

## **The Competition and Cooperation between China and India in Energy Security Field in the First Decade of the 21st Century**

**Tran Xuan Hiep\***

*Duy Tan University, Da Nang, Vietnam*

**Nguyen Tuan Binh\*\***

*University of Education, Hue University, Vietnam*

**Tran Thai Bao\*\*\***

*Duy Tan University, Da Nang, Vietnam*

### **Abstract**

As two neighboring countries, China and India not only have “emerging” economies, but also have a very important position and role in international political life. In addition to the trend of cooperation, China-India relations also take place in fierce competition in many fields, including energy security. From the early years of the twenty-first century, the need to exploit energy sources to serve the economic development of these two powers has become even more acute. This article focuses on some outstanding cooperation achievements as well as the fierce competition in the field of energy security between China and India in the first decade of the twenty-first century. At the same time, we also give some remarks on the relationship of China – India competition and cooperation on energy security in the aforementioned period.

**Keywords:** *China, competition, cooperation, energy security, India*

## **1. Introduction**

As entering the early years of the twenty-first century, under the strong impact of the science-technology revolution and the trend of globalization and the requirements of economic growth, political stability, most countries in the world have increased cooperation and competition in the trend of integration and development. In the context of ongoing economic competition, the energy issue has attracted great attention and has become a global issue, in which China and India is a typical proof. As these two countries have large areas, larger populations with new emerging economies, energy needs become such an urgent. Therefore, the purpose of cooperation between China and India is to exploit energy sources, serving the economic development needs of the two countries.

Since the last decade of the twentieth century, recognizing the importance of protecting strategic energy supplies, China has improved relations with “oil lands” such as the Middle East, Central Asia and started investment activities. Entering the early years of the twenty-first century, after China joined the World Trade Organization (WTO) with its increasing dependence on energy imports, energy security became more and more strategic to ensure economic security. Therefore, energy security becomes the “key point” in foreign policy, making with the following highlights: optimization of energy structure, establishment of strategic oil and gas reserves, system establishment. Oil and gas reserves ensure oil and gas supply security and strengthen the state’s capacity to stabilize the market, diversify sources of oil and gas imports to minimize the risk of supply disruptions. For India, at the beginning of the twenty-first century, this country has become one of the largest economies with

high growth rates in the world, so the demand for energy sources also increases rapidly. Despite great efforts to develop domestic energy resources, so far India's economic growth has still heavily depended on imported energy sources, especially oil. Consequently, India faces the challenge of energy security for development.

## **2. Energy Security Field in the Policy of China and India in the Early Twenty-first Century**

### ***As for India***

In the early years of the twenty-first century, the energy source to maintain the “hot” growing economy and the national energy security issue was always the biggest concern of the Indian government. Many researchers have likened India to a big country “thirst for oil” due to the increasing demand. In 2006, India consumed about 53% coal, 31% oil, and 8% gas of the total national energy to meet its energy needs in economic development. According to the International Energy Agency (IEA), in the period 2005-2010, India imported 5-7 million barrels of oil/day. The IEA forecasts that by 2030, oil and gas imports will increase by 90% and 40% respectively to meet India's energy demand (Müller-Kraenner, 2008: 5).

In the years 2007 - 2008, energy consumption in India was always higher than actual output and reserves (Table 1). India's per capita gasoline consumption in 2008 was 0.79 barrels. India consumes about 5% oil, ranking sixth in the world. Despite a relatively rich source of coal, the main energy India uses was oil, with imports up to 70% (Pham, 2007: 40). India currently imports about 67% of its crude oil coming from the Middle East, 25% from Africa and 8% from other suppliers. Saudi Arabia is the largest supplier, accounting for 25% of India's crude oil imports (Hong, 2009: 7).

**Table 1** India's Crude Oil, Gas and Coal Output (Singh, 2010: 17)

<b>Energy sources</b>	<b>Actual reserves</b>	<b>Quantity</b>	<b>Consumption amount</b>
Crude oil	5.5 billion barrels	37.3 million tons/day	12.5 million tons/day
Gas	1,060 billion m <sup>3</sup>	27.2 million tons oil (exchanged)	36.2 million tons oil (exchanged)
Coal	56.498 billion tons	181 million tons oil (exchanged)	208 million tons oil (exchanged)

Oil has become an important factor influencing India's economic development. According to calculations by the Indian government, if the oil price increases by 5 USD, the economic growth rate of India will decrease by 0.5% and the inflation rate will increase by 1.4%. On the whole, India faces daunting challenges in meeting its energy needs to feed its fast growing economy and to meet sustainable development goals of its rising population. Highlighting its critical importance, Prime Minister Manmohan Singh mentioned that energy security was "second only in India's scheme of things to food security" (Pardesi and Ivanov, 2006: 36). Therefore, energy security has become a national priority and the most important issue on the agenda of Indian foreign policy. India's energy security strategy is formulated with three priority directions:

Firstly, increasing domestic supply with the fundamental change in management mechanism in the petroleum sector, India has attracted foreign companies to invest, including the establishment of oil joint ventures gas. With many open incentives, in recent years, many large oil corporations in the world such as Exxon Mobill, Tolta, BP ... have increased their investment in India, even considering this country as the biggest undiscovered global "promised land".

Secondly, actively seeking oil and gas resources abroad by diversifying supplies in addition to seeing Middle Eastern countries as traditional trading partners.

Thirdly, improving the efficiency of environmental protection and energy saving (Phi, 2006: 39).

In the early 1990s of the twentieth century, India adjusted foreign policy by implementing the “Look East” policy. This policy not only focuses on Southeast Asian countries but also emphasizes its giant neighbor China and East Asian countries. Therefore, India needs to look to China, towards an important partner, an indispensable cooperation to solve domestic energy security.

### ***As for China***

As a country with a large population and a rapidly growing economy, China is consuming a lot of energy. China is the world’s second largest energy consumer, after the US. Entering the twenty-first century, China’s energy consumption demand has grown even stronger (Table 2). In the mid-70s of the twentieth century, China was the oil export powerhouse of East Asia. But since 1993, China become a complete oil importer. China’s oil production in 1999 was 160.2 million tons; it was 160 million tons in 2000. In 2008, China produced 185 million tons of oil while its consumption was 365 million tons (Pham, 2009: 27). Currently, China imports oil from all over the world: from the Middle East (56%), from Africa (23%), from Asia-Pacific (14%), from Europe (7%) (Nguyen, 2006: 6).

Along with rapid economic development, population growth and many other social problems arise, the imbalance in energy supply-demand is increasing, the conflict between demand for consumption and the supply insufficient energy effects are increasingly severe. Within 10 years (1997-2007), oil demand of China and India both increased higher

than production. Oil continues to play an important role in meeting both countries's energy needs. Yet neither China nor India currently produces enough crude oil to meet its needs. China's demand for oil doubled over the past decade, increasing from 196 million tons in 1997 to 368 million tons in 2007. On the other hand, its oil production increased slightly from 160 million tons to 187 million tons (Zhao, 2009: 6). China's oil consumption in 1990 was 115 million tons, it increased to 239.3 million tons in 2002, an average annual increase of 6.7%. Meanwhile, the output of crude oil produced in 1990 was 138 million tons and it increased to only 167.5 million tons in 2002, the average annual growth rate was 1.62% (Nguyen, 2010: 45). Thus, the supply of oil in China was not commensurate with the demand level, while the oil price in the market is continuously increasing. Energy security issues were directly affecting China's economy, forcing the government of this country to have appropriate energy policies to deal with the domestic energy crisis.

**Table 2** China Production of Crude Oil, Gas and Coal (Singh, 2010: 17)

<b>Energy sources</b>	<b>Actual reserves</b>	<b>Quantity</b>	<b>Consumption amount</b>
Crude oil	15.5 billion barrels	186.7 million tons/day	368 million tons/day
Gas	1,880 billion m <sup>3</sup>	62.4 million tons oil (exchanged)	60.6 million tons oil (exchanged)
Coal	114.5 billion tons	1,289.6 million tons oil (exchanged)	1,311.4 million tons oil (exchanged)

Basically, China's energy security strategy in the early years of the twenty-first century includes the following basic contents: Firstly, adjust energy consumption and production structure, and reducing dependence

on pine oil through coal gasification and development of nuclear energy; Secondly, establishing strategic oil and gas reserves in a number of regions of the country, enhancing domestic oil and gas exploitation and production; Thirdly, being active in forming regional communities and establishing regional energy security systems; Fourthly, establishing futures oil market; Fifthly, diversifying sources of oil and gas import and increase the proportion of oil and gas imports from Russia and Central Asia; Sixthly, promoting state oil and gas companies to invest in overseas; Seventhly, joining diversified trading channels to avoid risks when trading; Eighthly, increasing investment in oil and gas infrastructure, expanding import channels; Ninthly, increasing required reserves with major oil companies (Nguyen and Phi, 2017: 21).

Although there are many potential disagreements that existed in the past, but China sees India as the largest neighbor in the region, with increasing political potential and position on the international arena, sharing interests in economic cooperation, maintaining regional political peace and security. China attaches great importance to cooperation with India. Thus, with the prospect that oil reserves are running out and other energy sources are not enough to meet the world's demand, energy becomes the top concern of all countries, including China and India. This is a vital issue and a strategic goal of the two countries. Therefore, these two powers have made efforts in cooperating to exploit new energy sources for economic development.

### **3. China-India Relations on Energy Security in the Early Years of the Twenty-first Century: A Relationship That Is Both Cooperation and Competition**

Entering the twenty-first century, with India's "Look East" policy<sup>1</sup> and the "Neighboring Diplomacy" policy<sup>2</sup> of China, the relations between

two countries has made great changes. In that context, the governments of China and India started the dialogue and cooperation on the energy field. In June 2003, Indian Prime Minister Atal Bihari Vajpayee visited China to build trust and promote trade relations between the two countries. This event marked a new development step in China-India relations. After the visit of Indian Prime Minister A.B. Vajpayee, the two countries signed many documents on border, national defense, economy and trade. The investment fields that the two countries interested in were science, technology and oil. At the end of 2004, China and India both bid and won the bid to buy 37% of the Petro-Canada shares in the Syrian oil field for \$ 573 million (Ngoc, 2006: 46). The Indian Natural Petroleum Company partnered with the China Petroleum and Chemical Company to exploit the Yadvaran oil field in Iran, of which China holds 51% of the shares and India's 29%. In August 2006, China and India cooperated to buy a 50% stake in an oil field in Colombia (Table 3). According to the statistics of the Chinese government in 2005, India invested 101 projects with the actual capital of 79.1 million USD. Chinese companies also implemented projects in India with a capital of about 1 billion USD, including thermal power and transportation (Hoang, 2009: 7).

On February 22, 2005, the Indian Gas Company signed an agreement with China stating that India would invest \$243 million in the Chinese Gas Company. This was the milestone marking the first cooperation between the companies of the two countries. In January 2006, Indian Oil and Gas Minister Mani Shankar Aiyar signed an agreement to cooperate with China in securing overseas crude sources. This agreement was to prevent the fierce competition from oil that raised the prices of crude oil resources among other countries.



**Table 3** China-India Energy Cooperation in Iran, Colombia, Sudan, Syria and Peru (Singh, 2010: 18)

Cooperation projects	Country	Shares of China (%)	Shares of India (%)
Yadvaran oil field	Iran	Sinopec (51%)	Natural Gas and Oil Corporation (ONGC, 29%)
Omimex De Colombia Company Limited	Colombia	Sinopec (50%)	ONGC (50%)
The Greater Nile Oil Project	Sudan	China National Petroleum Corporation (CNPC, 40%)	ONGC (25%)
Purchase of a 37% stake in Petro-Canada in the Syrian oil field	Syria	ONGC and Sinopec together hold 37%	
Peru's right to explore gas block 155	Peru	The bidding cooperation part of CNPC with the Petroleum Exploration and Production Limited Company DMCC (India) and Pluspetrol Company (Argentina)	

According to *Asia Times* on September 27, 2006, in March 2006, Hindustan Petroleum Corp Ltd of China and India Petroleum and Chemical Company (Sinopec) signed a preliminary agreement regarding projects in India, China and elsewhere. The two sides will cooperate in international trade, exploit, produce petrochemical products and provide consulting services (Ngoc, 2006: 46).

In July 2006, China and India inaugurated the re-establishment of cargo traffic through the Nathu La Pass in the Himalayas, on the border between Tibet and India's local Sikkim. This area has in the ground more than 200 billion m<sup>3</sup> of gas, 1.5 billion tons of crude oil and 900 million tons of coal. The topography is also favorable for the

construction of hydroelectric plants (Do, 2007). The decision to reopen the Nathu La border gate is not only to strengthen cooperation between the two countries but also to meet the energy needs of India and China.

A political event of special interest to the world public was the visit to China (January 2008) by Indian Prime Minister Manmohan Singh. In the framework of this visit, the two sides signed a document on “China-India Common Prospects in the 21st century”, marking a new development step in the bilateral relationship. The document mentioned many fields, including energy.

Multilateral dialogues on energy become the foundation of cooperation between China and India. In November 2004, India invited China, Japan and South Korea to hold talks in New Delhi in the hope of negotiations with Middle Eastern oil suppliers to reduce oil insurance premiums. India also held a Conference of Ministers (2005) of Asian countries, with the participation of China to discuss oil and gas exploitation cooperation. At the conference, major oil consuming powers in Asia, including China, Japan, South Korea and India, agreed on oil security issues. On December 16, 2006, the energy ministers of the above countries met in Beijing to discuss energy security on measures to maintain international energy market stability and form a cooperative relationship which would replace competition (Ma, 2010).

*In addition to strengthening cooperation in energy security in recent years, China and India have increased fierce competition to compete for influence in resource-rich regions, especially in Central Asia, Africa, and China, Middle East...*

**Central Asia** is a place where there are lots of resources and energy. In the race with the major powers for energy supplies here, China and India both actively exert influence. Central Asian countries see China as a counterbalance force and they are always wary of China’s occupation of Tibet and Xinjiang. The above countries claim that India

is a less harmful partner and with its growing prestige also allows to balance the influence of both Russia and China. On the other hand, they share the geographical, linguistic, religious and cultural elements of the Uyghur and Kazakh Muslim communities in Xinjiang. The two sides compete strongly in this area. In June 2001, China established the Shanghai Cooperation Organization (SCO) including: Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan and Russia. Knowing China's intentions, in May 2005, India joined SCO as an observer. Immediately, China admitted Pakistan as an observer. China built a port at Gwadar in the Baluchistan region on the Arabian coast to help traffic transport for all the countries that have no access to the sea, including Afghanistan. India responded by building the Chahbahar port in Iran so that Afghanistan and Central Asian countries would have a maritime corridor to the Persian Gulf.

In addition to Central Asia, **neighboring Myanmar** is also the place where the competition between China and India takes place in energy, especially oil and gas energy. Myanmar is currently one of the rare remaining markets that remains largely untapped, with resources assessed as comparable to those of Asia's resource-rich nations. In particular, this is a rich oil country which has the largest natural gas reserves in Southeast Asia. According to experts, with the largest 3 offshore oil and gas fields and 19 inland gas fields, Myanmar has proven gas reserves of 510 billion m<sup>3</sup> in total offshore and gas reserves edge. According to estimates, Myanmar has oil reserves "about 600 million barrels and gas reserves totaling 88 trillion cubic feet<sup>3</sup> only less than Indonesia. Recently, Myanmar also found reserves in three areas in the Bay of Bengal - Mya, Shwe and Shwe Phyu (also known as the Shwe project) with an estimated 5.7-10 trillion cubic feet" (Sinha, 2009: 2). According to the United Nations, Myanmar ranks 10th in the world in oil and gas reserves with 3.2 billion barrels of oil and 2,460 billion cubic

meters of natural gas. In the early years of the twenty-first century, Myanmar's gas export annually brought in more than 3 billion USD for this country (Tran, 2012: 132). Thanks to this great potential, Myanmar is attracting a large amount of foreign investment capital from 21 companies which belong to 13 different countries participating in exploration and exploitation. During 2005-2006, Myanmar's total investment in oil and gas accounted for 34% of the total foreign investment in this Southeast Asian country (\$14.4 billion) (Yhome, 2009: 8). In 2007, Myanmar took the leading position in the world trade market with 9.89 billion cubic meters of gas sold abroad (Panwar, 2009: 10).

With rich resources, Myanmar has become a "golden land" for major countries in the world to promote investment and exploitation of energy and neighboring countries China and India are one of the partners with many advantages. In recent years, Myanmar has become a competitive hub between China and India in exploiting and transporting gas from Myanmar's offshore to these two countries. While India hopes to get gas from Myanmar's Shwe gas field by pipeline through Bangladesh territory, China hopes to exploit the same source through a pipeline through the highlands on the Chinese border – Myanmar to Kunming, the capital of Yunnan (Kumar and Hussain, 2016: 304-305).

On the Chinese side, in 2001, the China National Petroleum Corporation (CNPC) started to boost investment in the oil production sector in Pyay (Myanmar). Since 2004, 16 Chinese state-owned companies have owned 21 major oil and gas exploitation projects in Myanmar and by 2006, the Chinese CNPC complex was authorized to build two gas and oil pipelines, a pipeline is worth \$2.5 billion, from the Kyaukphyu port in the state of Arakan to Kunming. China and Myanmar also signed an oil and gas contract, under which China Petroleum Corporation obtained the right to explore and exploit oil in backpacks

AD-1, AD-6, AD-8 located in the deep water region which is near coastal area of Myanmar with an area of 10,000 km<sup>2</sup> (2007). Myanmar has granted China the right to exploit offshore plots with estimated reserves of 6.5 trillion cubic meters of gas (2008) (Vietnam News Agency, 2008: 6). On the Indian side, since the beginning of the twenty-first century, many senior leaders of India have made many trips to Myanmar to establish cooperation in key and energy fields, especially in the field of oil and gas energy sector. In the years, 2005 and 2006, India invested 30.575 million USD in oil and gas sector of Myanmar. Essar Oil and Gas Liability Company (OEF) is the first private Indian company to sign two cooperation contracts with Myanmar to explore and exploit an offshore lot (A-2) and another on main land (L) (May 2005), and will also be drilling for natural gas exploration on the east coast of Myanmar's Rakhine state (end of the year 2006) (Yhome, 2009: 8-9). As of 2007, India has been present in many oil and gas exploration areas in the territory of Myanmar Sea (including lots A-1, A-3, AD-2, AD-3, AD-9. ..), in which the investment of ONGC and GAIL of India accounted for 17% and 8.5% in the Shwe gas project located on the Bay of Bengal (Rach, 2013). In particular, the event "Saffron Revolution"<sup>4</sup> in Myanmar in 2007 can be considered as one of the typical examples showing the Indo-China competition in energy exploitation in Myanmar.

After this incident, while India cautiously expressed its neutrality by simply declaring this as a "issue of democracy and human rights within Myanmar" (Zhao, 2008: 1), China did not condemn Myanmar or refuse to cooperate with the international community to impose a new embargo on this country (Nguyen and Hoang, 2020: 54). This led to Myanmar's withdrawal of the legal status of Gas India Limited Liability Company (GAIL) from the "preferred customer" status in blocks A-1 and A-3 which belongs to a natural gas field in the Andaman Sea and sold to PetroChina Corporation (China). In addition, the decision for China

PetroChina Corporation to build an oil pipeline running through Myanmar's territory reflects China's preeminent position in this country. As researcher Lundholm has affirmed: "This relationship (China-Myanmar) will make it difficult for India to compete in the long term" (Vietnam News Agency, 2008: 8). It can be said that these two major countries share a border with a resource-rich country like Myanmar, make this country a strategic factor in the energy competition of the two powers mentioned above.

**Africa** is also a region of fierce competition between China and India. Africa – with abundant oil resources, has become the top concern of the two countries. The New York Times, published in James Traub, emphasized: "China's Africa policy shows that globalization is increasingly divorced from Westernization. We have grown accustomed to the idea that Africa needs us; it's time to recognize that we, like China, need Africa" (Traub, 2006). In the early years of the twenty-first century, both China and India were constantly increasing their influence in Africa to seek their own interests and assert their positions.

In recent years, the Oil and Gas Corporation of India (ONGC) has signed many contracts for oil field exploration and other energy projects in Nigeria and Sudan. The Indian Oil Corporation (IOC) and National Thermal Power Corporation (NTPC) also invest in oil exploration and refining projects in Nigeria, Sudan and the Ivory Coast. The Arcelor Mittal Company invests \$900 million in a mine and iron ore management project in Liberia and \$30 million in a smelting plant. April 2008, India held the First India-Africa Summit, with the participation of 14 countries's leaders. This event opened the process of friendship and cooperation between India and Africa. India helps Africa strengthen capacity, create more job opportunities, providing effectively finance electronic systems projects in the basins of Africa, develop railroads, information technology, telecommunications and India's first priority is

energy production. India invests more than 1.5 billion USD in developing small and medium industries, providing satellite systems in Africa, optical fiber systems, funding poverty reduction... These are the meaningful steps in strengthening the bilateral relationship, which is a bridge to implement the energy sector cooperation plan with Africa.

While India claims not to compete with any countries to become a partner with Africa, China has made absolutely no secret of its intention to have more abundant energy resources in this region, especially crude oil and iron ore. China's trade with many African countries is growing significantly. In just over 10 years, the exchange of goods between China and Africa has increased 17 times, from 3 billion USD in 1995 to more than 50 billion USD, it was expected to reach 100 billion USD in 2006, in 2010, 70% of the total The amount of oil produced in Sudan is for China, compared with about 10% in 1995 (Do, 2007). China is currently Angola's second export market, after the US. In November 2006, China organized the "Sino-African Cooperation Forum" with 48 out of 53 African countries participating. This shows that China's influence has increased significantly in this area. Chinese investment in Africa increased rapidly, from 2000 to 2006 reached 6.6 billion USD, while India invested more than 1.5 billion USD. In 2006, China's offshore oil and gas group defeated India's oil and natural gas corporation to buy a 45% stake in a Nigerian oil and gas field for \$ 2.3 billion. In addition, China also signed with countries such as South Africa, the richest country with many mineral resources, an agreement on economic cooperation; Uganda a wide range of documents: mining, oil and gas, auto assembly, textiles. Currently, about 30% of all Chinese oil is imported from Africa, mainly from Sudan, Angola and Congo-Brazzaville. In 2005, China imported 2.6 million barrels of oil / day, of which about 800,000 barrels was from the three countries mentioned above (Tran, 2009: 13).

**The Middle East** and the Persian Gulf remain at the heart of the global oil supply system as it has the largest oil producers and exporters in the world. The Middle East (excluding North Africa) holds about 57% of the world's oil and 41% of the proven natural gas reserves (Zhao, 2012: 76). Although China and India have diversified their energy sources, the Middle East has always been their main oil supplier. China and India are geographically much closer to the Middle East than other potential oil sources such as Africa and Latin America. From 2015 onwards, 70% of China's oil imports come from the Middle East (Collins and Murray, 2012: 47). China has also been successful in many projects: the Sinopec Group won the right to exploit gas in the Saudi desert region. China has invited Saudi Arabia to cooperate and invest in oil projects in this country. The Saudi Arabian oil company, together with Sinopec and Exxon Mobil, jointly invested in the construction of a \$3.5 billion refinery in Fujian (China) (Pham, 2009: 31). On the Indian side, nearly 70% of its oil imports come from the Middle East, mainly from Saudi Arabia, followed by Iran (Zhao, 2012: 78). The Indian government expects this geographic dependence to increase due to the limited domestic income outlook. In terms of gas, almost all of India's gas imports come from the Middle East. India has been trying to diversify its gas import sources, looking to Bangladesh and Myanmar, but so far this has not been successful. It can be said that, besides cooperation China and India are competing fiercely in searching for energy sources to ensure the best interests of their country and will greatly affect the relationship not only the present but also the future.

#### **4. Some Comments**

Researching on China-India relations in the energy field, we can draw the following points:



*Firstly, the cooperation in energy security between China and India in the early twenty-first century was influenced by many international and regional factors, especially the energy shortage problem.*

Entering the twenty-first century, before the strong development of economies, energy sources in general and oil in particular have become urgent global issues. The world's demand for energy is increasing rapidly. In 2003, the world oil demand was 78.1 million barrels/day, estimated at 3.9 billion tons/year. In 2004, that demand increased to 81 million barrels/day, or about 4.5 billion tons/year. In 2006, oil consumption increased to more than 86 million barrels a day. According to calculations by the American Energy Data Association, by 2025, the world's oil demand will reach 121 million barrels/day, estimated at 6.05 billion tons/year (Nguyen, 2006: 3).

Thus, the world's energy demand is constantly increasing, while the newly discovered reserves are very few, renewable energy sources do not meet the consumption level. Energy security forces countries in the world in general and especially India and China, two economies that "consume" huge amounts of oil, to implement energy policies, especially oil. Both countries recognize the importance of cooperation for long-term economic development strategies.

*Secondly, the China-India relationship on energy security is a relationship with both cooperation and competition, affecting many other relationships on the world scale.* The strong growth of the world economy in the first decade of the twenty-first century increased the demand for oil – the top concern of all nations. Besides the achievements brought about by cooperation, the competition in finding new sources has also become more fierce. And also due to energy that deepens inherent conflicts in relations between China and Japan (the Senkaku/Diaoyu Islands dispute) and some Southeast Asian countries (dispute in the East Sea). This is also the reason for increasing

competition between China and India in regions with large oil reserves such as Central Asia, the Middle East and Africa. In these regions, China and India are all striving to increase their influence, competing to find energy sources to solve urgent domestic consumption demand, for the purpose of economic development. China-India energy cooperation will also be affected by international relations, particularly Russia-China-India, US-India, US-China relations ...

*Thirdly, the relationship in the energy field between China and India has brought about many important achievements, solving the problem of energy shortages, promoting economic development of the two countries.*

Although there are competition with each other to search for energy sources, but China and India have also achieved many achievements in cooperation to meet the energy needs and economic development of the two countries. If in 1989, the economies of China and India only accounted for 3.3% of the global GDP, by 2008, this number increased to 8.8%. China and India are all major countries in East Asia and South Asia. The building of energy cooperation between the two countries will strongly promote Asian economic development and cooperation. China-India cooperation also has a beneficial impact on the maintenance of peace and stability in the region and in the world. In November 2006, the Joint Statement between China and India stated: “As two major countries in the emerging multipolar world order, the simultaneous development of China and India has positive influence on the world system in the future”.

*Fourthly, the India-China relationship on energy security still faces many obstacles, challenges, and impacts on the energy policies of the two countries.*

Despite many progress, India-China energy cooperation from 1991 to 2011 still faces many obstacles because the energy dispute is taking place fiercely. The strong growth of the world economy in the early

twenty-first century increased the demand for energy, especially oil. The competition for energy sources has intensified the competition between China and India in areas with large oil reserves such as Central Asia, the Middle East and Africa.

Both China and India are having difficulties due to the increasing oil search of other countries in the world. Oil can make Africa caught in a spiral of competition for energy by different countries, contributing to the national energy security. America is the world leader in oil consumption, while 80% of its oil reserves are concentrated in the Middle East, North Africa, Central Asia... Therefore, the US is also looking for ways to control this resource. Other countries such as Russia, Japan, the European Union, South Korea, India, China... have also increased their energy race. The energy crisis is becoming more and more intense. This is not only due to the shortage and scarcity of energy but also due to the geopolitical ambitions of the participating actors, especially large countries.

Facing the risk of energy shortages, most countries want to store oil, so the demand for oil is increasing, causing oil prices to be pushed up. Rising oil prices will slow down the economic growth of countries and regions. Therefore, ensuring energy security is of great interest to the international community. Currently, both China and India are faced with the fact that oil is increasingly expensive and rare. So oil can be one of the causes of this strategic resource supply and control uncertainty. In addition, the impact of the economic crisis and other thrills brought about by the international context and internal affairs of the two countries also creates many challenges for energy cooperation between India and China.

## 5. Conclusion

It can be said that the relationship of cooperation and competition between China and India is one of the issues attracting the attention of the whole world. Stemming from the prolonged geopolitical conflict between two countries, China-India relations took place in many main fields: politics – diplomacy, economics, military security, border... and energy security. The relationship between China and India in the early years of the twenty-first century is a testament to the development of a bilateral relationship that has attracted attention from the international community. As the economies of China and India continue to grow, the energy needs of these two countries also increase. In the trend of globalization of the first two decades of the twenty-first century, instead of competing fiercely to ensure energy security, China and India can work together to harness energy in an effective way, serving the development of each country. However, in the relationship between these two Asian powers, energy competition and cooperation have not yet reached equilibrium. In the current context, energy security is still a “hot” topic of China-India relations and the second decade of the twenty-first century continues to see fierce competition and cooperation between two “Asian giants” is not only about the energy sector but also many other key areas.

## Notes

- \* Tran Xuan Hiep (陳春協), Ph.D., is a Researcher of Institute of Socio-Economic Research, Duy Tan University. His major research domains include general political and international relations issues of the world, Southeast Asian region, and Vietnam’s international integration. He has published many papers on the above theme in journals such as *Southeast*

*Asian Studies, India Quarterly: A Journal of International Affairs, International Journal of China Studies, Journal of Educational and Social Research.* <Email: tranxuanhiep@dtu.edu.vn>

\*\* Nguyen Tuan Binh (阮儒平), Ph.D., is a Lecturer at University of Education, Hue University, Vietnam. He completed his Ph.D. from University of Sciences, Hue University, Vietnam. His research interests include modern history, international relations. He has co-published a book *Modern international relations*, and contributed chapters and articles in edited books and journals. <Email: nguyentuanbinh@hueuni.edu.vn>

\*\*\* Tran Thai Bao (陳太寶) is a Lecturer at Duy Tan University, Da Nang city, Vietnam. His research interests include modern history, international relations. He has contributed chapters and articles in edited books and journals. <Email: josbaocmf1010@gmail.com>

1. The Look East Policy was officially launched in 1992 and was enforced by Prime Minister Narasimha Rao (1991-1996). This new foreign policy in India's long-term strategic considerations aimed at building and expanding India's influence in the Asia-Pacific region, simultaneously competing and curbing to China in this region and especially in the Indian Ocean - India's traditional area of influence. Basically, the general objective of this policy is to move India into the military and economic power country not only in Asia but also across the world. Indian Prime Minister Manmohan Singh asserted: "This is a strategic shift in India's vision for the world and New Delhi's position in the global economy". India deploys the Look East Policy to develop economy and trade relations with East Asian countries and maintain a high and stable growth of India's economy. Besides, India makes tries toward economic integration with the Asia-Pacific region in which India aims at building the Asian Economic Community. Thus, the objective of India's Look East Policy was shown rather clearly. India aimed at becoming a regional power to get its economic and strategic benefits, simultaneously curbing and competing with China – a neighbour

country. To reach this objective, the Look East Policy was seen as a new direction for India's foreign policy after the Cold War.

2. China's Neighboring Diplomacy is intended to contribute to a smooth opening and modernization of the country and to enhance understanding and trust of neighboring countries in China. In order to contribute to the maintenance and development of regional cooperation, China advocates "friendly neighbors, make friends with neighbors" and mentions "harmony neighbors, peaceful neighbors, rich neighbors". China's motto is "develop together, prosper together" and "win cooperation together" in economic relations. China also intensifies the settlement of disputes with neighboring countries, including on borders and territories. In addition, China has also expanded relations to other areas such as the military and security, especially attaching importance to the use of "soft power". China has actively initiated initiatives and promoted cooperation frameworks with ASEAN, especially "One Axis, Two Wings" initiatives. As a major neighbor to China, India has increasingly played an important role in its diplomatic strategy in the Indo-Pacific in the early twenty-first century.
3. tcf is a measure of gas, expressed in 1 million cubic feet.
4. On September 9, 2007, the Coalition of All Burmese Monks issued a statement asking the government to lower the prices of goods and raw materials, and release all political prisoners, including Aung San Suu Kyi and dialogue with democratic forces aimed at national reconciliation. The declaration also set a deadline until September 17 for the Myanmar government to comply with the above requests if it did not want to face a religious boycott. After this deadline, from September 18 to September 24, 2007, many protests broke out in Yangon with the participation of about 100,000 people under the lead of thousands of monks. The military government of this country bloodily suppressed the protests, arrested and detained thousands of people, including many monks, causing a serious political crisis in Myanmar.

## References

- Collins, G. B., Andrew S. Erickson, Lyle J. Goldstein and William S. Murray (2012). *China's energy strategy: The impact on Beijing's maritime policies*. Maryland: Naval Institute Press.
- Do, Tuyet Khanh (2007). Quan hệ hợp tác và cạnh tranh giữa Trung Quốc và Ấn Độ trong thế giới đa cực [the relationship of cooperation and competition between China and India in the multipolar world]. *New Era Magazine*, 8th October 2007. <[http://www.tapchithoidai.org/ThoiDai12/200712\\_DTKhanh.htm](http://www.tapchithoidai.org/ThoiDai12/200712_DTKhanh.htm)>
- Hoang, Thi Minh Hoa (2009). Chính sách hướng Đông của Ấn Độ và tác động của nó tới quan hệ Ấn Độ - Trung Quốc [India's Look East Policy and its impacts on India-China relations]. *Review of World Economic and Political Issues*, No. 9 (161), Vietnam Institute for World Economy and Politics, pp. 3-9.
- Kumar, S., Dhirendra Dwivedi and Mohammad Samir Hussain (2016). *India's defence diplomacy in 21st century – problem & prospects*. New Delhi: G.B. Books.
- Ma Jiali (2010). The energy cooperation between China and India in the post-crisis era. (China Institutes of Contemporary International Relations, 25th August 2010.) <<http://www.cicir.ac.cn/english/ArticleView.aspx?nid=1923>>
- Müller-Kraenner, Sascha (2008). *China's and India's emerging energy foreign policy*. Bonn: German Development Institute.
- Ngoc, Lan (2006). Hợp tác năng lượng Trung - Ấn [China-India energy cooperation]. *Asia-Pacific Economy Review*, No. 40, Vietnam, p. 46.
- Nguyen, Anh Chuong (2010). An ninh năng lượng Trung Quốc: Thách thức và những chiến lược [China energy security: challenges and strategies]. *Journal of Northeast Asian Studies*, No. 2 (108), Vietnam Institute for Northeast Asian Studies, pp. 44-52.

- Nguyen, Cao Duc and Phi Hong Minh (2017). Chiến lược năng lượng mới của Trung Quốc trong bối cảnh điều chỉnh chiến lược và chuyển đổi phương thức phát triển [China's new energy strategy in the context of strategic adjustment and transformation of development mode]. *Chinese Studies Review*, No. 9 (193), Vietnam Institute for Chinese Studies, pp. 20-37.
- Nguyen, Thanh Hien (2006). Năng lượng không chỉ là vấn đề kinh tế [energy is not just an economic issue]. *Review of World Economic and Political Issues*, No. 8 (124), Vietnam Institute for World Economy and Politics, pp. 3-8.
- Nguyen, Tuan Binh and Hoang Thi Minh Hoa (2020). Myanmar trong chính sách đối ngoại của Trung Quốc với các nước láng giềng những năm đầu thế kỷ XXI [Myanmar in China's foreign policy with neighboring countries in the early 21st century]. *Journal of Northeast Asian Studies*, No. 1 (227), Vietnam Institute for Northeast Asian Studies, pp. 49-58.
- Panwar, Namrata (2009). China and India competing over Myanmar energy resources. (University of Leicester, England.)
- Pardesi, Manjeet Singh, Amitav Acharya, Premarani Somasundram, Young Ho Chang, Joey Long Shi Ruey, Tang Shiping, Hiro Katsumata and Vladimir I. Ivanov (2006). *Energy and security: The geopolitics of energy in the Asia-Pacific*. Singapore: Institute of Defence and Strategic Studies, Nanyang Technological University
- Pham, Thai Quoc (2007). Những nhân tố ảnh hưởng đến tăng trưởng kinh tế của Trung Quốc và Ấn Độ [the factors influence the economic growth of China and India]. *Journal for Africa and Middle East Studies*, No. 7 (23), Vietnam Institute for Africa and Middle East Studies, pp. 36-44.
- Pham, Thai Quoc (2009). Cung cầu về năng lượng ở Trung Quốc hiện nay [energy supply and demand in China today]. *Review of World Economic and Political Issues*, No. 9 (161), Vietnam Institute for World Economy and Politics, pp. 25-32.



- Phi, Trong Hieu (2006). Ấn Độ với chính sách “vươn vòì”... [India with the “reaching out” policy...]. *Asia-Pacific Economy Review*, No. 24, Vietnam, pp. 38-39.
- Rach, Nina (2013). Pipelines off Myanmar carry Shwe gas, imported oil. *Offshore Engineer*, 1st September 2013. <<http://www.oedigital.com/component/k2/item/3896-pipelines-off-myanmar-carry-shwe-gas-imported-oil>>
- Singh, Bhupendra Kumar (2010). Energy security and India-China cooperation. *IAEE Energy Forum*, Vol. 19, pp. 17-19. Cleveland, Ohio: International Association for Energy Economics (IAEE).
- Sinha, Tuli (2009). China-Myanmar energy engagements: Challenges and opportunities for India. *IPCS Issue Brief*, No. 134, Institute of Peace and Conflict Studies, New Delhi, pp. 1-4.
- Tran, Bach Hieu (2009). Sự cạnh tranh vị thế giữa Trung Quốc và Ấn Độ tại châu Phi những năm đầu thế kỷ XXI [the competition between China and India in Africa in the early 21st century]. *Journal for Africa and Middle East Studies*, No. 11 (51), Vietnam Institute for Africa and Middle East Studies, pp. 12-18.
- Tran, Khanh (2012). Cạnh tranh chiến lược của Trung Quốc, Mỹ và Ấn Độ ở Myanmar: Thực trạng và triển vọng [the strategic competition of China, the U.S. and India in Myanmar: current situation and prospects]. *International Studies*, No. 4 (91), Diplomatic Academy of Vietnam, pp. 131-153.
- Traub, James (2006). China’s African adventure. *The New York Times*, 19th November 2006 (*The New York Times Magazine*). <<https://www.nytimes.com/2006/11/19/magazine/19china.html>>
- Vietnam News Agency (2008). Chính sách của Ấn Độ đối với Myanmar [India’s policy on Myanmar]. *Special Reference*, 21st June 2008.
- Vietnam News Agency (2008). Quyền lợi của Ấn Độ tại Myanmar [India’s interests in Myanmar]. *Special Reference*, 10th July 2008.

- Yhome, Khriezo (2009). *India-Myanmar relations (1998 - 2008): A decade of redefining bilateral ties*. New Delhi: Observer Research Foundation.
- Zhao Hong (2008). China and India's competitive relations with Myanmar. *ICS Working Paper*, No. 7, Institute of China Studies, University of Malaya, Kuala Lumpur, pp. 1-15.
- Zhao Hong (2009). China and India: The energy policies. *EAI Background Brief*, No. 462, East Asian Institute, Singapore, pp. 1-18.
- Zhao Hong (2012). *China and India – The quest for energy resources in the 21st century*. New York, NY: Routledge.