

Gwadar Port – A potential game changer?



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'Gwadar is now a potential hub for trade and commerce in the region. With these words, President Asif Ali Zardari expressed Pakistan's hopes to turn the Sino-Pakistani project into a national and regional gateway that will boost the country's feeble economy. Given the fact that Beijing is the principal financial sponsor of the port and that -since January 2013-it is managed by a Chinese company, Islamabad expects that Gwadar will give new impetus to China-Pakistan relations. The fact that Gwadar is located outside the Strait of Hormuz near some of the world's busiest shipping routes supports Zardari's statement. However, this is only part of the story.

First of all, when taking into consideration the numerous unfavourable determinants for the Gwadar's project, many analysts remain sceptical that anyone will be able to turn the project into an economically viable endeavour. For example, the endemic poverty of the surrounding province of Balochistan, increasing opposition by large sections of the Baloch people, political instability, deteriorating security situation, and lack of infrastructure and connectivity with the hinterland all cast a dark shadow on the fortune of Gwadar. Hence, there is an imminent threat that this expensive mega project will have no economic value. In brief, from an economic point of view Gwadar looks like a 'white elephant' which just came out of the blue in, quite literally, the middle of nowhere. Having this in mind one should raise the legitimate question: what are the real intensions of Pakistan and China behind the Gwadar project? Are they motivated by economic or rather by a military interests? Is it part of a long term strategy of Chinese preparation for a potential new Cold War-scenario between Beijing and Washington in the Asia-Pacific region? To tackle this puzzle, observers are emphasizing that one should draw the attention more towards the strategic and security aspects of Gwadar.

From a Pakistani perspective, the objective behind Gwadar is ostensibly beyond the economic argument. Being a brainchild of the Pakistani Armed Forces, naturally the port should serve more than commercial purposes only. Gwadar is envisioned as the regional trans-shipment hub for energy, services and cargo between Afghanistan, the Central Asian Republics (CAR), China and the Gulf. However, given the fact that Afghanistan and the CAR are increasingly linked with Iran's Chabahar port (through the support of India) the importance of Gwadar as a regional trans-

shipment hub is significantly reduced. But in security, military and strategic terms, the port remains of tremendous significance. First it can serve as a listening post to monitor -and, if necessary, to disturb- one of the most important sea lanes for globally traded oil. The potential threat of energy security has severe political and strategic implications especially for Asian economies like India, Japan, Vietnam or Philippines among others which are in conflict with China over resources and territories. In other words, some strategists in Pakistan might be intrigued by using Gwadar as a political asset to improve its bargaining power in the context of other regional conflicts, namely Kashmir or water disputes.

Second, in case of an armed confrontation with India, Gwadar is in a much better geostrategic location than Karachi's Port. Therefore, Gwadar would reduce the dependence of Pakistan's Navy on the much more vulnerable ports in Karachi. There are indications that the Navy has its very own interests regarding Gwadar, especially in upgrading the port with naval facilities. By failing to hand over land (which belongs to the Navy) that was necessary for the establishment of a special economic zone at the port, the venture was significantly hampered. Consequently, Singapore's PSA International, the company which was responsible for managing the Gwadar port project before the authority was handed over to China, was forced to give up by the Pakistani authorities. Without a doubt, the Chinese were more appealing for Pakistan as a partner than the Singapore, which, unlike their Chinese counterparts, were interested in the port from a purely economic perspective.

Third, it seems that Gwadar is intended to be the cornerstone of an attempt to forge a new strategic triangle between of Pakistan, China and Iran. Islamabad's trilateral ambitions are driven by Tehran's intentions to build a refinery and the recently signed Iran-Pakistan pipeline which would subsequently serve China's energy requirements. Besides the economic interests, the bottom line for Iran, Beijing and Pakistan is that all three states share ambiguous relations, to say the least, with the US and Indian and aim to limit the influence of New Delhi and Washington as much as possible in South Asia and the Indian Ocean. And last but not least, all three have a keen interest to suppress the Baloch national movement which is challenging their interests.

In order to understand the complexity of the Gwadar issue, one should also shed some light on Chinese interests in this project. Regarding official statements by Beijing, Gwadar is of utmost importance for energy security and trade. But unlike Pakistan -which publicly expresses its desire for a naval base operated by the Chinese- Beijing remains relatively quiet regarding the 'non-commercial' dimensions of the strategically well-located deep-seaport.

Consequently, analysts are wondering about Beijing's intensions in Gwadar. Several assessments indicate that the Chinese takeover of the port is not only part of a long-run strategy to secure its energy routes but also a tool to expand control over maritime straits in the Indian Ocean, especially the eminent chokepoint in the Strait of Hormuz. Around 20 per cent of the world's oil and 60 per cent of Chinese energy requirements

latest agreement in January allowed Beijing's to take over control of the port this year. The 'rediscovery' of China's enthusiasm regarding the commercial build-up is generally understood in the context of military and strategic considerations. Taking the growing influence of China in Pakistan and the 'new strategic depth' in the relation between both countries into account, it will be absolutely certain that Islamabad will grant basing rights for the Chinese Navy if Beijing were interested. This would grant China for the first time the possibility to use a port in the Indian Ocean for its ships and submarines. Furthermore, the option for regular refueling, refurbishment and repair and other services available, would allow China to exercise extensive sea control in the area. This does not only serve the purpose of protecting the increasing volume of Chinese nautical mileage in the region

as a potential naval base, China will have an effective bridgehead in one of the most sensitive and important areas for global energy security. With regards to the massive build-up of China's naval capabilities, it is unlikely that the future of Gwadar will be only a port reserved for commercial ventures. As such Gwadar will serve as a key node and game changer when it comes to reshaping the traditional power structure in Southern Asian regarding the control over the access to energy and other natural resources. Hence, it is important to point out that while there is ample reason to cooperate, China is primarily doing so to push its own strategic agenda.

First, China has more than once acted 'halfheartedly' when Islamabad reached out for support from its so called 'all-weather friend'. Taking the persistent talk about the 'thrust factor' in China-Pakistan

beyond because it helped to limit the conflicts to its regional sphere. Nevertheless, the Chinese did not do much to prevent the region from these wars -initiated by Pakistan- in using its growing influence on its 'ally'. In contrast, by offering military hardware and technical supplies it sent out the wrong signals towards Islamabad contributing to enthusiasm about a potential success of upcoming war efforts. In contrast, both the 1965 and 1971 wars ended in national disasters for Pakistan and increased international isolation. Furthermore, it led to a systematic genocide and countless war atrocities in Bangladesh. The role of Pakistani security forces during the killing of three million Bangladeshi still remains to be adequately clarified and legally addressed. Obviously, Beijing's strategic thinkers at that time were using China's relations with Pakistan as a proxy for maintaining the high level of conflict in South Asia in order to extend its own influence at the expense of the US and India.

Third, besides the India-Pakistan conflict, also in Afghanistan, China is following its own strategy by doing business through outbidding non-Chinese private companies which can't compete with large funded Chinese state enterprises. This will seriously hamper the development of a healthy Afghan economy in a long term perspective. This is gaining more momentum, since China is not willing to get involved in a sustainable reconstruction and reconciliation process in the country, which would not only serve Afghanistan as well as the whole region, but particularly Pakistan.

Fourth, the fact that Pakistan's military is in war with the Taliban in the light of worsening US-Pakistan relations, which might lead to a reduction of US aid, will make the economically weak Pakistani state more dependent on China. In this context, it is significant to note that the Chinese were willing to maintain a 'normalized' relationship with the Taliban government in Afghanistan between 1996 and 2001. In order to protect its economic interests in the Afghanistan-Pakistani region, Beijing might be allured to continue this strategy in dealing with Taliban and associated extremist forces. In other words, when it comes to Chinese support for combating militant fundamentalism, there is potential threat of another disappointment for Pakistan's elites.

Fifth, related to the point above, is the fact that China is indirectly enhancing Islamic

fundamentalism and militancy in Pakistan. Facing subnational movements, militancy and terrorism in territories under its own control, Beijing should be a 'natural ally' against terrorism in Pakistan and Afghanistan. However, it appears that the Chinese prefer to benefit from the US-led 'war against terror' by taking a 'free-ride'. In other words, where Washington does not receive much 'bang for their bucks' from Pakistan, Beijing is able with the help of Islamabad to reap the benefits of Washington's stabilization efforts by concentrating on the economic exploitation of the 'AfPak' region. This undoubtedly emboldens the Taliban and associated groups since it indicates that there is a powerful neighbor who is willing to stay more or less neutral which might offer some potential room to maneuver in the future. This view gains more significance in the light of Indo-Pakistani relations. In order to contain India's influence and hegemonic aspirations in South Asia and the Indian Ocean region, China is fueling tensions between Islamabad and New Delhi -a modus operandi that plays straight into the hand of religious extremists in Pakistan.

To conclude, if China decides to turn Gwadar into a naval base, this will have severe implications on the security structure of the Indian Ocean. At the moment, there are indications that this could happen. Hence, this step definitely redefines the rules and conditions of a 'new great game' over influence in the whole region. Nevertheless, Islamabad's decision-makers have to be aware of several conditions in the gamble for regional hegemony which will be played out: first, its asymmetric power relations with Beijing; second, that China is not always on the same political and strategic page as Pakistan; third, Pakistan is a significant but not one of the major players involved in China's grand strategy; and fourth Pakistan's people and regions like Baluchistan and Gilgit-Baltistan have to pay the price due to the Gwadar project. Islamabad has to realize -even if it might be the most important Chinese ally in South Asia- that it is only one of many 'junior partners' of China in Asia. At the end of the day, China's aspired strategic footprint might be too big for Pakistani boots.

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coming from the Middle East have to transit this bottleneck. Therefore Gwadar -connected with Western China via the Karakorum Highway- offers China an alternative route via Gwadar. Basically China is facing what has been called 'the Malacca dilemma' meaning it is highly dependent on the congested and narrow Strait of Malacca between Malaysia and Indonesia for its imports of natural gas and oil shipments. In case of a conflict, this gateway could be blocked easily. In this context, one should mention that the Malacca Strait is under virtual control of Washington. The US have permanently stationed several fast Littoral Combat Ships in Singapore and the port of Singapore has facilities specially designed for US aircraft carriers.

Therefore, Gwadar is for China much more than a backup option for the Malacca route. It's an ideal staging ground for all kinds of maritime activities. Nevertheless, China has demonstrated restraint regarding any further engagement in Gwadar, besides providing most of the necessary funds. However, this policy seems to have changed since the

but should also be interpreted as a response to India's blue-water navy build-up and the presence of US maritime forces.

Therefore, Gwadar under Chinese control has the potential to function as a 'game changer'. Until now, besides for some periodic naval visits, brief exercises, and some military-maritime cooperation with the Seychelles, China had no opportunity to operate with warships into the Indian Ocean on a permanent basis. In order to bridge this gap of insufficient capabilities regarding the maneuverability and reach of its vessels, China supports several port constructions not only in Pakistan but also in Sri Lanka (Hambantota port) and in Chittagong and Sonadiya, near Cox's Bazar. Additionally, China is also wooing the Maldives to gain more leverage. Of course, officially all these projects are supposed to push economic development and cooperation. However, since Sri Lanka and Bangladesh have an interest in maintaining cordial relations with India, it is highly unlikely that China will receive similar offers regarding strategic-military cooperation like the one from Islamabad. With Gwadar

relations into account, it seems that Pakistan's political decision-makers have a very selective memory when it comes to incidences in which China abandoned Pakistan. Just to recall, China did not back up Pakistan militarily in its 1965 and 1971 wars with India. It even turned its back diplomatically on Pakistan during the Kargil crisis of 1999 by supporting Washington's for Islamabad to withdraw its troops from the Indian side of the Line of Control in Kashmir. The Chinese position during this conflict helped to improve its relations with India which had turned sour over a couple of issues, including the 1962 border war, several territorial disputes, and issues concerning Tibet and the Dalai Lama. Furthermore, by adhering to strict neutrality in the 2002 crisis between India and Pakistan, Beijing also failed to live up to Islamabad's expectations. The statement that China is a 'friend of both countries', must have come as a major disappointment to the Pakistani security establishment at that time.

Second, the above mentioned decisions can also be partly seen as fortunate for South Asia and

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