



Countering CCP Global Influence: China's Growing Footprint in South Asia

Bottom Line Up Front:

China's growing reach in South Asia—home to one quarter of the global population—poses a major threat to the region and U.S. security interests. By pushing predatory investments and expanding the regional footprint of the People's Liberation Army (PLA) the CCP strives to be the leading regional power.

- The CCP has taken greater interest in South Asia over the last 15 years primarily to check India's rise. Despite Western warnings, many local leaders have followed Pakistan—whose military has long enjoyed [close ties with China](#)—in welcoming Beijing to hedge against New Delhi's perceived outsized influence.
- Through the Belt and Road Initiative (BRI), China has pulled Sri Lanka, Pakistan, and others into debt trap agreements that deprive them of their economic sovereignty and political independence. The projected cost of BRI-related projects in Pakistan alone is [estimated at \\$62 billion](#).
- Following America's withdrawal from Afghanistan, China has [increased its engagement](#) with the Taliban. Taliban leaders are negotiating with Beijing [to join BRI's flagship China-Pakistan Economic Corridor \(CPEC\) project](#) to bolster Afghanistan's industrial and economic development.

Background:

[Persistent tensions along India and China's contested border](#)—known as the Line of Actual Control (LAC)—have prompted Beijing to pursue a “String of Pearls” strategy, in which the CCP aims to encircle India's territory and constrict its power projection and trade capacity. Through a network of military and commercial facilities across the Indian Ocean, the PLA is now positioned for expeditionary warfare and surveillance activities against India. This extended security perimeter raises the risks of a conflict with India—South Asia's most populous country and a nuclear-armed state.

China's presence in South Asia also centers around major infrastructure projects, often funded by loans with onerous repayment plans issued by Chinese state-backed entities like the Asian Infrastructure Investment Bank. Both Sri Lanka and the Maldives have received billions of dollars-worth of these CCP-backed loans which at times, Beijing strategically schedules for completion during local election seasons to generate goodwill towards China and its preferred candidates. Beijing has expanded its reach through CPEC which has left Pakistan tens of billions in debt and deeply dependent on the CCP.

Key Issues:

- **Maritime Security:** China's control of key ports across the Indian Ocean and deepening ties with the Pakistani military have pushed India to divert resources to its western and eastern borders. Steadily, China is also surrounding India with military facilities in Bhutan and Nepal as well as control of key infrastructure in Sri Lanka and the Maldives. [The completion of the Gwadar port project](#) will expand this challenge by giving the PLA a permanent presence in the Arabian Sea and enhancing its naval footprint.
- **Development Assistance:** As South Asian countries transition to middle-income status and become ineligible for significant concessional aid, the United States may find new opportunities to meet their development priorities and decrease the appeal of Chinese offers. The United States should pursue new avenues for development assistance by leverage its influence in the World Bank and other international financial institutions. Close U.S. collaboration with civil society leaders will also cultivate long-term, on-the-ground relationships of mutual trust.
- **Telecommunications:** The CCP has taken advantage of rapid population growth and increasing mobile internet density to [dominate South Asia's telecommunications sector](#). In 2019 alone, Huawei installed over 500 miles of fiber optic cables between Kashgar and Islamabad, further tying Pakistani data to the CCP. ZTE has also expanded its market share in Pakistan. Washington should continue to warn South Asian leaders about the threat posed by reliance on Chinese state-backed telecom companies.
- **Destabilization of Xinjiang:** China remains concerned about the Taliban's support of the East Turkestan Islamic Movement, which Beijing views as an insurgent militant organization advocating for an independent Islamic state in the Xinjiang province. CCP [fears of destabilization](#) through the



Wakhan Corridor of Pakistan and Tajikistan have underscored the unusual partnership between Kabul's radical Islamist leaders and the CCP's state-enforced atheism. U.S. policymakers should explore opportunities to exploit such religious and cultural differences between Beijing and Muslim-majority countries.

