. As can be seen from this map, significant portions of the country have greater than 1,000 people per square kilometer packed into areas of low elevation, which are highly susceptible to flooding of the Ganges Delta either during annual monsoons or due to heavy rains upstream.
Figure 12: Population Density in Low-Elevation Coastal Zones (LECZ) in Bangladesh

The government of Bangladesh, which *IHS Jane’s* characterizes as “politically unstable,” and notable for “poor civilian governance interspersed with military rule,” has been unable to address these issues. The military is small, with only 157,050 soldiers, and has in the past been a source of political instability. From 2006-2008 the country was led through a military backed caretaker government, and in 2009 the Bangladesh Rifles staged a mutiny resulting in several dozen deaths. In November 2013, a Bangladeshi court sentenced 153 soldiers from the unit to death on charges of torture and murder stemming from the mutiny.

This situation has allowed for the spread of Islamist militant groups into Bangladesh in a manner similar to that seen in Pakistan, where groups have both political and militant wings which stand opposed to secular democracy, and jointly seek to “Talibanize” the country through the imposition of strict interpretations of Sharia law. South Asia expert Selig Harrison noted as early as 2006 that the al Qaeda network was developing ties to local Islamist groups in order to expand its presence in a strategically located country at the nexus of South and Southeast Asia. His report for *The Washington Post* stated that the Bangladeshi Jamaat-e-Islami party had some 15,000 trained militants spread across 19 known camps.

Harrison reported again in 2008 that Bangladeshi jihadist Fazlur Rehman Khalil, one of the six signatories to Osama bin Laden’s original “declaration of war” against the United States in 1998, was at-large in Bangladesh, and was likely tied to attacks across India in 2006-2007.

These groups are believed to maintain close ties to the large network of transnational criminal organizations that have developed a significant presence in South Asia in the past decade. The Bangladeshi ports of Chittagong and Cox’s Bazar are known as major havens for arms smugglers transporting sophisticated military hardware including Soviet small arms and explosives. Many of these networks are connected by refugee ties to Myanmar, a country that also has large surpluses of military weaponry in the hands of transnational networks.

Bangladesh has been able to field a small counter-terrorist unit, the Rapid Action Battalion, which the *IHS Jane’s* report on Bangladesh characterizes as “surprisingly effective.” However, it has also pursued its counterterrorism campaign entirely through kinetic targeting of militant groups, without putting any effort towards countering violent extremism. This will likely mean that Bangladeshi militant groups will continue to find fresh recruits amongst the country’s marginalized slum population.

The Bangladeshi Navy is also small, with only 16,900 personnel and 53 craft, consisting of 6 frigates and 47 coastal patrol boats. A force that small will be able to respond to specific emergencies in Bangladeshi coastal waters, however it is unlikely that it will be able to provide continuous presence in the complex waterways of the Ganges Delta which makes up most of Bangladesh’s coastal zone. Transnational criminal organizations and terrorist groups will likely find ample opportunities to skirt Bangladeshi coastal patrols and move weapons and personnel into and out of Bangladeshi territory.

The situation in Bangladesh is likely a portent of future instability in the region. As Dr. David Kilcullen, a noted expert on irregular warfare recently reported, urbanization in unstable coastal zones, which provide access to transnational organizations, extremist groups, and flows of arms and other contraband, will likely characterize future conflicts around the globe. Countering these threats will require persistent maritime presence, and partnering between international militaries and those of Bangladesh in order to build Bangladesh’s internal capacity to counter these threats effectively, without exacerbating the causes of instability.
**Sri Lanka: Winning a Civil War and Shifting to Internal Political Conflict**

Sri Lanka is a moderate risk country that is still recovering from a serious civil war and one which has, as yet, done little to reconcile the defeated side. The Sinhalese majority decisively defeated the Tamil minority in 2009 after some 16 years of civil conflict. It also has reduced its refugee problems, although some 73,700 people were still IDPs in 2015, and many of the more than 470,000 IDP that existed at the time of the civil war had not found stable relocations. The government has not, however, made serious progress in reach reconciliation and viable political solution. It also has become a narrow power structure at the top and national politics and governance have become more repressive in dealing with both the Sinhalese population and political opposition.

Outside reporting has not yet fully assessed these growing internal political problems. It is clear, however, that Sri Lanka faces serious challenges. The U.S. Census Bureau estimates that its population increased from 7.5 million in 1950 to 22.1 million in 2015, and will increase to 23.6 million in 2025 and 25.2 million in 2050.

Sri Lanka is making some progress towards a more stable pattern of democratic elections—as it ranked better in many indices than India and Pakistan—but has failed to make progress in terms of internal stability and security, and improved governance. The World Bank governance index for 2015 rates Sri Lanka as having poor accountability; poor political stability and absence of violence; poor to moderate effectiveness of governance and regulatory accountability; poor to moderate rule of law; and moderate control of corruption. Transparency International ranked Sri Lanka as 83rd in world in terms of overall corruption, with problems in terms of budget openness. The World Bank ranked Sir Lanka at 107th in the world in ease of doing business in 2016, with problems in taxes, registering property, and enforcing contracts.

The CIA reports that Sri Lanka’s per capita income was $11,200 in 2015, ranking a 133rd in the world, and had 8.9% of its population below the poverty line. The CIA described Sri Lankan political stability and its economy as follows in March 2016:

> Tensions between the Sinhalese majority and Tamil separatists erupted into war in 1983. After two decades of fighting, the government and Liberation Tigers of Tamil Eelam (LTTE) formalized a cease-fire in February 2002 with Norway brokering peace negotiations. Violence between the LTTE and government forces intensified in 2006, but the government regained control of the Eastern Province in 2007 and by May 2009, the remnants of the LTTE had been defeated.

Since the end of the conflict, the government has enacted an ambitious program of economic development projects, many of which are financed by loans from the Government of China. In addition to efforts at reconstructing its economy, the government has resettled more than 95% of those civilians displaced during the final phase of the conflict and released the vast majority of former LTTE combatants captured by Government Security Forces. At the same time, there has been little progress on more contentious and politically difficult issues such as reaching a political settlement with Tamil elected representatives and holding accountable those alleged to have been involved in human rights violations and other abuses during the conflict.

Sri Lanka continues to experience strong economic growth following the end of the government's 26-year conflict with the Liberation Tigers of Tamil Eelam. The government has been pursuing large-scale
reconstruction and development projects in its efforts to spur growth in war-torn and disadvantaged areas, develop small and medium enterprises and increase agricultural productivity.

The government’s high debt payments and bloated civil service have contributed to historically high budget deficits and low tax revenues remain a concern. Government debt of about 72% of GDP remains among the highest in emerging markets.

The new government in 2015 drastically increased wages for public sector employees, which boosted demand for consumer goods but hurt the overall balance of payments and reduced foreign exchange reserves.

The U.S. State Department reports that the government has largely dealt with Tamil resistance but still faces limited problems.139

The 2009 military defeat of the terrorist Liberation Tigers of Tamil Eelam (LTTE) marked the beginning of what many hoped was a new era for the country. The Sri Lankan government maintained a strong military presence in post-conflict areas and continued to voice concern about the possible reemergence of pro-LTTE sympathizers. Although the Sri Lankan government maintains a comprehensive counterterrorism stance, counterterrorism cooperation and training with the United States in 2014 was limited.

Counterterrorism legislation in Sri Lanka has historically focused on eliminating the LTTE. In 2014, the Government of Sri Lanka continued to implement the Prevention of Terrorism Act (PTA), enacted in 1982 as a wartime measure, which gives security forces sweeping powers to search, arrest, and detain individuals. Embassy Colombo had significant concerns regarding use of the PTA by the previous government of President Mahinda Rajapaksa to harass and detain public actors under the guise of seeking to revive the LTTE. The new government has pledged to end the broad application of the PTA, and has also taken steps to reduce the military’s role in civil society and its control of land in security zones in the north.

Although U.S. counterterrorism assistance to Sri Lanka has generally been limited, the Sri Lankan government maintained its partnership with the U.S. Departments of State, Homeland Security, Defense, and Energy on securing its maritime border. The U.S. Coast Guard, under the Department of State’s Export Control and Related Border Security program, continued to train Sri Lankan Coast Guard and Navy personnel on border and export control matters, and the Government of Sri Lanka continued to cooperate with U.S. Customs and Border Protection through the Container Security Initiative.

Border security remained a significant issue for the Sri Lankan government. In 2014, the International Organization for Migration trained 54 newly-recruited Sri Lankan Department of Immigration and Emigration officers in techniques to improve border surveillance and combat human trafficking.

The government continued to collaborate with the EU Immigration Department on an Advanced Passenger Information system, which transmits passenger information to Sri Lankan immigration officials upon arrival. Collaboration with the Australian government continued on the development of a passport fingerprinting program that was originally scheduled to go online in 2014. The data generated from these collection systems will be significant assets to the Sri Lankan government in its efforts to control and combat illegal migration.

In March 2014, the government announced it had designated 16 organizations and 422 individuals as terrorist entities and/or facilitating terrorist financing designed to help revive the LTTE. The Sri Lankan government did not provide information regarding criteria for designation or any supporting evidence. A team from the UN Counter-Terrorism Committee Executive Director’s office, which visited Sri Lanka in October 2014, expressed concerns the designation process may not have met UN standards.

Unfortunately, the near defeat of the Tamil resistance has been followed by new problems that make Sri Lanka a high-risk state. Sir Lanka’s ruling party has become steadily more authoritarian, repressive, and unwilling to deal with legitimate political opposition. The CIA notes that its main problems in dealing with outside threats now consist of human trafficking.140
Sri Lanka’s Lessons in Maritime Asymmetric Warfare

Sri Lanka is currently emerging from three decades of civil war between the Sinhalese-majority and the Tamil separatist movement in the country’s north. This civil war, which lasted for 26 years, was finally resolved through a decisive victory by the Sri Lankan military, which crushed the Liberation Tigers of Tamil Elam (LTTE) and retook all of the territory under its control. Since 2009, the LTTE, which invented the tactic of suicide bombings, no longer presents a serious threat to Sri Lankan security.\(^{141}\)

Though this conflict was primarily fought on land and was internal to Sri Lanka, the LTTE, were able to deploy one of the most sophisticated maritime capabilities ever fielded by a non-state actor. The Terrorism Research and Analysis Consortium notes that the LTTE’s maritime force, known as the Sea Tigers, had capabilities which defined by maritime terrorism standards were “state of the art,” and that its functions were “reflective of those of a conventional navy.”\(^{142}\) These functions included protection of sea lines of communication necessary to provide supplies of arms and ammunition to the LTTE ground units in Tamil-held Sri Lanka, as well as an asymmetric offensive capability that was successfully able to challenge Sri Lanka’s conventional naval forces. The RAND Corporation reported in 2012 that the Sea Tigers would direct attacks “against a range of Sri Lankan Navy (SLN) assets, including offshore patrol vessels, submarine chasers, Dvora/Super Dvora fast assault ships, personnel carriers, and amphibious landing craft.”\(^{143}\) The RAND report goes on to note that:\(^{144}\)

Assaults generally employed Tiger “wolf packs” that singled out and surrounded Sri Lankan Navy surface combat, patrol, and utility ships. These packs would then either fire on their targets of ram them with suicide boats. In the former case, the Sea Tigers used tactical craft equipped with 23-mm twin-barrel cannons, backed up by four 12.7-mm machine guns and various combinations of rocket launchers. In the latter case, specially modified “cigar” torpedo riders would be employed.

The Sea Tigers also possessed what is believed to be the first stealth surface and undersea offensive warfare capability by a non-state actor, though the use of improvised submersibles and “manned torpedo” devices used to mine harbors and ships at sea.\(^{145}\) The RAND report on maritime irregular warfare states that:\(^{146}\)

To defeat Sri Lankan naval radar scans, for instance, attack vessels were deliberately designed with angled metallic superstructures that reduced their radar cross-section. Sea Tiger teams would also typically sail in close formation, hugging the coastline. The technique was designed to mask the electronic train of individual craft by avoiding sonar signals altogether, or, failing this, giving the impression of one large vessel. The tactic was based on the same procedure used by combat air wings to avoid aerial surveillance and, according to Sri Lankan intelligence officials, was highly effective in facilitating cover approaches and surprise strikes against naval frigates, destroyers, and transporters.

These offensive maritime capabilities were used to disrupt Sri Lankan naval actions off the coast of Tamil-held territory, in order to support LTTE ground force actions in a manner similar to a combined sea-land campaign in a conventional military.\(^{147}\) However, the Sea Tiger’s suicide attack capabilities were strong enough that they were also able to mount direct attacks against hardened naval installations, such as the attack on the Sri Lankan naval base at Trincomalee in October 2000.

After the collapse of the Sri Lankan cease-fire in 2006, the Sri Lankan Navy engaged in several pitched battles at sea against Sea Tiger craft employing swarming tactics with fast boats that could outrun the Sri Lankan Navy’s Super Dvora fast attack craft.\(^{148}\) The SLN was successfully
able to counter this trend through the indigenous development of small, highly mobile attack craft to engage Sea Tiger forces directly, resulting in a series of SLN victories over the Sea Tigers. These offensive maritime capabilities were supplemented by the use of sea-borne smuggling routes, often known as “maritime rat lines,” to provide supplies to LTTE forces as well as illegally procured naval weapons systems. These actions were supported by “warehouse ships” that stored weapons, ammunition, and supplies and hid in shipping and fishing fleets sometimes as far away as the coast of Thailand, thousands of kilometers from the engagement area. This effectively created a sanctuary for terrorist activities in international waters.

The Sri Lankan military was eventually able to defeat this threat through a combination of ground and naval warfare, which destroyed the Sea Tiger’s boats while also seizing all of the territory held by the LTTE during the first months of 2009 through a series of decisive maneuver-based engagements, denying the Sea Tigers safe harbor and resupply. By May 2009, all LTTE sea and ground assets had been defeated, and the Sri Lankan government was able to declare victory in the civil war.

The Sri Lankan case demonstrates both the height of maritime offensive capabilities to which terrorist groups can aspire in the future, as well as the combined arms approach that will be required to successfully confront these threats. The SLN had to reorganize itself for battles against small, high-speed boats, effectively taking on the same platforms and swarming tactics in order to defeat the Sea Tigers. However, the effect was only decisive when combined with a major land-based offensive to seize the LTTE controlled parts of Sri Lanka and deny the group a safe haven for operations. The dénouement to the war illustrates this paradigm, as SLN assets at sea cut off seaborne escape routes from the last LTTE positions at Mullaitivu in northeast Sri Lanka, while the Sri Lankan Army destroyed the last LTTE formations on land.

Since the war’s end, the Sri Lankan Navy has refocused on inshore patrolling and the defense of its home waters. The Navy is comprised of some 442 vessels, all of which are inshore patrol or small fast attack craft, with the exception of 9 amphibious landing craft. With this set of naval platforms, the SLN will not be capable of providing for maritime security in any expeditionary capacity outside its near waters. Furthermore, the Sri Lankan government has shown no ambitions towards deploying a naval presence into the greater Indian Ocean.

**Diego Garcia**

Diego Garcia is a small coral atoll located in the central Indian, located 7 degrees south of the equator. It is one of six atolls in Chagos Islands that are a remnant of British colonialism from the time Britain withdrew its forces from East of Suez. It has become a de facto British and U.S. military base capable of supporting naval operations and basing combat aircraft, including B-2 bombers. Britain has faced several legal challenges from former residents, but effectively overturned several courts decisions by making it a maritime sanctuary and appealing to the House of Lords.

When it is fully operational, it has some 1,700 US military personnel and 1,500 civilian contractors. Only some 50 British troops are present. The base is operated by the U.S. Navy and is used by both the U.S. Navy and Air Force.
As long as Britain continues to operate on Diego Garcia, the UK, the United States, and potentially other allies will have the ability to operate long-range aircraft throughout the IOR areas.

**Stability and Security in the South Asia Sub-Region**

The risk of serious fighting involving India and Pakistan remains a key risk in the Subregion and with patterns of poor governance, uncertain economic reform and development, and extremism and terrorism. All the countries in the Subregion are making progress, however, except for Pakistan, and India may emerge as a major regional military and world economic power over the decades to come. At present, these risks are localized—and largely air-land—although India does have major naval ambitions and China appears to be seeking a forward military presence in the Indian Ocean, as evidenced by its construction of a naval base in Djibouti and its involvement in port construction in Pakistan.


7 The force numbers used through this analysis draw primarily on the IISS The Military Balance 2013. Some numbers or assessment are based on material in IHS Jane’s reporting.


http://www.newyorker.com/archive/2006/02/13/060213fa_fact_coll?printable=true&currentPage=all

http://www.newyorker.com/archive/2006/02/13/060213fa_fact_coll?printable=true&currentPage=all


http://www.newyorker.com/archive/2006/02/13/060213fa_fact_coll?printable=true&currentPage=all

http://www.newyorker.com/archive/2006/02/13/060213fa_fact_coll?printable=true&currentPage=all

http://www.stratfor.com/analysis/india-pakistan-signs-coming-war

http://www.newyorker.com/archive/2006/02/13/060213fa_fact_coll?printable=true&currentPage=all

http://www.newyorker.com/archive/2006/02/13/060213fa_fact_coll?printable=true&currentPage=all


39 “Civilians killed as India and Pakistan exchange fire,” *al Jazeera*, August 28, 2015,  

40 Rishi Iyengar, “India and Pakistan Will Resume High-Level Bilateral Talks,” *Time*, December 9, 2015,  


78 *Jane’s Intelligence Review*, “Rising Tide – India’s Naval Expansion Strategy,” July 5, 2012.


107 Farhan Zahid, “The Successes and the Failures of Pakistan’s Operation Zarb-e-Azb,” *Terrorism Monitor Volume 13*, no. 14, July 10, 2015, [http://www.jamestown.org/programs/tm/single/?tx_ttnews%5Btt_news%5D=44144&cHash=d4281630e5ad104ab6fbc0bd5fbb9f9#VgG_vt9Viko](http://www.jamestown.org/programs/tm/single/?tx_ttnews%5Btt_news%5D=44144&cHash=d4281630e5ad104ab6fbc0bd5fbb9f9#VgG_vt9Viko).


117 “Bangladesh,” HIS Sentinel South Asia, Issue No. 29 - 2012, 100.
118 “Bangladesh,” HIS Sentinel South Asia, Issue No. 29 - 2012, 103.
120 “Bangladesh,” HIS Sentinel South Asia, Issue No. 29 - 2012, 93.
127 “Bangladesh,” HIS Sentinel South Asia, Issue No. 29 - 2012, 100.
128 “Bangladesh,” HIS Sentinel South Asia, Issue No. 29 - 2012, 100.
129 “Bangladesh,” HIS Sentinel South Asia, Issue No. 29 - 2012, 98.
130 “Bangladesh,” HIS Sentinel South Asia, Issue No. 29 - 2012, 98.
134 US Census Bureau, International Programs, https://www.census.gov/population/international/data/idb/region.php?N=%20Results%20&T=13&A=separate&RT=0&Y=2050&R=-1&C=CE.
141 “Sri Lanka,” HIS Sentinel South Asia, Issue No. 29 - 2012, 634.