Geo-Strategic Importance of Gwadar Port

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ABSTRACT

Port serves as the gateway to sea routes. Pakistan owns ports Karachi and Qasim: two commercial ports in close proximity to each other. Their importance can be assessed with the fact that 97% trade of Pakistan is seaborne. Due to increased traffic at these ports, it is expected that congestion will affect the port operations. By launching Gwadar port, Pakistan will enter into a new period of development and economic prosperity. India is suspecting the development of Gwadar port and the presence of China at the port. The port is facing many hurdles mostly caused by India, other regional and international actors.

**Key Words:** Geo-Strategy, Gwadar Port, China, Pakistan.

Introduction

Pakistan purchased Gwadar and took control of it from Oman on 8th September 1958 by paying US$ 3 million to Oman’s government (Iqbal,2011). After this, in 1977 Pakistan’s government incorporated Gwadar in Balochistan as a new district. In 1993, the government of Pakistan started developing Gwadar into a major port city; however, the pace of development remained very slow. While constructing its phases, an undersized port was constructed during 1988-1992 (History Pak,2014).

Gwadar is geographically located in Baluchistan, the largest province of Pakistan by area. Gwadar as a district of Baluchistan is situated at the mouth of the Persian Gulf adjacent to Strait of Hormuz. In this regard, Hormuz is considered one of the important trading routes of the world. Moreover, the coastal belt of Gwadar is at the flank of the Arabian Sea which is about 72 km away from Iran and 32 km from Oman and is connected with the Persian Gulf.

In this way, the location of Gwadar has made this area very important geo strategically not only for Pakistan but also for the South Asian region. Additionally, Gwadar possesses a natural deep sea port which enhances its geo-economics significance for trade purposes (Gwadarport.gov.pk). Hence, the district Gwadar, after the construction of Gawadar port by the assistance of China, has gained a great momentum in the regional and global politics in recent years.
Since 2007, the inauguration of Gwadar port construction project was done once again by General Musharraf, the ex-president of Pakistan. Gwadar port was handed over to a company of Singapore; the Port Singapore Authority (PSA). The working progress of PSA hadn’t been at a good speed, as it was expected at the time of making the contract with the company. It is noteworthy to mention here that owing to poor performance of PSA, in 2013, the port was handed over to a Chinese company. Currently, China Overseas Port Holding Company (COPHC) has undertaken the work of construction and development of Gwadar Port. It has been observed that since then, the progress of the port has been somewhat found satisfactory (Ijaz et al., 2015).

In the light of recent Chinese President Xi Jinping’s visit to Pakistan on 20-21 April 2015, Pakistan and China both have signed many agreements for construction of China-Pakistan Economic Corridor including connecting the deep sea port of Gwadar with the rest of Pakistan and China’s Xinjiang province through railway system and highway network (Ebrahim, Dawn, 2015). The main aim of this project for Pakistan is to build the new industrial compounds at its coastal belt and to link the district with the rest of Pakistan through the highway.

Keeping in view the rising geostrategic magnitude of Gwadar port given that CPEC, Gwadar will become an epicenter of geo-economics in terms of trade. It will bridge South Asia with the land-locked states of Central Asian Republics (CARs) and the Persian Gulf. Also, it will provide the alternative shortest route to these states. Gwadar port will complement the whole region economically (www.pakistanaffairs.pk/threads/13740-geo-strategic-of-Pakistan/).

In this regard, the port is of great significance for China also. China’s 60 percent trade is linked with the Gulf States. The route, which China is presently using for its trade, is very long. As per this route, China has to go all around the Indian Ocean through the Strait of Malacca and then to the Pacific Ocean to China. China’s strategists consider this long-winded route an unsafe track, which costs a lot of fuel, time and other expenses (The Nation, 2015).

Similarly, Gwadar Port will provide the direct trade route to China. For securing its trade and other commercial benefits, China is assisting Pakistan in developing Gwadar Port and making it fully operational. It seems that China is working on Gwadar Port because of its time-tested friendship with Pakistan, although in actual Gwadar Port will facilitate both Pakistan and China a lot. For this reason, China is making a heavy investment on Gwadar port and Chinese engineers are working in Gwadar for the development of the port (Gul, 2013).

The significance of Gwadar Port is in the canvas of South Asia, there are two emerging powers i.e. India and China. Indian hegemony can easily be seen in the whole region and China has greatly extended its economic influence in South Asian countries. It is widely believed that India has serious apprehensions related to the Chinese presence in Gwadar that China with the help of different South Asian nations especially Pakistan, has planned to encircle India. Therefore, India is making policies to counter Chinese hegemony in the region.
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For this, India has reinforced its strategic alignment with the United States. Moreover, it has recently concluded a treaty with Iran for financially supporting Iran for doing the progressive work at Iran’s Chabahar Port to make it functional. By bringing Chahbahar Port to function, India can have an easy access to Afghanistan bypassing Pakistan. Besides, India can also accomplish its trade purposes with CARs and the Gulf States. Also, it can counter Chinese hegemony (India, Chabahar Port, Decision & Asia, 2015).

Coming to the importance of Gwadar Port for Pakistan, Baluchistan is an underdeveloped province of Pakistan and lacks basic facilities. The development of Gwadar will raise the living standards of the people of Baluchistan and provide job to the locals. As Iran is closest to Gwadar, therefore an agreement has been signed between Iran and Pakistan on 27 February 2013 for a gas pipeline project. According to this project, about 781 kilometers long pipeline will be spread that will help to meet the energy supply in Pakistan (http://dawn.com/news/884966/geographytheborders-of-Pakistan). Likewise, the Government of Baluchistan has also concluded a treaty with Iran for providing 100-megawatt electricity to the city of Port. Initially, it will provide power supply to the commercial port and then to the local inhabitants.

While the port becomes fully functional, it will boost the economy of Pakistan and escalate strategic significance of its long coastal belt as well. According to the commentators of world politics, this port will help China to establish its naval check post for having its check on the activities of the United States and India in the Indian Ocean. Furthermore, China will fulfill its commercial objectives with CARs through Kashgar at low cost. China can save the US $ 20 billion in terms of importing oil through Gwadar port, while Pakistan will earn 15 billion dollars annually. It will be a duty-free port and Free Economic Zone (FEZ), which increases its importance at regional as well as international levels. Simultaneously, it has been analyzed that development of Gwadar Port can challenge the hegemony of Dubai.

According to experts, Gwadar port is natural deep sea water port where there is no need to do much. Ships can easily land at the harbor. Internationally, this port is seen as China-Pakistan naval base. The security situation of Baluchistan is Detroit due to strategic benefit that Gwadar port will give economic rise to Pakistan and other regional countries. Therefore, it can be concluded that construction of China-Pakistan Economic corridor will lead both states in the new era of economic affluence and will augment the strategic significance of Pakistan in Asian-oriented global politics. Similarly, Gwadar Port will mount the significance of South Asian region strategically and economically.

Baluchistan is blessed with tremendous natural resources and it has a significant geographical location. For this reason, Baluchistan is not only considered important strategically for Pakistan but also many regional and international players such as Iran, India, United Kingdom, United States, Russia,
Arab Gulf and China, all have certain interests in Baluchistan. In this manner, external involvement has become visible there and most pertinently, India is playing the most nefarious role in Baluchistan. India wants to liberate Baluchistan from the mainland Pakistan as she plotted upheaval by backing the Mukti Bahini rebels in East Pakistan for its liberation from West Pakistan. Admittedly, the current Prime Minister of India, Narendra Modi’s statement in Bangladesh on 6 June 2015 is a clear confession of India’s involvement in subverting Pakistan’s since the 1970s (Dawn, 2015).

Therefore, in the same way, India has been supporting to Baluchistan Liberation Army (BLA) and creating disorder in Baluchistan for many years. For this, the proofs of Indian involvement were shared by Pakistan’s ex-Prime Minister with Indian counterpart Manmohan Singh at Sharm-al-Sheikh meeting in 2009. The externally-backed insurgency of Baluchistan has hindered Gwadar Port development since the security situation for the locals and Chinese labors working at Gwadar has become uncertain.

Gwadar Port is strategically and economically very momentous for Pakistan and China. However, there are numerous hurdles on the way of Gwadar Port. Some regional actors especially India is also getting involved in Baluchistan, which is creating hindrances in the development process of China-Pakistan Economic Corridor (CPEC). These actors are also involved in Baluchistan, creating obstruction against Gwadar Port.

**Arising need of Gwadar port for Pakistan**

Pakistan owns Karachi port since the time of independence, the capacity of this port was merely 2.5 million tons per annum but presently the trade at Karachi port has expanded to 28 million tons on 2001-02. Moreover, port Qasim is also managing over 11 million tons of cargo per annum. The sea-borne trade of Pakistan which includes CARs and Afghanistan also is predicted to boost from 38.5 million tons in 2001-02 to 90 million tons in 2020 by growing 5.2% annually (Report, 2001-02).

This increment in trade will clog the ports. It will intensify even more because of the insufficient profundity of the passage as the deep draft vessels, deposit their containers at ports of Dubai, Fujaira and Colombo after that the containers are brought to Pakistan on small ships which makes the port overcrowded. Strategically, the Karachi port and port Qasim are located within the striking range of Indian air force with almost no response time accessible. Furthermore during the event of war India can paralyze the economy of Pakistan by blocking Karachi port as she did in 1971 war. Consequently, there is dire need to develop alternative trade route to meet the trade requirements around the globe.
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**China Pakistan Economic Corridor (CPEC)**

States plan and practice various strategies and policies to move forward and defend their economic benefits. Similarly, Pakistan and China are working together to serve economically not only to the nationals of their states but also to the region by developing Gwadar port. Both states have joined hands for achieving long-term geo-economic advancements.

Mutually both states are making efforts for regional economic collaboration and for countering their mutual antagonists. This can be witnessed by seeing their cooperation in trade, energy and other physical and substantial things. China and Pakistan are intended to connect Gwadar port and Kashgar city through Karakorum Highway. Hence, the two comparatively diffident cities of respective states will get the market approach and become regional trade hub (Khan, 2013).

CPEC will prove to be a forerunner of favorable affluence for the whole region. CPEC will surely support the economy of Pakistan and will provide service and business prospects to the locals of the relevant areas. The development of CPEC will magnetize the foreign investment. This plan has enormous significance; it passes through a most imperative and major geostrategic area in South Asia. China has her ‘string of pearls’ policy which connects China to Central, South and South East Asia to enhance its economic and political power, Gwadar port and CPEC will play a major in this regard (Siddiqi, 2015).

The economic corridor is a component of the developmental plan for trade and business between China and Pakistan. It is a key player to further strengthen the relations between the two states. It will boost the economic and political cooperation between them and also enhance bilateral trade between the respective states. The corridor is designed to connect Pakistan through the infrastructure of railways, a good road system and by ducting energy, industry and by establishing another basis for developmental schemes to meet the energy requirement and grow economy of Pakistan. CPEC will develop a trade route from Gwadar in Pakistan to Kashgar in China.

The CPEC is planned to advance availability crosswise over Pakistan with a system of roadways, railroads and pipelines joined by vitality, mechanical and other foundation improvement ventures to address basic vitality or energy deficiencies expected to help Pakistan’s monetary development. In the end, CPEC will likewise encourage exchange along with an overland course that interfaces China to the Indian Ocean, connecting the Chinese city of Kashgar to the Pakistani port of Gwadar.

Pakistan and China have made arrangements for the economic corridor by concluding 51 treaties and MoUs to make CPEC operational in April 2015. China is investing for about $46 billion for the project for coming ten to fifteen years. Few projects are already in progress that includes roads, railway structure and energy and expected to be completed by the end of 2016.

CPEC is a part of China’s One Belt, One Road (OBOR) plan to connect China with other states of the region for economic integration. China’s National
Development and Reform Committee (NDRC) illustrated OBOR in March 2015. It promotes an extremely motivated plan for direct investment from different states for different programs like railway arrangements, ports, pipelines and data system to expand economic reconciliation to connect Asia with Africa and Europe.

Pakistan has a capability to serve China as a conduit for OBOR for the reason that OBOR is comprised of the Eurasian continent “Silk Road Economic Belt” and Southeast Asian “Maritime Silk Road”. China depicts CPEC as a “flagship project”. CPEC is highly significant for China it can mitigate “Strait of Malacca”, which China presently exercise for trade purposes. China imports approximately 85% of her oil via “Strait of Malacca” which can easily be choked and destroy China’s trade (Markey, 2016).

The United States restrains China and also hinges towards Asia. The United States is up to contain China economically as well as militarily in Asia Pacific region. The United States also has allies in this containment policy towards China. India, Japan, Indonesia and Singapore are with the United States in its effort to eliminate China from this region. In this strained situation, Pakistan carries a huge significance for both China and the United States. Pakistan has latent to bring steadiness between the United States and China and also has the capability to increase trade in this region.

When Gwadar port will become fully functional it will provide China with huge benefits. Earlier China’s shipping route was long and also vulnerable to trade. The route passes through Strait of Malacca and takes 45 days to achieve its destination in Europe by means of the Middle East. This route; the Strait of Malacca is under United States control and it can be blocked anytime to destroy Chinese trade.

In such a scenario, the route via Gwadar port will prove as a blessing from heaven for China. By the development of CPEC China trade route will become short. It can its destinations only in 10 days and it will also be a safe route as Pakistan and China are very good friends. A noteworthy bit of CPEC is held for power ventures, roads and infrastructure. The all three exchange courses are interlinked with each other beginning from the Arabian Sea to Himalayas (Siddiqi, 2015). The project is as significant for Pakistan as it is for China, it will bring enormous gains to both states. This year Pakistan has marked a progression of historic point concurrences with China, worth an expected amount of $46 billion, to shelter conjecture for the China Pakistan Economic Corridor which includes highways, railway structure and pipelines to connect Gwadar port in Baluchistan to Xinjiang in China.

Gwadar port will serve a major role as part of China's ambitious Silk Road and Economic Belt. Pakistan became a member of Shanghai Cooperation Organization (SCO) in 2015. The organization has authorized Gwadar port and has underscored Pakistan as a fundamental territorial center in the monetary advancement of Central Asian states which are core members of SCO and has provided an opportunity to Pakistan to enhance its relations with CARs. CPEC has
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the potential to connect the region and gives Pakistan a great significance for trade purposes and can make Pakistan an economic force (Siddiqi, 2015).

Gwadar port when becoming fully functional it will specifically challenge Dubai port as it will loose 70% of its trade. Likewise, the port will also influence Chabahar port in Iran, as Gawadar port is a natural biggest deep sea port in the world, here ships with large tonnage can anchor easily. The economic corridor is facing some resistance internally and externally.

The major reason for the resistance is that it annihilates the business of other ports and countries. CPEC resembles a nightmare for some states as by the development of it China will find its way to warm waters and can encompass India in the region. Internally some black sheep are creating brouhaha against CPEC, which is just a waste of time, energy and money for them instead they should discover new investors to start projects in Gwadar. CPEC proposes boundless opportunities at local and foreign level. It can benefit at the global level.

CPEC Impact on Pakistan- China trade

The trade between Pakistan and China has risen by $12 billion in 2013 January this has made China as the biggest trading associate of Pakistan. The two states traded for a variety of products which include eatables and other products like vegetables, metals, chemicals, ores and minerals. Great increment has been seen in textile products export among the respective states. Pakistan’s exports to China are about $3.14 billion while imports are about $9.2 billion. The trade rate between China and Pakistan has risen up to 48% by the year 2011.

According to the Development Program for Economic and Exchange Cooperation of 5 years, Pakistan will actualize 36 ventures worth $14 billion. The execution of these undertakings imagining vitality, transportation, industrial manufacturing, horticulture, health services and instruction divisions in education segments will be examined by Joint Economic Commission. By improving and making a more efficient 335km segment of the KKH from Gilgit to Khunjrab Pass will not only lead the bilateral relations of Pakistan and China to the all-weather association but will also boost trade exchange with CARs.

China is assisting Pakistan in additional 250 enlargement programs at present comprising mega projects like Gwadar port and development of KKH. Since 2005 to 2011 China has hugely invested while Pakistan’s investment has stayed very unobtrusive. Till then Chinese investment has been recorded by $300 but ideally, this investment can rise even more by giving Gwadar port operations to China. CPEC will provide China the shortest trade route with these states. Now let’s see China’s present trade with these markets. The indications of which are already present (Khan, 2013). China’s total trade is $3958 billion and she trades with Europe, Africa, Middle East, Iran, United Kingdom and Turkey.
Table 1: Showing China’s present trade with other states

<table>
<thead>
<tr>
<th>Trade with</th>
<th>Amount</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>$466 billion</td>
<td>2015</td>
</tr>
<tr>
<td>Middle East</td>
<td>$230 billion</td>
<td>2015</td>
</tr>
<tr>
<td>Africa</td>
<td>$170 billion</td>
<td>2015</td>
</tr>
<tr>
<td>UK</td>
<td>$82 billion</td>
<td>2015</td>
</tr>
<tr>
<td>Iran</td>
<td>$52 billion</td>
<td>2015</td>
</tr>
<tr>
<td>Turkey</td>
<td>$28 billion</td>
<td>2015</td>
</tr>
</tbody>
</table>

Source: www.pakboi.gov.pk

Gwadar Port in Comparison with Regional Ports

Gwadar port holds huge significance not only for Pakistan but also for the region. The significance of Gwadar port at international level has increased its vulnerability. The trade business of other ports will be affected when the respective port will become fully functional. Countries from the Middle East, Central Asia, South Asia, United Arab Emirates (UAE), Oman and Persian Gulf states will also get benefit from this port. For harmony and peace, the governments of Pakistan and China need to handle this project very carefully and dexterously (Hussain, 2016).

The following table shows the comparison of Gwadar port with ports of different countries. The table shows the depth of sea and number of berths a port holds in countries like Pakistan, UAE, Iran, Oman and Saudi Arabia respectively.

Table 2: Gwadar port in comparison with other Ports

<table>
<thead>
<tr>
<th>Name of Ports</th>
<th>Country names</th>
<th>Depth of Sea</th>
<th>Number of Berths</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gwadar</td>
<td>Pakistan</td>
<td>17.1M–18.2M</td>
<td>120 (when operational, work in progress few ready to use)</td>
</tr>
<tr>
<td>Karachi</td>
<td>Pakistan</td>
<td>9.4M-10M</td>
<td>33</td>
</tr>
<tr>
<td>Jebel Ali</td>
<td>UAE</td>
<td>15.5M-16M</td>
<td>67</td>
</tr>
<tr>
<td>Khor Fakkan</td>
<td>UAE</td>
<td>16M</td>
<td></td>
</tr>
<tr>
<td>Bandar Abbas</td>
<td>Iran</td>
<td>9.4M-10M</td>
<td>24</td>
</tr>
<tr>
<td>Chabahar</td>
<td>Iran</td>
<td>11M</td>
<td>10 (claimed but not confirm and not operational yet)</td>
</tr>
<tr>
<td>Salalah</td>
<td>Oman</td>
<td>10M</td>
<td>19</td>
</tr>
<tr>
<td>Damam</td>
<td>Saudi Arabia</td>
<td>9M</td>
<td>39</td>
</tr>
<tr>
<td>Doha</td>
<td>Qatar</td>
<td>11.2M-12M</td>
<td>29</td>
</tr>
</tbody>
</table>

Source: beyondthehorizon.com.pk/comparison-gwadar-port-regional-ports
**Geo-Strategic importance of Gwadar port**

**Fears of India, Iran and United States towards Gwadar port**

In spite of all gathering points of interest, the contribution of China in Gwadar venture has increased the security attentiveness towards Pakistan. United States dislike the Chinese involvement and China’s interest in establishing a naval post in the Indian Ocean. Pakistan and China have clearly shown their interest in economic and strategic relations and the business arrangement can undoubtedly set the stage for military co-operation in future.

The United States and India will give tough time to Pakistan as they want their hegemony and control over this region which China is countering by establishing CPEC in collaboration with Pakistan. They are truly against China’s involvement in the Indian Ocean for naval purposes. However, these states are afraid of Pakistan and China’s alliance that this is truly a commercial port and does not have any military and naval alliance.

Iran is also not in favor of Gwadar project because it lies near Iran’s Bandar Abbas and Chabahar ports and Iran sees Gawadar as its competitor. In fact, Chabahar likewise offers similar rise to travel course and Iranian business interest to benefit from the Arabian Sea can develop a business competition. India wants to misuse the Iran element that has also begun financing the road system in Afghanistan, which will give India an access to Chabahar. This will also give access to CARs towards warm water through Iran. Such a situation would prompt business rivalry with port offering better global models and effective taking care of picking up the most.

**Conclusion**

The geographic location of Gwadar port has played a significant role to change the image of Pakistan at international level. The location of Gwadar port at the crossroads of Central Asia, Middle East and the Persian Gulf enhances the geostrategic and geo-economic significance of Gwadar port at world level. The port, when becoming fully functional, will connect South Asia, Gulf States, Central Asia and China together.

Gwadar port will provide a substitute sea route to China; instead of Strait of Malacca. The Malacca trade route of China could be blocked by India. Gwadar port is about 3000 km from the port of Shanghai and it is 4500 km away from Kashgar. The major challenges for the development of Gwadar project are an insurgency of Baluchistan and development of Iranian port Chabahar by Indian heavy investment of US $85 million. India intends to reduce the Chinese influence in the region and is constructing Chabahar to counter the development project of Gwadar port.

The CPEC and start of twenty-first century Silk route are the biggest challenges for India’s hegemony. Pakistan is direly needed to expedite the Gwadar port development project to cope with security concerns for regional strapping, the economic prosperity of Baluchistan, Pakistan and maritime development of
Pakistan. The construction of CPEC over Gwadar port for trade purposes has taken their friendship to another level, where both states will cooperate with each other on the geo-economic and strategic basis.

The development of CPEC is making India worried for her security and economy in the region. India has fought wars with both her neighbors China and Pakistan which is making India fearful about China-Pakistan’s alliance. Therefore to counter China and Pakistan alliance in the region, India has now started providing financial assistance to Iran for developing her port Chabahar which carries almost the same strategic significance as Gwadar port. India is making strategies to counter Pakistan and China by using Chabahar port. Yet the working and developmental work on Chabahar is slow.

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