

# Geo-Political Significance of Gwadar Port: Challenges and Prospects

Nisar Ahmed Khan<sup>□</sup>

## Abstract

*The strategically situated deep sea Gwadar port promises significant strategic rewards for Pakistan. It is likely to attract traffic from Central Asian Republics (CARs), China, Afghanistan and western countries. Because of its prime location in the Arabian Sea near to Straits of Hormuz, Gulf of Oman and at the junction of South Asia, Middle East and Central Asia, the port has the potential to function as a transshipment harbor after the necessary infrastructure is put in place. However, the port also faces some daunting challenges due to divergent interests of major players in the ongoing New Great Game. In the light of geopolitical theories this study attempts to explain the prevailing geostrategic environment and puts into perspective the interests of various players with respect to strategic viability of the Gwadar port.*

**Keywords:** Gwadar Port, Geopolitics, Pakistan, China, US, CARs, India, CPEC, OBOR, BRI

## Introduction

The global geopolitical landscape is witnessing a radical change which is evident in the wake of re-alignments from Asia to the Middle East, perception of declining influence of the US in the region, the resurgence of Russia and most importantly the rise of China. These power dynamics

---

<sup>□</sup> The writer is Research Associate at Strategic Vision Institute, Islamabad.

in the global politics have led to a strategic competition among states for the attainment of access and control of markets and resources lying across the Eurasian Rimland and Heartland. The players of this New Great Game include all the major states, with the US, China, Russia, India, Pakistan and Iran acting as leading actors.

The US and India being the close strategic partners perceive Chinese rise and consequent global ambitions as a severe blow to their strategic interests. In his National Security Strategy, US President Donald Trump declared China and Russia as being rivals and ‘revisionist states’ posing threat to American interests.<sup>1</sup> Interestingly, despite having \$52 billion trade volume with China, India seems adamant in its opposition to China-Pakistan Economic Corridor (CPEC), a flagship project of China's Belt and Road Initiative (BRI).<sup>2</sup> Due to perceived fear of encirclement, India is visibly discomfited by the extended network of Chinese ports along some major coastlines of the Eurasian Rimland.

This growing great powers competition, seemingly driven by zero-sum mindset has various strategic and security implications for Pakistan's Gwadar port in its restive province of Balochistan.

## Historical Background

Once a small fishing town, Gwadar is currently in the process of becoming an international port city. Historically, Gwadar has been a source of attraction and conflict simply because of its important geo-strategic location. It is situated at the mouth of the Strait of Hormuz, at the meeting point of Gulf of Oman and the Arabian Sea. It is estimated that

---

<sup>1</sup> “In new security plan, Trump hits out at Russia, China”, *Aljazeera* available at <http://www.aljazeera.com/news/2017/12/trump-russia-china-rivals-threaten-security-171218130840891.html> (accessed on December 19, 2017)

<sup>2</sup> “Indo-China trade volume to touch \$65 billion during 2016: Official”, *Indian Express*, available at <http://indianexpress.com/article/business/economy/indo-china-trade-volume-to-touch-65-billion-during-2016-official-4425200/> (accessed on April 25, 2018)

around 60% of the world's crude oil is carried through the Strait of Hormuz.<sup>3</sup>

For centuries the sea-lanes near Gwadar had been a medium of transportation between the Middle East and the Sub-Continent. It has always attracted the ancient travelers and conquerors. The mention of Gwadar in several historical books and accounts of travelers like Marco Polo, Firdausi, and Ibn-ul-Haikal reflect its strategic significance.<sup>4</sup>

In geo-political terms, the world has long recognized the significance of coastal lines of Pakistan's Gwadar, and Iran's Chabahar falling in the Inner Crescent i.e. Rimland. The Indian Ocean was described by Nicholas Spykman as "one of the maritime highways of the world."<sup>5</sup> He considered the areas forming Rimland to be vital in containing the Heartland due to their huge population, natural resources and industrial potential. No wonder why Spykman's vision was instrumental in the US Containment policy against Soviet Union during the Cold War era.

Due to the volatile situation in the Arab world, and the recent uprising and the spread of terrorist organizations, it is becoming increasingly difficult for states to solely rely on the Persian Gulf countries in order to meet their energy needs. The European countries which rely on Russia to meet their energy requirements are also eager to lessen their dependence considering that the latter often uses gas as a political tool in its dealings with these countries.<sup>6</sup>

---

<sup>3</sup> Mary Burdman, "Pakistan's Gwadar Port is a Potential Great Project," *EIR* Volume 28, Number 44, (November 16, 2001), p. 16, available at <http://www.larouche.com/eiw/public/2001/eirv28n44-20011116/index.html> (accessed on Jan. 20, 2018).

<sup>4</sup> Azhar Ahmad, "Gwadar: Potential and Prospects," *Pakistan Institute for Conflict and Security Studies*, (Feb 17, 2015), available at <http://www.picss.net/2015/02/17/gwadar-potential-and-prospects-report-by-dr-azhar/> (accessed on Feb. 3, 2016).

<sup>5</sup> Nicholas John Spykman. *America's Strategy in World Politics: The United States and the Balance of Power*, (New York: Harcourt, Brace, 1942), p. xxviii available at <https://books.google.com.pk/books?id=rsIwxKfuHwIC&printsec=frontcover#v=onepage&q&f=false> (accessed on Jan. 20, 2016).

<sup>6</sup> Robbie Gramer, "Is Europe Caving to Russia on Pipeline Politics?" *Foreign Policy* at

With the disintegration of the Soviet Union in 1991 and ensuing independence of the energy-laden CARs, the world has witnessed a growing competition between the great powers to gain access to the CARs which have huge tapped and untapped reserves of oil, gas and other resources. In this context, Pakistan is considered to be a bridge and Gwadar port a Gateway which, once fully operational, can be used by the traffic to and from Central Asian Republics, Chinese province of Xinjiang through Pakistan, Afghanistan, Iran to the Middle East, the Persian Gulf and South East Asia.<sup>7</sup>

In a nutshell, Gwadar deep sea port is envisaged as a regional hub for transshipment which could significantly contribute to the economic development of Pakistan, particularly the impoverished province of Balochistan. But unfortunately, in the face of New Great Game between competing powers with divergent interests, it is also feared to be a source generating intense rivalry and conflict. Balochistan and thereby Gwadar port is thus central to the New Great Game. Central Asia being the Historical Pivot and Heartland is once again the focus of the world.

### **Geo-political Significance of Gwadar Port Region: Past and Present**

The term geopolitics can be defined as the study of the impact of geographic factors on power relationships in international relations.<sup>8</sup> Thus, when we employ the lenses of geopolitical theories to appraise the importance of Gwadar port, it becomes crystal clear that this entire region where Balochistan and thereby Gwadar port is situated is of utmost geopolitical significance.

---

<http://foreignpolicy.com/2017/02/08/is-europe-caving-to-russia-on-pipeline-politics-european-union-nord-stream-two-gas-oil-energy-germany-baltic-poland/> (accessed Jan 23, 2018)

<sup>7</sup> Zahid Anwar, "Gwadar Deep Sea Port's Emergence as Regional Trade and Transportation Hub: Prospects and Problems," *Journal of Political Studies*, Vol. 1, Issue 2, (2010) P. 97.

<sup>8</sup> *Wikipedia The Free Encyclopedia*, "Geopolitics," at <https://en.wikipedia.org/wiki/Geopolitics> (accessed 18, 2016).



**Figure 2** Location of Gwadar port at the mouth of Straits of Hormuz depicting its importance<sup>9</sup>.

When one delves into the history of the Great Game between British Empire and Russia during 19<sup>th</sup> century, Balochistan and its coasts turn out to be very much central to the global quest for domination and subjugation. Balochistan was considered a golden prize to be won by the imperial powers in their strategic calculations. British Empire exercised its Afghan policy with respect to the erstwhile USSR by controlling the administration of Balochistan.<sup>10</sup> The British Empire used Balochistan for communication purposes and turned it into a buffer zone in a bid to prevent the expansion of the USSR.<sup>11</sup>

<sup>9</sup> Nabiha Gul, "Gwadar port: Geo-economic and geostrategic dimensions," *World Times*, at [http://www.jworldtimes.com/Article/42013Gwadar\\_Port\\_Geo\\_economic\\_and\\_Geostrategic\\_Dimensions](http://www.jworldtimes.com/Article/42013Gwadar_Port_Geo_economic_and_Geostrategic_Dimensions) (accessed Jan 20, 2016).

<sup>10</sup> Imtiaz Ali, "The Balochistan Problem," *Pakistan Horizon*, Vol. 58, No. 2 (April 2005), P. 44.

<sup>11</sup> Syed Fakharuddin Shah, "Baluchistan: British Rule, an Era of Political Awakening and Merger," *Global Journal of Human Social Science* Volume 13 Issue 6 Version 1.0 (2013): 1, at [https://globaljournals.org/GJHSS\\_Volume13/3-Baluchistan-British-Rule.pdf](https://globaljournals.org/GJHSS_Volume13/3-Baluchistan-British-Rule.pdf) (accessed April 27, 2018)

Later, after witnessing a period of relative calm and brief halt in the political turmoil, Balochistan once again emerged as an important location during the Cold War period when the strategic quest for power projection and hegemony entailed Soviet Union and the US. The Cold War rivals also viewed Balochistan as an opening to the Arabian Sea and Indian Ocean.<sup>12</sup>

This was one of the reasons that in a bid to challenge the US policy of containment and to avenge Pakistan's role in it, Soviet Union supported *Azad* [independent] Balochistan and Greater Pashtoonistan Movements. Logically, an independent Balochistan was considered in the best interest of Soviet Union in terms of expanding influence and gaining access to reach the warm waters. Surprisingly, with the introduction of Chinese built Gwadar port in Balochistan, the Indo-US nexus has been quite vocal in supporting separatist elements in Balochistan. Earlier, it was the fear of Soviet expansion; now it is primarily Chinese rise and outreach that send shock waves.<sup>13</sup>

Thus in light of the tumultuous history of this region and the current Sino-US rivalry, it can be said that a new geopolitical game or New Great Game has already commenced. In fact, the term New Great Game has been used by Rudyard Kipling in his book *Kim* to describe the power politics among countries to gain access and control the energy reserves of CARs.<sup>14</sup>

---

<sup>12</sup> Muhammad Khurshid Khan, Asma Sana and AfifaKiran, "Balochistan Unrest Internal And External Dimensions," *NDU Journal* (2012): pp. 101-104. at [http://www.ndu.edu.pk/issra/issra\\_pub/articles/ndu-journal/NDU-Journal-2012/05-Balochistan-Unrest.pdf](http://www.ndu.edu.pk/issra/issra_pub/articles/ndu-journal/NDU-Journal-2012/05-Balochistan-Unrest.pdf) (accessed 27 April, 2018)

<sup>13</sup> Khalil-ur-Rehman, "Balochistan: The Strategic Pearl," *The Dialogue*, Volume vi No. 1, (Jan-March 2011), pp. 4 at [http://www.qurtuba.edu.pk/thedialogue/The%20Dialogue/6\\_1/Dialogue\\_January\\_March2011\\_1-11.pdf](http://www.qurtuba.edu.pk/thedialogue/The%20Dialogue/6_1/Dialogue_January_March2011_1-11.pdf) (accessed Feb 3, 2016).

<sup>14</sup>Qamar Fatima and SumeraZafar, "New Great Game: Players, Interests, Strategies and Central Asia," *A Research Journal of South Asian Studies* Vol. 29, No.2, (July - December 2014), P. 624.

Two important geopolitical theories which have long influenced the thinking pattern of statesmen and foreign policies of countries are still useful in understanding the ongoing competition among states for territories and resources in Eurasian landmass. In this regard Halford Mackinder's Heartland theory and Spykman's Rimland theory are being employed in order to demonstrate the geopolitical significance of Gwadar port. Though these theories were propounded by the geopoliticians to predict and analyze power politics among states in 20<sup>th</sup> century, to any one with little knowledge of the ongoing New Great Game, these theories would still seem relevant to explain the state policies today. This is because the Mackinder's historic geographical pivot which he later renamed as Heartland (the erstwhile Soviet Union and thus also the energy rich CARs) and Spykman's Rimland (the coastal areas of Eurasia including the coastal areas of Pakistan and thus Gwadar port) are once again gaining value as states seeking secure routes and additional sources to meet their fast growing energy requirements. These objectives can easily be achieved by gaining control over what Spykman termed as the Rimland of the Eurasian landmass. Thus, Balochistan and thereby Gwadar port is central to the New Great Game.<sup>15</sup>

About Rimland it is said: "Who controls the Rimland rules Eurasia, who rules Eurasia controls the destinies of the world."<sup>16</sup> This dictum influenced US policy makers to formulate the policy of containment against Soviet Union who were desperately trying to establish influence in the Eurasian landmass by gaining access to the Rimland. Now another major Eurasian power China is flexing its muscles and attempting to establish its own rule in the World Island thus challenging predominance of the US and its allies. To this end, China is building several commercial and naval facilities along the Rimland.<sup>17</sup> China's port development projects at Hambantota and Colombo in Sri Lanka, Gwadar in Pakistan,

---

<sup>15</sup> Khalil-ur-Rehman, "Balochistan," p. 5.

<sup>16</sup> Spykman, *America's strategy in world politics*, p. 132

<sup>17</sup> Mercy A. Kuo, "The Power of Ports: China's Maritime March", *The Diplomat*, <https://thediplomat.com/2017/03/the-power-of-ports-chinas-maritime-march/> at (accessed on Jan 23, 2018)

Chittagong in Bangladesh, and Kyaukpyu in Myanmar demonstrate China's naval maritime prowess and its growing naval ambitions.

Gwadar is one such facility which offers China with an alternative, secure and cost-effective route, enabling it to avoid the troubled Straits of Malacca in the South China Sea. Thus, China will not have to pass through the South China Sea which is heavily guarded by US forces. This invulnerability of China does not go down well with the US as it views Chinese rise as a threat to its strategic interests.

### **The US and Gwadar Port**

In line with the great geopolitical thinkers of the early 19<sup>th</sup> century, Henry Kissinger and Brzezinski, highlighted the importance of Eurasian landmass by warning that any country that seeks to dominate either of the two spheres i.e. Europe and Asia would be a serious strategic threat to US interests in this important landmass.<sup>18</sup> Such suggestions underscore that US views this entire region as a major geopolitical prize and its preponderance in international affairs heavily depends on how long does it wield power in Eurasia. When we analyze US policies in this framework of geopolitical theories, it appears plausible that to maintain its hegemony and status of 'super power', the US would always try to counter any country that it considers a threat to its standing and status in the world Island.

The Indo-US strategic partnership, ostensibly to contain the rising influence of China, gives credence to this premise. Indeed, India as a major Rimland power is now locked in a strategic competition with China. India's premier secret agency, the Research and Analysis Wing (RAW), has been accused by Pakistan time and again of its involvement in creating instability and backing insurgency in Balochistan province.<sup>19</sup> Similarly,

---

<sup>18</sup> George D. Cleva. *Henry Kissinger and the American approach to foreign policy* (Associate University Press, Inc. 1989), pp.132.

<sup>19</sup> BaqqirSajjad Syed, "Raw instigating terrorism, says Army," *DAWN*, (May 6, 2015) at <http://www.dawn.com/news/1180243> (accessed on Jan 18, 2015).

talks in the US Congress about an 'independent' Balochistan are in fact part of this new great game. A restless or independent Balochistan is considered helpful by the Indo-US nexus in containing the rise of China.<sup>20</sup>

## **Pakistan's Interest in Gwadar Port**

### **Economic Benefits**

Study of the literature reveals that, keeping other variables constant, those nations which are more integrated into the international market are more prosperous as compared to the less integrated ones. It has been found in most cases that trade is positively correlated with growth. For instance, during 1960s Pakistan was more open to trade and was more integrated with the world in terms of economic activities. Consequently, its total volume of manufactured exports was higher than the combined manufactured export volume of Thailand, Philippines, Malaysia, and Indonesia.<sup>21</sup>

Gwadar port and the ancillary connectivity network is just such an endeavor on the part of Pakistan to create secure and easily accessible trade routes for regional economic integration. Being at the cross roads of oil rich Middle East, heavily populated South Asia with a huge consumer market, and the energy rich CARs, Pakistan can hugely benefit from Gwadar port which is ideally located to attract the import and export traffic of these regions.

The trade potential of Gwadar port can thus be gauged by the global trade trends. Global maritime trade trends indicate the growing need of additional ports to accommodate and channelize the rising maritime trade. The 2017 issue of United Nations' Review of Maritime Transport reports an increased demand for shipping services in 2016, as a result of 2.6 per cent increase in world seaborne trade. The overall seaborne trade volume was estimated at 10.3 billion tons, reflecting an increase of over

---

<sup>20</sup> Eddie Walsh, "Should the US support an independent Balochistan?," *Aljazeera*, March 3. at <http://www.aljazeera.com/indepth/opinion/2012/02/201222112203196390.html> (accessed Jan 22, 2016).

<sup>21</sup> Manzoor Ahmed, "Improving Regional Trade to Support Pakistan's Economic Growth," *The Lahore Journal of Economics* 19: SE, September 2014, P. 461.

260 million tons of cargo.<sup>22</sup> In the same way there has been a record increase of 12.6% in the world container port traffic.<sup>23</sup> On the basis of current trade trends, a report projected that the world container traffic will increase more than twice and will reach 371million TEU by 2020.<sup>24</sup>

With the growing industrialization of global economy, there has been a parallel demand for energy sources like coal, natural gas and oil to sustain economic growth. Studies show that there will be high demand for natural gas and oil in the coming decades. It is projected that the demand for natural gas will increase by 2.75 percent annually and that the demand for oil will remain unabated.<sup>25</sup>

These global trade trends and rising energy demands necessitate the construction of additional ports. Owing to its strategic location, the deep sea Gwadar port has the potential to serve as the hub that helps in meeting these growing demands and aspirations for energy sources, alternative and secure routes to the oil rich Middle East as well as the CARs.

Thus, given the important geo-strategic location, the positive global trade trends and the increasing global demand for energy resources and secure routes, Gwadar port is destined to earn huge revenues once it is fully operational. The economic benefits linked to Gwadar port primarily

---

<sup>22</sup>“Review of Maritime Transport,” *United Nations Conference on Trade and Development*, UNCTAD/RMT/2017 United Nations Publication at [http://unctad.org/en/PublicationsLibrary/rmt2017\\_en.pdf](http://unctad.org/en/PublicationsLibrary/rmt2017_en.pdf)

<sup>23</sup>Jehanzeb, “The Trade Potential and Industrial Development in Gwadar,” *Journal of Management Sciences*, volume 1, No 1 (June, 2007) at [http://www.qurtuba.edu.pk/jms/default\\_files/JMS/1\\_1/6\\_jehanzeb.pdf](http://www.qurtuba.edu.pk/jms/default_files/JMS/1_1/6_jehanzeb.pdf) (accessed Feb, 2016).

<sup>24</sup>TororinNedyalkov And TeodoraAndreeva-Nedyalkova, “Trends in the container shipping and need of a new generation container terminals and container vessels,” *JOURNALS of Scientific Technical Union of, Mechanical Engineering* at [http://mechaning.com/journal/Archive/2011/3/32\\_Todorin%20Nedqlkov.pdf](http://mechaning.com/journal/Archive/2011/3/32_Todorin%20Nedqlkov.pdf) (Accessed April 27, 2018).

<sup>25</sup>Ammad Hassan, “Pakistan’s Gwadar Port – Prospects of Economic Revival,” Master’s Thesis, Monterey, California. Naval Postgraduate School, Jun 2015) at <https://calhoun.nps.edu/handle/10945/2138> (accessed 27 April, 2018)

stem from three factors i.e. trade, industrial development, other port related activities, and proposed gas and oil pipelines which will pass through Gwadar port.

### **Military Benefits**

Gwadar port has substantial military benefits for Pakistan. Around 95% of its import and export is done via sea routes.<sup>26</sup> Currently, most of Pakistan's import-export has to be carried out near Indian border in the east. This has stark consequences of naval blockade and other acts of aggression in case of a conflict with India. In such a desperate moment, Gwadar being further 460 km away from India provides an indispensable alternative to the Karachi port complex. Thus, Gwadar port offers Pakistan military much needed maneuvering space and response time in case of urgency. Cognizant of these threats, Chinese and Pakistani naval forces have resolved to enhance security cooperation in the Indian Ocean, as indicated by the sale of eight submarines capable of carrying nuclear weapons.<sup>27</sup>

Moreover, in military and strategic terms it is a necessary and wise strategy to keep vital national assets dispersed. Thus, Gwadar port provides a sigh of relief by lifting the burden of traffic as well as the valuable ships and other related technology concentrated in Karachi port and port Qasim. Although the government of Pakistan has declared Gwadar as commercial port, the chief of Pakistan Navy has gone so far as to say that Gwadar is the third naval base of Pakistan which will further strengthen the country's defense.<sup>28</sup>

---

<sup>26</sup> Sajid Hussain, Muhammad Ayaz Khan et al., "Role Of Maritime Sector In Pakistan's Economic and Security Development" *Pakistan Annual Research Journal* Vol. 50, (2014), P. 71. At [https://www.google.com.pk/?gws\\_rd=cr,ssl&ei=uQmiVv6\\_OMWeugSetISIAg#q=Pakistan+relies+on+sea+trade](https://www.google.com.pk/?gws_rd=cr,ssl&ei=uQmiVv6_OMWeugSetISIAg#q=Pakistan+relies+on+sea+trade) (accessed Jan 22, 2016).

<sup>27</sup> Franz-Stefan Gady, "China Confirms Export of 8 Submarines to Pakistan", *The Diplomat*, October 19, 2016 at: <https://thediplomat.com/2016/10/china-confirms-export-of-8-submarines-to-pakistan/> (accessed April, 2018).

<sup>28</sup> Naheeda Naseem, "Geopolitical Value of Gwadar for the Region (Mainly for Pakistan, China and the Region)," *A Research Journal of South Asian Studies* Vol. 29, No.2, (July - December 2014), P. 519.

Another factor which would go a long way in augmenting Gwadar port's security and military significance is China. Pakistan has already leased operations of Gwadar port to China for 40 years.<sup>29</sup> Thus, it could be logically said that Chinese presence at Gwadar port would be a strong deterrent against hostile states. Any external power opposed to the prosperity of Pakistan and China will find it difficult to take aggressive measures fearing a punitive reaction from China. In addition, Gwadar port provides listening post to Pakistan with regards to Indian moves and activities in the region. Given the higher stakes of China in Gwadar port and the strategic relation it has with Pakistan, Pak-China Naval collaboration to curtail or limit Indian influence in the Indian Ocean cannot be ruled out. Thus Gwadar port provides much needed listening and monitoring post to Pakistan in particular and China in general. This is considered a great setback to Indian aspirations for Blue Water Navy.

Gwadar's proximity to the Strait of Hormuz, a major conduit of sea borne trade, enables Pakistan to monitor key Sea Lines of Communications (SLOCs) stemming from the oil rich Persian Gulf region.

### **Political/ Strategic Benefits**

Gwadar port has immense political and strategic benefits for Pakistan and the region at large. Sea trade is considered one of the major sources of globalization and integration. This is more so of the western world which is relatively more integrated. The consequent interdependence has not only resolved interstate conflicts but has also made it costly for states to engage in wars and conflicts as this would harm the common interests of countries involved owing to the interdependence.

The region of South Asia has seen enough conflicts, poverty, and illiteracy as it lacks integration and cooperation in various fields. The projects like Gwadar port and China Pakistan Economic Corridor have the

---

<sup>29</sup> Marex, "Pakistan Gives China a 40-Year Lease for Gwadar Port," *The Maritime Executive*, April 27, 2017, [https://www.maritime-executive.com/article/pakistan-gives-china-a-40-year-lease-for-gwadar-port#gs.Pa\\_Lvic](https://www.maritime-executive.com/article/pakistan-gives-china-a-40-year-lease-for-gwadar-port#gs.Pa_Lvic)

potential of reviving the ancient Silk Route and integrate the region of South Asia internally and connect it with the external world. Thus, by providing shipping services through Gwadar port, Pakistan can develop mutually beneficial relations with the neighboring states seeking those services. This in turn would lead to increasing interdependency and cooperation in other grave issues like peace and security, poverty, illiteracy etc. The signs of this can already be seen in the case of Pakistan's warming relations with Russia which is seeking alternate markets for its oil and gas in the aftermath of the western sanctions.<sup>30</sup>

### **China's Interest in Gwadar Port**

The People's Republic of China saw tremendous socio-economic development after the initiation of economic reforms in 1978. In the present times, China is the second largest economy after the U.S with the average GDP rate of 10 percent annually.<sup>31</sup> However, China is struggling to improve the standard of living of its citizens given that it has the second largest percentage of poor after India.

Thus, in its 'go west strategy' China is aiming to develop its impoverished Xinxiang province. It needs easily accessible markets for its products in order to maintain or increase its economic growth rate. It is in this context that Gwadar port and the flagship China Pakistan Economic Corridor are being considered the most important elements of China's strategic outreach. In the headings given below different aspects of Chinese interest in Gwadar port are discussed separately to understand the emerging geo-strategic environment in clear terms.

---

<sup>30</sup> MuneerAkram, "Pakistan's Moscow Option," *DAWN*, August 17, 2014 at, <http://www.dawn.com/news/1125770> accessed Jan 20, 2016.

<sup>31</sup> "China Overview," *The World Bank* at, <http://www.worldbank.org/en/country/china/overview>(accessed Jan 19, 2016).

## Economic Benefits

Being the most populous country and second largest economy of the world, China has huge import and export market. In order to sustain and improve its economic conditions, it needs easily accessible and secure trade routes. Thus, smooth and uninterrupted flow of oil imports from foreign countries is crucial for Chinese industries. The fact that China imports more than 50% of its oil requirements from the Middle Eastern countries speaks volumes of the importance it attaches to secure and alternate trade routes and energy sources.<sup>32</sup>

In the absence of alternate routes, these imports and exports have to be carried through the South China Sea, which is notorious for incidents of piracy. In addition, the troubled Strait of Malacca is another major source of concern for China due to US influence there. In this context, Gwadar is natural choice for China, for it is merely at a distance of 2500 km from China's western Xinxiang province. On the contrary, it is as much as 10,000 km if taken the route of South China Sea (As shown in Figure 5 below).<sup>33</sup> Thus, Gwadar significantly reduces the distance and vulnerability of important oil imports on which China's economic development depends. In addition, Gwadar is seen as a transit terminal and regional hub port thereby offering potential benefits to its users.

---

<sup>32</sup> Keith Johnson, "China tops US as biggest oil importer," *Foreign Policy*, (May 11, 2015) at <http://foreignpolicy.com/2015/05/11/china-tops-u-s-as-biggest-oil-importer-middle-east-opec-sloc/> (accessed on Jan 18, 2015).

<sup>33</sup> "Gwadar port implications for GCC and China (continued)," *International Center for Strategic Studies* at [http://www.icsana.com/index.php?option=com\\_content&view=article&id=433:gwadar-port-implications-for-gcc-and-china-continued&catid=9&Itemid=561&lang=en](http://www.icsana.com/index.php?option=com_content&view=article&id=433:gwadar-port-implications-for-gcc-and-china-continued&catid=9&Itemid=561&lang=en) (accessed Jan 19, 2016).

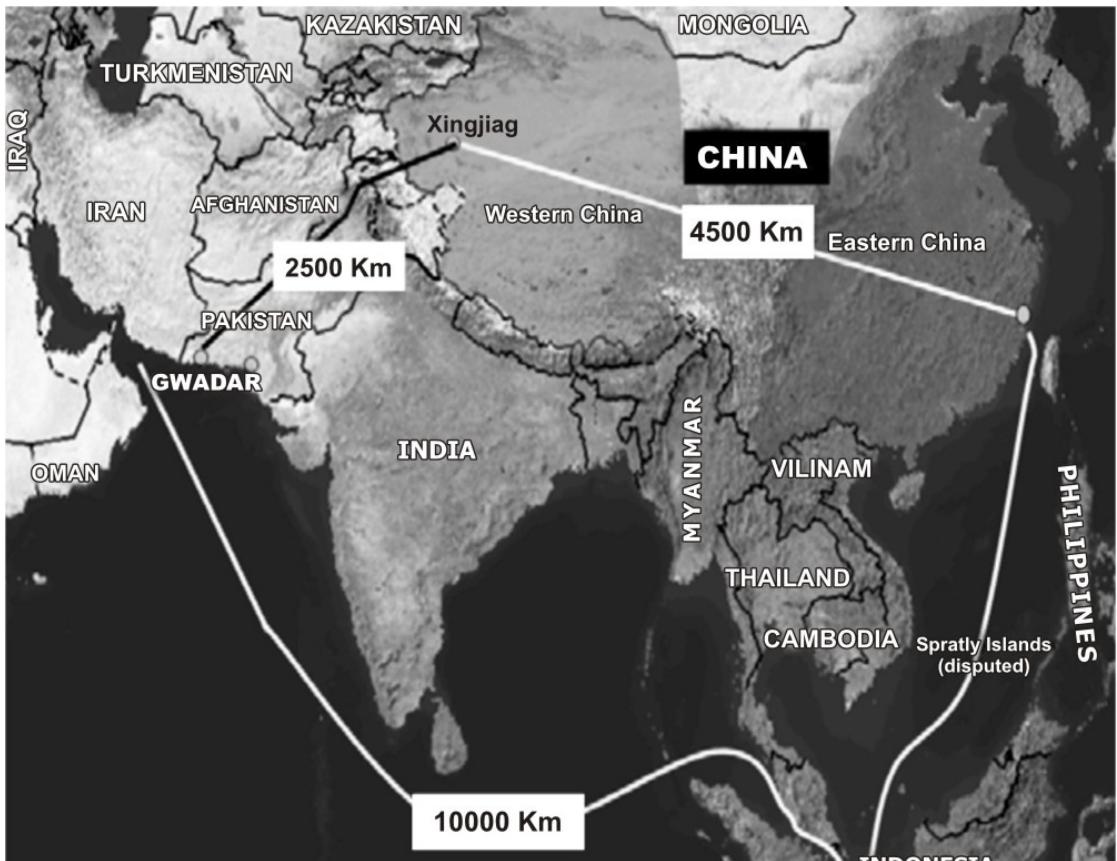


Figure 5 showing distance from Gwadar to western China

## Military Benefits

Notwithstanding the fact that Gwadar port has been declared by Pakistan as commercial port, there are many, particularly Indian and American government officials and scholars, who consider Gwadar to be China's naval outpost in the Indian Ocean Region (IOR). They see it as a part of China's alleged 'String of pearls' strategy, a theory used to describe the extended network of China's military and commercial facilities along Eurasian Rimland.

It suggests that China is aiming to expand its maritime and naval capabilities to project its power and to achieve control of major SLOCs. However, China plays down this perception and emphasizes the economic and development imperatives for establishing sea ports and

naval facilities. Nevertheless, there appears to be a general consensus among scholars that China is seeking some sort of improvement in its naval capabilities in order to protect its key sea lines of communications (SLOCs). In this regard, US naval war college publication brings forth Chinese perspective and concludes that China is not satisfied with its current method of merely depending on commercial port access for safeguarding its vital interests abroad.<sup>34</sup>

Furthermore, China's dissatisfaction with the current security situation and power equilibrium at Indian Ocean and India's assertive maritime policy may exacerbate the ongoing competition for influence in the IOR. In a proposal to the US Pacific Fleet Commander in 2009, China unequivocally demanded that "the Indian Ocean should be recognized as a Chinese sphere of influence."<sup>35</sup>

This suggests that China is considering some sort of change in its maritime and naval strategy. Thus, keeping in view the strategic relations between China and Pakistan, the dual use of Gwadar port for military and commercial purposes by China and Pakistan naval forces cannot be totally ruled out.<sup>36</sup> This view is further amplified by the fact that China has been given operating rights of Gwadar port.

Thus, Gwadar's strategic location provides China with multiple benefits: it provides a foothold for China at the mouth of Persian Gulf, from where it can secure its interests in the Indian Ocean and check Indo-US naval activities. Moreover, the Straits of Malacca can prove to be

---

<sup>34</sup> Christopher D. Yung and Ross Rustici et al., "Not an Idea We Have to Shun: Chinese Overseas Basing Requirements in the 21st Century," *National Defence University Press*, (Oct 2014) Perspectives, No. 7 at <https://www.chinafile.com/library/reports/not-idea-we-have-shun>(accessed Jan 20, 2016).

<sup>35</sup> Christabel Neo, "China's Gwadar Pearl The port acquisition and implications for India," *ISAS Brief* No. 288 – July 11, 2013 available at <http://www.isas.nus.edu.sg/Pages/home.aspx> (accessed Jan 20, 2016).

<sup>36</sup> Rorry Daniels, "Strategic Competition in South Asia: Gwadar, Chabahar, and the Risks of Infrastructure Development," *American Foreign Policy Interests*, (2013), P.100.

Achilles heel for China in any future conflict with Indo-US nexus. Such an eventuality is not so inconceivable given that during 1971 Bangladesh war and later in 1999 Kargil conflict India had threatened China of naval blockade.<sup>37</sup>

### **Political/ Strategic Benefits**

Politically Gwadar port possesses immense value for China as it is heading to be a great power but with a peace loving image or soft image. China is projecting and selling its peaceful image to the world countries by purportedly establishing mutually beneficial and strong economic relations. Gwadar port is one such example through which the political and strategic relations between China and Pakistan have been further cemented. If this port achieves desired objectives of economic prosperity for Pakistan, then it will set an example for other countries as well. In addition, this region of the Eurasian Rimland has been deemed by geopolitical thinkers like Spykman to be the most important pivot that any power in control of this Rimland will be able to control the destinies of the world.

### **Challenges for Gwadar Port**

#### **Balochistan Quagmire**

The internal security situation and political turmoil in Balochistan pose the greatest challenges for successful and optimal use of Gwadar port. Despite being rich in natural resources like gold, copper, gas and coal, Balochistan remains one of the least developed provinces. The resultant sense of alienation and deprivation has led to six insurgencies in Balochistan since the partition of the subcontinent.

---

<sup>37</sup> Ashay Abbhi, "Strings of pearls: India and the geopolitics of Chinese foreign policy," *International Relations*, (July 26, 2015) at <http://www.e-ir.info/2015/07/26/string-of-pearls-india-and-the-geopolitics-of-chinese-foreign-policy/> (accessed Jan 20, 2016).

It is feared that if CPEC and Gwadar port project are not sufficiently aimed at the development and prosperity of Balochistan province, it would be difficult to counter the recurring wave of insurgency and terrorism in the province. This in turn will lead to underutilization of these projects or they can be targets of the insurgents. These apprehensions have been expressed by many including the then Chief Minister of Balochistan Abdul Malik Baloch that “whether it is Gwadar port or the CPEC project, it is important that the people of Balochistan should benefit first. If that is not ensured then the people of Balochistan will not support Gwadar and CPEC related projects.”<sup>38</sup>

The Baloch nationalist leaders have grave concerns regarding the demographic change which is foreseen as a result of these mega projects. It is believed that the influx of 1 to 2.5 million non-Baloch workers to fill the major positions at Gwadar will render ethnic Baloch a minority in their own province. This is one of the reasons that attacks on non-Baloch workers and residents have increased in recent times. An important figure and leader of National Party Hasil Bizenjo was reported to have said in an all party’s Conference (APC) chaired by the then PM Nawaz Sharif that as more investment comes into Balochistan under CPEC, more non-Baloch will come to Balochistan in search of jobs, thus further squeezing Baloch population.<sup>39</sup> Thus, all these apprehensions have direct or indirect bearing on the successful utilization of Gwadar port.

### **Constitutional Status of Gilgit Baltistan (GB)**

Yet another challenge to the success of Gwadar port stems from the unsettled constitutional status of Gilgit Baltistan (GB). GB is strategically situated to the very north of Pakistan and connects it with China via Karakoram Highway (KKH). The KHH is now being expanded and

---

<sup>38</sup>Ibid, P.170.

<sup>39</sup>KhawarGhumm, “Baloch-Pakhtun rivalry rears its head at CPEC meeting,” *DAWN*, (May 29, 2015), at <http://www.dawn.com/news/1184917>(accessed Jan 20, 2016).

upgraded as part of CPEC initiative. As a gateway to China and Pakistan, it is through GB that 500 km of CPEC will pass.<sup>40</sup> But for all this to happen, things are not as simple and smooth as they might appear to some. This is so due to the disputed status of GB.

### **Current Situation**

The disputed status of GB not only adversely affects the lives of the locals but also raises a question mark on the legality of Chinese funded mega development projects. Worryingly, the decades long political marginalization of GB has resulted in a sense of deprivation and identity crises in the locals. This sense of deprivation and identity crisis has given birth to separatist and nationalist sentiments. If the genuine grievances of the locals are not addressed and GB's economic and political security is not ensured while carrying out work on CPEC, then the situation there will be no different from the one in Balochistan. Moreover, India and the US have raised serious objections over the mega projects undertaken by Pakistan and China by pointing out the disputed status of the region. Therefore, it is imperative that GB should be given its due constitutional rights. The status of 5<sup>th</sup> province or more feasible option such as Kashmir like setup can go a long way in allaying long held grievances of the natives.

### **Lessons Learned and Recommendations**

Balochistan and Gwadar port have become golden prizes for which there is a cut-throat competition among major powers involving US, China, Russia, and other medium powers. This competition can have negative implications for the successful completion and full utilization of Gwadar port.

---

<sup>40</sup>Safdar Sial and Peer Muhammad, "Silk route monitor: A review of developments on China Pakistan Economic Corridor," *Conflict and Peace Studies*, P. 173. April 27, 2018 at <https://www.pakpips.com/article/3096>

1. As a remedy it is recommended that in order to save the port from becoming prey to the conflict among global powers, Pakistan should declare the port purely commercial, leaving no space for doubt about the ports' potential military use by China as it has been given 40 years' operating rights of the port. Transparency regarding the terms of conditions with reference to Chinese use of the port may prove helpful. This will mitigate the concerns frequently raised by the US and India.

The study has revealed that the most daunting challenge to the full realization and utilization of the port is rooted in internal opposition from some Baloch nationalists and insurgents who fear that the benefits of the port will bypass them. They fear that even if the port becomes fully operational, the influx of people from other provinces will turn them into minorities in their own province. The non-Baloch will dominate the key positions or jobs because the Baloch having been deprived of the quality education for a long time may be lacking the required skills and education to meet the criteria for the jobs set by the center. Moreover, the feeling of deprivation and exploitation has led the insurgents to attack development infrastructure in the province. The crisis is further fuelled by hostile neighbors opposed to the integrity and prosperity of Pakistan.

2. In order to deal with the aforementioned situation, a multifaceted strategy is recommended to be adopted by concerned authorities.

#### **A. Strategy for Immediate Results**

- i. Increase the royalties in return for the extraction of natural resources from Balochistan.
- ii. Increase the quota for Baloch students in educational institutions.
- iii. The provincial government should be delegated powers and authority to make deals with foreign countries and companies with regard to its minerals business.

- iv. In order to ensure Baloch representation in key positions in the mega projects, government should train students and provide skills along with allocating maximum quota for Balochs.
- v. The sale of lands to non-locals at Gwadar should be minimized.
- vi. A media campaign should be designed aiming at countering the appeal of foreign backed insurgents.
- vii. In order to blunt the appeal of terrorist and extremist elements, a de-radicalization campaign should be launched. In this regard, full implementation of National Action Plan (NAP) would bring positive results.

## **B. Strategy for Long Term Results**

- i. Pakistan's parliamentary form of democracy necessitates harmonious relations between the center and provinces for successful implementation of such mega projects. But in the absence of this, provincialism is rising due to uninformed policies of successive governments. It is therefore recommended that decentralization should be done in letter and spirit; provinces should be further empowered and made autonomous. Since this desire of the people has been denied, it has only accelerated nationalist and separatist movements in the country.
  - ii. The allocations in National Finance Commission (NFC) should not be based primarily on population: instead, provinces which lack infrastructure and educational facilities should be allotted special quota in NFC like formats.
  - iii. Emergency measures should be taken to improve the situation of education in Balochistan.
3. The present constitutional status and disputed nature of GB has serious legal implications for CPEC and thereby Gwadar port.

Although, the current Pakistan Muslim League N. government in Islamabad has been mulling over to provide legal protection to CPEC, there is no quick fix to the status of GB which was unwittingly linked to the Kashmir issue between India and Pakistan. The cosmetic measures adopted by successive Pakistani governments since then to assuage grievances of the locals seem to have little to no effect as indicated by growing ethno-nationalism.

Therefore Pakistan needs to revisit its policy of keeping GB in a constitutional limbo and come up with an out of box solution. The repeated unfulfilled promises by the state of making GB the constitutional province like the other four may result in the complete loss of trust in the state institutions. Undoubtedly, it would be a challenging decision for the state to provide constitutional status of a 5th province to GB as long as Kashmir issue is alive. However, another viable option is to provide Kashmir like setup and initiation of people centric development projects under CPEC.

## **Conclusion**

This analytical study dealing with the significance of Gwadar port leads to the conclusion that the port has huge socio-economic and geostrategic benefits for the country provided that its peaceful use is ensured. The port could prove to be harbinger of prosperity for the impoverished Balochistan province and the country at large. However, the question remains about clarity of vision for national development and sincere efforts to realize that vision through policy reforms based on democratic ideals. In this regard, it is imperative that all state institutions including the elected government, the military, judiciary as well as media play a positive role aimed at the wellbeing of the inhabitants of marginalized and impoverished regions like Balochistan and GilgitBaltistan. Such an approach would not only bridge the growing trust deficit between state and citizens but in fact prove be the natural immune against geopolitical shocks emanating from a Great Power politics. In this respect, China's approach to develop its restive and impoverished Xingjian province can be taken as an example to follow.