

Strategic Analysis Paper

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Fact Sheet: The Indian Ocean Region and Australia's National Interests

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Summary

Not since the Cold War has events in the Indian Ocean Region resonated so much in Australia. Based on extensive research, this reference document is designed to provide an readily accessible source of information to assist Australian policymakers to better understand the Indian Ocean Region.¹

Analysis

Geopolitical Characteristics of the Indian Ocean Region

- The Indian Ocean Region contains 36 littoral and 14 adjacent hinterland states, consisting of more than 2.6 billion people or 40 per cent of the world's population.²
- The Indian Ocean Region is fraught with strategic competition and is considered one of the most nuclearised of the world's oceans with eight nuclear powers active in its waters: US, Russia, China, France, UK, India, Pakistan and Israel.³

¹ The Indian Ocean Region should not be confused with the Indian Ocean Rim, a term which refers to the littoral states of the Indian Ocean, but not the region's interconnected hinterland states. For further reference see Rumley, D., Doyle, T., and Chaturvedi, S., *'Securing' the Indian Ocean? Competing Regional Security Constructions*, Indo-Pacific Governance Research Centre: Adelaide, April 2012. Similarly, the term Indo-Pacific tends to emphasise either the Indian and Pacific oceans as one interlinked region or simply identifies India and South Asia as being linked to the Asia-Pacific region.

² The Indian Ocean Region's littoral states are: Bahrain, Bangladesh, Burma, Comoros, Djibouti, East Timor, Egypt, Eritrea, France (Reunion and Mayotte), India, Indonesia, Iran, Iraq, Israel, Jordan, Kenya, Kuwait, Madagascar, Malaysia, Maldives, Mauritius, Mozambique, Oman, Pakistan, Qatar, Saudi Arabia, Seychelles, Singapore, Somalia, South Africa, Sri Lanka, Sudan, Tanzania, Thailand, United Arab Emirates and Yemen. The hinterland states loosely defined as adjacent to, or dependent on, the Indian Ocean are: Afghanistan, Bhutan, Botswana, Burundi, Ethiopia, Lesotho, Malawi, Nepal, Rwanda, Swaziland, South Sudan, Uganda, Zambia and Zimbabwe.

- More than 80 per cent of the world's seaborne trade in oil transits through Indian Ocean choke points, with 40 per cent passing through the Strait of Hormuz, 35 per cent through the Strait of Malacca and eight per cent through the Bab el-Mandab Strait.⁴
- Around 40 per cent of the world's offshore oil production is estimated to come from the Indian Ocean.
- With the rise of the Asian economies, the Indian Ocean is now considered to be the world's most important energy and trade transmission belt.
- Annually, two-thirds of the world's seaborne trade in oil, 50 per cent of the world's seaborne container traffic, one-third of the world's seaborne bulk cargo and the world's highest tonnage in the seaborne transportation of goods, reportedly involving some 100,000 ships, transit through the Indian Ocean and its adjacent waterways.
- The world's two principal opium producing regions are astride or near the Indian Ocean's waters, namely the Golden Triangle, which involves Myanmar and Thailand; and the Golden Crescent emphasising Iran, Pakistan and Afghanistan.
- The 2011 Failed States Index highlights that 11 out of the world's 20 most unstable states are located in the Indian Ocean Region.⁵
- According to the World Bank in 2010, out of a total world GDP of USD63 trillion the Indian Ocean Region amounted to USD6 trillion, compared to USD13.2 trillion for the Asia Pacific region, USD5.1 trillion for Latin America and the Caribbean, USD2.4 for the Middle East & North Africa, USD1.9 trillion in the Arab World and USD1.1 trillion for Sub-Saharan Africa.
- The Indian Ocean Rim-Association for Regional Cooperation, or IOR-ARC, is the pre-eminent multilateral regional body that focuses on Indian Ocean issues, comprising 19 member states.⁶
- The Organisation of Islamic Conference is composed of 24 Indian Ocean Region states out of a total membership of 57 states.
- The Arab League has 14 Indian Ocean Region states out of a total membership of 22 states.
- The G-20 includes five Indian Ocean Region states.
- The Next-11 is made up of five Indian Ocean Region states.
- The Group of 77 comprises 48 Indian Ocean Region states out of a total membership of 132 states.
- Out of the 13 states that are members of the G8+5, two are Indian Ocean Region states.
- Out of the 48 states that are categorized by the UN as the world's Least Developed Countries, 21 are Indian Ocean Region states.
- Out of 119 states, the Non-Aligned Movement is composed of 47 Indian Ocean Region states.

³ PM Barnett, T, *India's 12 Steps to a World-Class Navy*, US Naval Institute: July 2011.

⁴ DeSilva-Ranasinghe, S, "Why the Indian Ocean Matters" in *The Diplomat*, 2 March, 2011.

⁵ These states are: Somalia, Sudan, Zimbabwe, Afghanistan, Iraq, Pakistan, Yemen, Kenya, Burundi, Burma, Ethiopia. For further information refer to The Failed States Index 2011, viewed 28 May 2012, http://www.foreignpolicy.com/articles/2011/06/17/2011_failed_states_index_interactive_map_and_rankings

⁶ IOR-ARC member states are: Australia, Bangladesh, India, Indonesia, Iran, Kenya, Madagascar, Malaysia, Mauritius, Mozambique, Oman, Seychelles, Singapore, South Africa, Sri Lanka, Tanzania, Thailand, UAE and Yemen.

Australia's Indian Ocean Features

- According to DFAT, Australia's coastline astride the Indian Ocean is longer than its Pacific coastline.⁷
- Australia has one of the longest coastlines, the largest offshore maritime claims, search and rescue zone and maritime jurisdiction of any Indian Ocean Region state.⁸
- Australian cartographic authorities have a differing view to the International Hydrographic Organisation's (IHO) perspective on Indian Ocean boundaries.⁹
- Australia's Indian Ocean Territories, which include the Cocos Islands and Christmas Island, are its farthest inhabited Indian Ocean possessions.¹⁰
- Australia is a member of six multilateral Indian Ocean Region institutions/agreement: Indian Ocean Rim Association for Regional Cooperation (IOR-ARC),¹¹ Indian Ocean Naval Symposium (IONS),¹² Indian Ocean Tuna Commission (IOTC),¹³ Indian Ocean MOU on

⁷ Some unofficial interpretations not only take into account Western Australia's 12,000 km coastline, but also Northern Territory, and a portion of northwest Queensland's coastline extending to the Cape York Peninsula. This interpretation is viewed by many to be excessively broad, yet, these proponents argue that the curvature of the northern Australian waters encompassing the Timor Sea, Arafura Sea, Gulf of Carpentaria to the Cape York Peninsula offer a clear line of delineation consistent with the geography of the southern recesses of the Indonesian archipelago and Australia's northern coastline. Similarly, according to one IHO perspective Australia's southern Indian Ocean coastline includes South Australia, a small segment of western Victoria's shoreline and the coastline of western Tasmania. If Australia adopted this view of the Indian Ocean's boundaries, Heard Island, which is located in the southern Indian Ocean, would in fact be Australia's largest Indian Ocean island. See also: Leighton G. Luke, "Developments in the Indian Ocean Region: Research Aims and Methodology" in *Future Directions International* (22 January, 2010), for FDI's interpretation of the Indian Ocean's parameters.

⁸ For further information refer to Bateman, S and Bergin, A., *Our Western Front: Australia and the Indian Ocean*, Australian Strategic Policy Institute: Canberra, March 2010. In comparison to South Africa (2,500 km), Saudi Arabia (2,640 km), Iran (2,440 km); India (7,517 km), Indonesia and Australia appear to have the longest coastlines among Indian Ocean littoral states.

⁹ The Southern Ocean is internationally recognised by a number of Southern hemisphere countries as being south of 60 degrees, however Australia has not endorsed this view. According to one leading Australian cartographer the reason is: "simply a case of the IHO recognising that most countries will show the Indian and Southern Oceans one way while Australia will show it another way. This is perfectly acceptable to the IHO. It is an agreed international position and follows the principles used by the United Nations to recognise different interpretations." For further information see Andrew Darby, *Canberra all at sea over position of Southern Ocean in The Age* (22 December, 2003) See also: *Limits of Oceans and Seas* (Australian Hydrographic Service: April 2012).

¹⁰ The Cocos Islands comprise 27 coral islands and a resident population of 600 people. The islands are situated in the north-eastern Indian Ocean 2,950 km northwest of Perth and 3,700 km west of Darwin. Similarly, Christmas Island, which has a population of approximately 1,500 people, is located 380 km south of Indonesia and 2,650 km north-west of Perth. The uninhabited territory of Ashmore and Cartier Islands are approximately 320 km off Australia's north-west coast and 144 km south of Indonesia's nearest island.

¹¹ Formed in 1997 and comprising 19 Indian Ocean member states, the IOR-ARC is the only regional forum linking countries on the Indian Ocean littoral through an annual Foreign Ministers' meeting. Currently, Saudi Arabia and Pakistan are not included as member states. Australia is scheduled to assume the Vice Chair of IOR-ARC for a two-year period from 2013-2015. Presently, there are five IOR-ARC dialogue partners: China, Egypt, France, Japan and the UK.

¹² The Indian Ocean Naval Symposium (IONS) was only recently founded in 2008 and is held every two years involving the navies of 35 countries. Australia is scheduled to assume the IONS Chair and Secretariat in 2014.

¹³ The IOTC oversees the management of tuna-like species in the Indian Ocean and its interlinking waterways.

Port State Control,¹⁴ UNESCO Intergovernmental Oceanographic Commission (IOC) and UNESCO Intergovernmental Coordination Group for the Indian Ocean Tsunami Warning and Mitigation System.¹⁵

- Among the Five Power Defence Arrangement countries, Australia, Malaysia and Singapore have coastlines that straddle the Indian Ocean and Pacific oceans.
- Of the approximately 114 Australian NGOs operating in Africa (29), Middle East (16), South Asia (35) and Southeast Asia (34), the majority are active in Indian Ocean Region countries.

Defence and Security Cooperation with the Indian Ocean Region

- The ADF and Police have been involved in 46 UN and coalition missions in the Indian Ocean Region since the Second World War.¹⁶
- Around 3,300 ADF personnel are currently deployed in 11 overseas operations of which nine are in the Indian Ocean Region.¹⁷
- Presently, a third of the Royal Australian Navy is deployed in the Indian Ocean Region.¹⁸
- Operation Slipper (Afghanistan) is the ADF's most significant mission in the Indian Ocean Region with 1,550 deployed troops.¹⁹
- From 2005-2011, the ADF participated in eight humanitarian relief operations in the Indian Ocean Region.²⁰
- Of the 17 countries that have signed bilateral counterterrorism MoUs with Australia, 11 are located in the Indian Ocean Region.²¹
- The Australian Federal Police have deployed dozens of personnel overseas, most of which are in Indian Ocean Region countries: Afghanistan, Jordan, Mozambique, South Africa and Timor-Leste.²²

¹⁴ There are 18 countries that are signatories to the Indian Ocean MoU on Port State Control.

¹⁵ Both the UNESCO Intergovernmental Oceanographic Commission (IOC) and the UNESCO Intergovernmental Coordination Group for the Indian Ocean Tsunami Warning and Mitigation System are administered from Perth, Western Australia.

¹⁶ See Vinen, D., Potter, D., and Copeland, P., *Australian Defence Force and Police Involvement in Peacekeeping and Peacemaking Operations 1947-Present*, viewed 28 May 2012, <http://www.peacekeepers.asn.au/operations.htm> See also Vinen, D., Potter, D., and Copeland, P., *Table of Australian Defence Force Peacekeeping Operations (with Police) Since 1947 to the Present (2010)*, viewed 28 May 2012, <http://www.peacekeepers.asn.au/operations/Table%20PKO%202009%20-%205%20Jan%202010.pdf>

¹⁷ Presently, 1,550 ADF personnel are deployed in Operation Slipper (Afghanistan), 800 personnel in Operation Slipper (Middle East), two personnel in Operation Palate II, 380 personnel in Operation Astute, four personnel in Operation Tower, 25 personnel in Operation Mazurka, two personnel in Operation Riverbank (Iraq), 12 personnel in Operation Paladin (Middle East), 17 personnel in Operation ASLAN (South Sudan). Between 2007 and 2011, 6,500 Army Reservists served on both domestic and overseas operations. Reservists have served in Iraq and continue to serve in Afghanistan. They currently provide the majority of Army's contribution to East Timor.

¹⁸ DeSilva-Ranasinghe, S., 'A Third of the RAN is based in the Indian Ocean': Vice Admiral Ray Griggs, Chief of the Royal Australian Navy' in *Future Directions International* (12 March, 2012).

¹⁹ Under Operation Slipper (Middle East) the ADF has deployed 800 personnel in the Middle East Area of Operations (MEAO). In addition, ANZAC Class Frigate HMAS *Parramatta* has been deployed to support maritime security operations to counter piracy in the Gulf of Aden.

²⁰ Operation Sumatra Assist (2005), Operation Pakistan Assist (2006), Operation Padang Assist (2009), Operation Catalyst (2009), Operation Pakistan Assist II (2010), Operation Azure, Operation Hedgerow and Operation Kruger (2011).

²¹ These countries are: Afghanistan, Bangladesh, East Timor, France, India, Indonesia, Malaysia, Pakistan, Saudi Arabia, Thailand and United Arab Emirates have signed counterterrorism agreements with Australia.

ADF Posture along Australia's Indian Ocean Littoral

- For some time the ADF has actively deployed both air and ground elements at Butterworth, which is a Royal Malaysian Air Force base situated off Penang, along Malaysia's Indian Ocean coastline.
- HMAS Stirling in Fremantle is the RAN's only naval base situated astride the Indian Ocean.
- HMAS Stirling is the RAN's largest base which contains more than 2,300 personnel, 600 defence civilians and 500 contractors. The base also hosts the RAN's entire fleet of six diesel electric Collins-class submarines, four out of the eight Anzac-class frigates and the tanker HMAS *Sirius*.
- The RAN's HMAS Coonawarra in Darwin, hosts eight of the RAN's 14 Armidale-class patrol boats, which are often active in the waters of the Indian Ocean.
- The ADF holds Exercise Kakadu, which is the largest annual international maritime exercise in Australia held off the coast of Darwin.
- Few Australian Army forces are stationed along Australia's Indian Ocean littoral. The most notable is the Pilbara Regiment, the North West Mobile Force, or NORFORCE and the Special Air Service Regiment (SAS) in Swanbourne, Western Australia.
- The RAAF presence along, or close to, Australia's Indian Ocean coastline operates from four air bases. They include two bases in the Northern Territory, RAAF Base Darwin and RAAF Base Tindal 320km south-east of Darwin. Both Western Australia and South Australia has only one major airbase each, RAAF Base Pearce in Perth²³ and RAAF Base Edinburgh in Adelaide. In addition, there are another two so called 'bare bases' situated at Learmonth in Exmouth and Curtin in Derby, both of which are located in Western Australia.

Trade Relations with the Indian Ocean Region

- The northeastern quadrant emphasising the Southeast Asian Indian Ocean littoral states are of critical strategic importance to Australia's economy and national security superseding all other areas of the Indian Ocean Region.
- According to DFAT figures in 2010-11, Australia's most significant trading partner in the Indian Ocean Region was India at AUD17.8 billion, followed closely by Singapore AUD16.8 billion, Thailand AUD16 billion, Malaysia AUD12.8 billion and Indonesia AUD10.5 billion.
- Some 1,300 Australian companies have operations in Singapore.
- Around 400 Australian businesses operate in Indonesia.
- In the UAE alone, upwards of 300 Australian companies are based.
- Over 300 Australian firms are active in Africa, many of which operate in Indian Ocean Region hinterland and littoral countries, primarily in the resources sector.
- South Africa is Australia's largest market in Africa.

²² In some circles Timor-Leste is being seen as an Indo-Pacific nation, due to its southern coastline which borders the eastern-most recesses of the Indian Ocean within close proximity of Ashmore and Cartier Islands which are part of Australia's Indian Ocean Territories.

²³ The RAAF presence a Pearce is composed of No 2 Flying Training School - PC-9/A trainer aircraft; No 79 Squadron - Hawk fighter trainer aircraft; No 44 Wing Detachment Pearce - air traffic control; No 25 (City of Perth) Squadron - Air Force Reserve; No 1 Airfield Defence Squadron Detachment Pearce - Airfield Defence Guards; No 1 Airfield Operations Support Squadron Detachment Pearce - airfield engineering; Combat Support Unit Pearce - base managers; Republic of Singapore Air Force No 130 Squadron - S-211 fighter trainer aircraft; 4 Expeditionary Health Squadron Detachment Pearce.

- Austrade has set up 30 offices situated in Indian Ocean Region countries.
- Western Australia, which is Australia's premier Indian Ocean state and privy to the nation's largest resource boom, constitutes about one-third of Australia's current export revenue.
- According to a report by the WA Department of State Development, Singapore is Australia's major source of foreign investment from IOR-ARC, contributing 76 per cent of total published IOR-ARC investment.²⁴
- Singapore is also the primary IOR-ARC destination for Australian investment abroad, with 63 per cent of total published Australian investment in the region.
- Two-way trade between Western Australia and IOR-ARC countries increased from AUD7 billion in 2000 to AUD29 billion in 2009.
- WA exports to India have increased from around AUD135 million in 2000 to nearly AUD8 billion in 2009. Over the last 10 years, India has overtaken Singapore as WA's main export destination within IOR-ARC.
- As claimed by the West Australian Department of Fisheries, in March 2010, the states fisheries industry was valued AUD400 million annually to the state's economy.

Southeast Asia-Indian Ocean Littoral

- Among Australia's Southeast Asian neighbours the following constitute Indian Ocean littoral countries: Indonesia, Singapore, Thailand, Malaysia, East Timor and Myanmar.
- Due to the fact of Australia's strategic geography, Southeast Asia will always retain strategic and economic primacy over the other main sub-regions that characterise the Indian Ocean Region.
- According to AusAID, Southeast Asia receives the highest amount of Australian foreign aid, estimated at AUD1.2 billion in 2011-2012, over any other region in the world.
- The ASEAN-Australia-New Zealand Free Trade Agreement (FTA), which came into force in February 2010, is Australia's largest FTA.²⁵

Indonesia

- Strategically and economically Indonesia is Australia's most important neighbour. Much of Australia's seaborne trade in the Asia-Pacific has to pass through or near Indonesian waters.
- In 2010-2011, total trade between the two countries reached around AUD10.5 billion.
- Currently, around 400 Australian companies are operating in Indonesia.
- Since the Australia-Indonesia Institute was founded in 1989 many more bilateral initiatives have developed. They include the Australia-Indonesia Ministerial Forum, Australia-Indonesia Leadership Dialogue, Australia-Indonesia Joint Illegal Fishing Public Information Campaign, Indonesia-Australia Forest Carbon Partnership and the Australia-Indonesia Youth Exchange Programme.

²⁴ Wei Tang, Huoy, *The Indian Ocean Frontier: Western Australia's Trade with India and the Indian Ocean Rim* (2011), WA Department of State Development, viewed 28 May 2012, <http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/1367.5Feature%20Article12010?opendocument&tabname=Summary&prodno=1367.5&issue=2010&num=&view=>

²⁵ Australia is also currently in the process of negotiating two new FTA's: the Indonesia-Australia Comprehensive Economic Partnership Agreement and the Australia-Malaysia Free Trade Agreement.

- Australia provided AUD558 million in aid to Indonesia in 2011-2012, including the provision of 300 scholarships that are annually awarded to Indonesians, making Indonesia the largest single recipient of Australian aid.
- The growth in bilateral ties is amply demonstrated by the 90 two-way ministerial visits that have taken place from late 2007 to early 2012.
- Australia and Indonesia cooperate intensively in defence and security spheres. Since the the Lombok Treaty of 2006, a number of key agreements in counterterrorism, law enforcement, intelligence sharing and capacity-building.²⁶
- The significance of higher education institutions can be seen by the 13,000 Indonesian students who enrolled in Australian tertiary institutions last year.
- According to DFAT, over 548,000 Australians visited Indonesia in 2009 alone.

Singapore

- Singapore is perhaps Australia's closest strategic partner in Southeast Asia underpinned by the Five Power Defence Arrangements. Both countries signed bilateral cooperation agreements emphasising defence and law enforcement cooperation. For example, Singapore regularly uses Australian military facilities to conduct joint training exercises.
- Singapore is Australia's largest ASEAN trading partner. In 2010-2011, two-way trade with Singapore stood at AUD16.8 billion promoted by the Singapore-Australia Free Trade Agreement.
- Australian investment in Singapore stood at AUD25 billion in 2010 and there are over 1,300 Australian firms operating in Singapore. Presently, Singapore's investment in Australia amounts to AUD43 billion.
- Singapore is Australia's sixth-largest tourism market with 308,000 Singaporeans visiting Australia in 2010.
- Around 8,000 Singaporean students are enrolled in Australian institutions.

Malaysia

- For many decades, Australia has had strong relations with Malaysia. Economic relations have been cultivated by the annual Australia-Malaysia Joint Trade Committee, Australia-Malaysia Institute, Australia Malaysia Business Council and the establishment of the Malaysia Australia Business Council, all of which remain instrumental in facilitating commercial, institutional and people-to-people links.
- From 2010-2011, two-way trade stood at AUD12.8 billion and both countries are set to implement the Malaysia-Australia Free Trade Agreement in 2012.
- Australia and Malaysia have cooperated on defence and security since the end of the Second World War and are partners in the Five Power Defence Arrangements (FPDA), signed and ratified in 1971.
- In addition to this, Australia and Malaysia have implemented the Malaysia-Australia Joint Defence Programme emphasizing: the presence of ADF personnel and assets at Butterworth; annual combined field exercises exemplified by Exercise *Bersama Padu* and others; training and military-to-military exchange programs.
- Similarly, Australia and Malaysia have signed several notable cooperation agreements focusing on countering people smuggling, international terrorism, transnational crime and law enforcement cooperation.

²⁶ An outstanding example of this cooperation can be seen by the joint creation and funding of the Jakarta Centre for Law Enforcement Cooperation in 2004, which is now one of the region's key law enforcement training academies.

- According to the Australian Bureau of Statistics, in June 2007 there were 113,369 Malaysian-born people living in Australia and 236,900 short-term visitor arrivals from Malaysia in 2010, which after Singapore, made it Australia's second-largest source of tourists and visitors from Southeast Asia.
- Malaysia is Australia's third-largest source of international students. DFAT statistics suggest that more than 300,000 Malaysians have enrolled and studied in Australia.

Thailand

- In 2010-2011, trade relations between Australia and Thailand amounted to AUD16 billion stimulated by the Australia-Thailand Free Trade Agreement.
- The DFAT-funded Australia-Thailand Institute continues to play an important role in facilitating people-to-people and institutional linkages.
- Annually thousands of Thai students study in Australian tertiary institutions, while Thailand remains a leading destination for tens of thousands of Australian tourists.

Burma

- Although Australia's relations with Burma have remained seriously underdeveloped due to longstanding concerns over human rights violations and the implementation of targeted autonomous sanctions, the recent landmark change in US foreign policy has opened the way for Australia to develop bilateral ties.
- Bilateral trade between Australia and Burma stood at AUD93 million in 2010-2011.
- Australia has become an increasingly important foreign aid donor to Burma in recent years. According to DFAT, Australian aid delivery to Burma has increased by 65 per cent since 2009-10, from AUD29 million to AUD47.6 million in 2011-12. Australia also provided AUD65 million in humanitarian assistance in the wake of the devastating Cyclone Nargis in late 2009.
- Although Australia has not had any defence ties since 1991, limited cooperation takes place between the AFP and the Burmese Police in counter-narcotics and human trafficking.

Timor-Leste

- Due to its close proximity to Australia's northern borders, Australia's relations with Timor-Leste remain important to its regional interests.
- While bilateral trade amounted to a mere AUD57 million in 2010-2011, Timor-Leste is a major recipient of Australian aid and received AUD123 million in 2011-2012.
- The ADF continues to maintain a strong relationship with the Timor-Leste military by engaging in training and capacity-building programmes.

South Asia

- All South Asian nations are considered part of the Indian Ocean Region, making it a unique sub-region, quite unlike Africa, the Middle East and Southeast Asia, which only have a distinct group of countries that are considered part of the Indian Ocean Region.

India

- In 2010-2011, two-way trade between Australia and India reached AUD17.8 billion making it Australia's fourth-largest export market.

- Between January 2008 and November 2011 there have been an unprecedented number of two-way visits, with 24 Indian Ministerial visits to Australia and 29 Australian Ministerial visits to India.
- The India-Australia Strategic Partnership Agreement was signed in November 2009. This has led to a major increase in Australian diplomatic representation in Delhi, Mumbai and Chennai.
- Both countries engage in significant bilateral interaction exemplified by high level meetings such as the India-Australia Foreign Ministers' Framework Dialogue, India-Australia Joint Ministerial Commission and the India-Australia Ministerial Dialogue on Education Cooperation.
- Other important bilateral initiatives include the Australia-India Joint Working Group on Energy and Minerals,²⁷ Australia-India Energy and Minerals Forum,²⁸ the Australia-India Resources and Energy Security Dialogue, Australia-India Strategic Research Fund,²⁹ Australia-India Youth Dialogue,³⁰ Australia-India Council and Australia-India Business Council.
- Australia and India have signed MoUs in defence cooperation, customs, combating international terrorism, water resource management and intellectual property.
- From 2011-2012, Australia provided AUD299 million in foreign aid to India.
- India is the second-largest source of international students studying in Australia, with 56,018 Indian students were enrolled in Australian higher education institutions in 2011.
- In 2011, it was estimated that 340,604 Indian-born people reside in Australia.

Bangladesh

- Bilateral trade between Australia and Bangladesh amounted to a significant AUD823 million in 2010-2011.
- Australia has a formal security relationship with Bangladesh underpinned by the 2008 counterterrorism MoU focusing on information and intelligence exchange, law enforcement, money laundering and financing of terrorism.
- Currently, 16,000 Bangladesh-born people reside in Australia.

Pakistan

- Pakistan's importance to Australia lies in the coalition effort to stabilise Afghanistan and marginalise extremist armed groups. In view of this, in early 2009, Australia appointed a Special Envoy for Afghanistan and Pakistan.

²⁷ In 2000, the Australia-India Joint Working Group on Energy and Minerals was established to address trade and investment issues in the energy and minerals sector, to exchange information on policy developments and identify possible commercial opportunities.

²⁸ Australia hosted the first Australia-India Energy and Minerals Forum in Perth on 7-8 June 2010. The Forum provided the opportunity to enhance energy and mineral cooperation between Australia and India by strengthening links between governments, research organisations, industry and associations.

²⁹ The Australia-India Strategic Research Fund assists Australian researchers from both the public and private sectors to participate in leading edge scientific research projects and workshops with Indian scientists, and also supports the development of strategic alliances between Australian and Indian researchers. The AISRF is Australia's largest fund dedicated to bilateral research with any country and one of India's largest foreign sources of assistance for science.

³⁰ The AIYD is set to create of a formal dialogue for young leaders of Australia and India. The annual dialogue will provided a much needed forum for young leaders of both countries to build partnerships and exchanges ideas.

- Australia is the second-largest provider of overseas military training to Pakistan after the US. In 2011, 140 Pakistani officers were trained in Australian military institutions.
- Australia's bilateral trading relationship with Pakistan totaled AUD556 million in 2010-2011, spurred by the creation of the Australia-Pakistan Joint Trade Committee.
- Australia has also been a generous aid donor to Pakistan, as seen by the provision of AUD75 million to the 2010 floods, and significant relief assistance in several other major natural disasters. Australia's aid programme to Pakistan will be guided by the soon-to-be formalised Australia-Pakistan Development Partnership.
- The Pakistani community in Australia stands at around 17,000 Pakistan-born people. DFAT also estimates there are 5,000 Pakistani students currently enrolled in Australian tertiary institutions.

Sri Lanka

- Bilateral trade between Australia and Sri Lanka amounted to AUD335 million in 2010-2011.
- Australia is a leading provider of tertiary education to Sri Lanka. About 5,500 Sri Lankan students are currently enrolled in Australian tertiary institutions.
- Australia's Sri Lankan community is estimated at 110,000 people.

Maldives

- In 2010-2011, two-way trade between Australia and the archipelago-nation of the Maldives reached AUD29 million.
- Bilateral ties between Australia and the Maldives focus on development assistance, climate change, counter-terrorism, maritime security and transnational crime. In 2010-2011, Australia provided AUD4.4 million in aid to the Maldives.

Nepal

- Australia's key interests in Nepal emphasise tourism, development assistance, commerce, and education.
- In 2010-2011, bilateral trade between Australia and Nepal amounted to a mere AUD16 million.
- Approximately 16,000 Australian tourists visited Nepal in 2010.

Afghanistan

- Only in 2002, did Australia and Afghanistan re-establish diplomatic ties.
- Outside of Australia's military commitment to Afghanistan, Australia has provided in excess of AUD740 million in development assistance since 2001.
- According to DFAT, 16,751 Afghan-born people resided in Australia in 2006.

Bhutan

- Only in 2002 did Australia formally establish diplomatic ties with the Himalayan kingdom of Bhutan, although previously as part of the Colombo Plan many Bhutanese officials received education and training in Australia. The Australia-Bhutan Friendship Association was formed to further develop people-to-people networks.
- In 2010-2011, two-way trade was a minor AUD3 million.

- Australia provided an estimated AUD5.3 million in aid to Bhutan in 2010-2011. As part of an ongoing aid programme, Australia cooperates in initiatives that assist Bhutan in agricultural research, law enforcement, election oversight, vocational education and forestry planning.

Middle East-Indian Ocean Littoral

- Of the 15 countries that form the Middle East region, 12 nations are considered part of the Indian Ocean Region. They include: Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, UAE and Yemen.³¹
- Last year, Australia's two-way trade with the Middle East reached over AUD10 billion.
- As a strategically important location of the Indian Ocean Region, Australia's ties with the Middle East are significant and have been developed by bilateral trade organisations like the Council for Australia-Arab Relations and the Australia-Gulf Cooperation Council.
- As an indicator of changing times, Australia now has an estimated Muslim population of over 300,000 people, many of whom are of Arab descent.

United Arab Emirates

- Presently, an estimated 300 Australian companies and 15,000 expatriate Australians work in the UAE. According to DFAT, five State Government offices representing New South Wales, Queensland, Western Australia, South Australia and Victoria are also based in the UAE.
- Australia has a major trading relationship with the UAE with two-way trade reaching AUD5.3 billion in 2010-2011.
- Currently, between the both countries there are around 91 direct flights per week.
- In 2009-2010, 11 per cent of all Middle Eastern tourists who visited Australia, came from the UAE.
- The UAE is Australia's third-largest education market in the Middle East.

Saudi Arabia

- In 2010-2011, annual bilateral trade stood at AUD1.8 billion.
- As Australia's second-largest market in the Middle East, there are over 3,000 Australian citizens employed in Saudi Arabia.
- Australia is currently in negotiations to formalize the Australia-GCC Free Trade Agreement.
- 12,500 Saudi students were enrolled in Australian educational institutions in 2009.

Kuwait

- In 2010-2011, Australian two-way trade with Kuwait was valued at AUD934 million.
- In 2009, Kuwait invested AUD1.3 billion in Australia in various projects exemplified by the Kuwait Foreign Petroleum Exploration Company (KUFPEC), which has stakes in a number of oil and gas fields and is a partner in the Wheatstone LNG project.
- Similarly, and also in 2009, Kuwait was Australia's biggest market for live sheep in the Middle East.

³¹ Lebanon, Syria and Turkey are not recognised as being part of the Indian Ocean Region.

Iran

- Since 2008, Australia has maintained additional autonomous sanctions against Iran.
- Australia's exports to Iran amounted to AUD595 million in 2009.
- Iran has been among the major buyers of Australian wheat exports.

Iraq

- Australian bilateral trade with Iraq totalled AUD327 million in 2010-2011.
- Both countries, in 2009, signed 12 MoUs to enhance cooperation in trade and investment, agriculture, resources and energy, education, training and research, public health, security and border control.
- Since 2003, Australia provided over AUD360 million in aid to Iraq, in addition to AUD850 million in debt relief. In the 2008-2009, the Australian Government committed a further AUD165 million over three years in development assistance to Iraq.

Other Middle Eastern Countries

- Australia also has reasonably significant, but less notable, ties with other countries: Israel AUD835 million, Qatar AUD793 million, Egypt AUD633 million, Oman AUD487 million, Yemen AUD250 million, Bahrain AUD236 million and Jordan AUD189 million.

Africa-Indian Ocean Region

- Of the 15 countries that form the Middle East region, 12 nations are considered part of the Indian Ocean Region. They include: Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, UAE and Yemen.
- Australia's relations with Africa are in the process of expanding. Compared to 41 countries in 2007, Australia now has diplomatic relations with 51 of Africa's 53 countries, many of which are also considered Indian Ocean Region countries.
- As of January 2011, more than 300 Australian resource companies had nearly 600 projects spread across 42 African countries with current and prospective investment estimated at AUD20 billion.
- Australian-based companies are among the largest spenders on mineral exploration in Africa.
- Australian companies have plans to invest AUD22 billion in the African resources sector on various projects across 38 countries.
- Around 40 per cent of Australian mining companies' overseas projects are in Africa.
- According to DFAT in December 2011, Australia's trade with Africa totalled AUD8.5 billion.
- Education is now Australia's second-largest export to Africa with nearly 13,000 African students currently studying in Australian tertiary institutions. As part of its development assistance programme, by 2013 Australia aims to offer 1,000 scholarships to African countries for short and long-term study at Australian institutions.
- In February 2009, Australia announced new defence engagement initiatives with Africa including a resident Defence Attaché, training in Australia for military officers nominated by the African Union, and a symposium on peacekeeping co-hosted by the African Union, the United Nations and Australia in Africa in 2010.
- Australia recently September 2010 signed a MoU with the African Union Commission to promote cooperation in a broad range of areas, including: Trade and investment, Peace and security with humanitarian assistance, Achievement of Millennium Development

Goals, Agriculture and food security, Democracy, governance and human rights and Climate change.

- Through the Australia–Africa Partnership Facility, in 2010-11 Australia provided AUD200 million in development assistance, an increase of 23 per cent over the previous year.
- In September 2010, DFAT announced that Australia would provide AUD140 million over five years for Maternal and Child Health to East Africa. Australia plans to increase its development assistance to Africa by 40 per cent on the previous financial year.
- According to the UN Financial Tracking Service, Australia is currently the world's fifth largest country donor to the Horn of Africa, having provided AUD98.2 million in humanitarian funding, Australia's total funding in response to the drought and famine in the Horn of Africa now stands at AUD128 million.

South Africa

- Out of any country in Africa, South Africa is Australia's largest market with two-way trade reaching AUD2.6 billion in 2010-2011.
- The Australia-South Africa Joint Ministerial Commission has worked to strengthen bilateral economic cooperation. Australia's has also signed a number of agreements with South Africa in defence, science and technology and climate change, the latter taking place through the Australia-South Africa Climate Change Partnership.
- Since 1994, Australia has contributed over AUD120 million in development assistance to South Africa.
- Around 115,000 South African expatriates live in Australia while 7,500 Australians reside in South Africa. Furthermore, over 100,000 Australian residents visit South Africa annually.

Other African Countries

- Australia maintains small trade ties with 16 other African countries that belong to the Indian Ocean Region.
- In accordance with DFAT two-way trade figures for 2010-2011: Rwanda (AUD283 million), Rwanda established relations with Australia in October 2011; Sudan (AUD160 million), Tanzania (AUD122 million), Mauritius (AUD97 million), Burundi (AUD89 million);
- Kenya (AUD61 million), Swaziland (AUD51 million), Zambia (AUD35 million), Madagascar (AUD32 million), Comoros (AUD30 million), Ethiopia (AUD14.5 million);
- Seychelles (AUD12 million), Zimbabwe (AUD10 million), Malawi (AUD6.1 million), Djibouti (AUD5.9 million), Botswana (AUD5.4 million), Uganda (AUD5.2 million), Eritrea (AUD3.6 million), Lesotho (AUD2 million), Mozambique (AUD425,000) and Somalia (AUD320,000).

Conclusion

These facts clearly highlight the importance of the Indian Ocean Region to Australia's national interests. Given that Australia is an Indo-Pacific state, with significant national boundaries that link both the Indian and Pacific Oceans, it is increasingly evident that the region is growing in importance.

Historically the Indian Ocean Region has always been a major factor in Australia's security, however, this geo-strategic certainty has not always been reflected in Australia's national security strategy. The renewed global emphasis on developments in the Indian Ocean Region is a opportune moment for Australia to re-evaluate the way in which we as a country should view the region and our place in it. The timing of this is especially relevant given that Australia will in 2013- 2014 occupy the position of Chair in the IOR-ARC, a regional body that has unrealised potential.

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