

INTRODUCTION

The Sea route has been used as trade route since a long time and modern trade has further increased the requirement of trade through Sea. Gwadar is warm and deep Sea port of Arabian Sea. Pakistan's government identified importance of Gwadar city located in the province of Balochistan during Zulfiqar Ali Bhutto regime. Gwadar port would be beneficial to boost international trade in Pakistan because Gwadar port connects main three regions like Middle East, Central Asia as well as South Asia. Gwadar port is a junction of oil trade routes and international Shipping so it will boost up co-operation of Pakistan with other countries in oil, energy and Tourism sector. The deep water boosts up economy of Pakistan because it provides easy access to the natural resources of Central Asian States. The project of Gwadar port development increases the number of jobs especially in Balochistan. China Sea port located in eastern China is thousand kilometre away from Western China. Gwadar development project will be proved very beneficial for China because Shanghai is only 2988 km away from Gwadar. Gwadar can act as an alternative route to Indian Ocean or South China Sea routes. The port would provide China easy access to Afghanistan and Central Asian States if Malacca Strait can be blocked to China so Gwadar will fulfil trade requirements of China. From Gwadar port, Pakistan can easily observe the SLOCs that originated from Persian Gulf and Strait of Hormuz.¹ In 1958 around the cost of \$ 3 million Pakistan government got Gwadar port from the Country Oman. In 1970 during time period of Zulfiqar Ali Bhutto US gave chance for development of Gwadar port but successful result did not achieved. After that Gwadar development work was supervised by Port Singapore Authority but PSA performance didn't perform well. During Musharraf regime China gave \$198 million for up gradation of Gwadar port and the development work was started by China Overseas port Holding Company (COPHC) which is the branch of China Road and Bridge Company. CRB Company was also taken responsibility of Karakoram highway establishment. In first phase, China Harbour Engineering Company accomplished work related to construction of berths, Ship, water Channel dredging, building of road and some other betterment work.²

Any Country's economic progress depends upon good infrastructure. For international trade, the sector of transport plays a very important role under Pak-China Economic corridor project Gwadar will be connected Karakorum highway. The route passes from the pass of Khunjerab and ends towards Gwadar. China allocated \$16 million to boost economic growth.

¹Ayemen Ijaz, "Significance of Gwadar Port", *Islamabad Policy Research Institution* 20 (August 2015), www.ipripak.org/significance-of-gwadar-port/ (accessed October 9, 2016)

²Andrew Small, *The China Pakistan Axis Asia's New Geopolitics* (India: Replika Press, 2015), 100-102

An agreement related to link of railway was signed in 2006 but proper developmental work was not started. Under CPEC, railway project was initiated. Railway network started from Karachi towards Peshawar. After this establishment china will easily achieve cargo from port of Gwadar through short way of Karachi and Peshawar around the cost of \$ 4.2 billion. A part from that another railway tracks Gwadar to Jacobabad will be established Gwadar will be connected to Kashgar by the way of pipeline, road as well as railway.³

The province of Balochistan is a reservoir of natural minerals deposit which enhances importance of Gwadar at International level. After the complete development of Gwadar port it will be point of international trade for petroleum rich Countries. China interest in Gwadar port project will get of importing resources like raw materials and oil from oil rich countries. Gwadar port project also gives tough time for some competitor like neighbouring Countries India and Iran⁴

The relations of Pakistan with Middle East Countries are good in prospective of religion, geography and Culture. Gwadar port project also promote more good relation between Pakistan and Middle East through trade. Pakistan and some other Asian Countries can easily import oil, minerals and gas from Middle East regions through Gwadar port. Naval bases will also be established at Gwadar with assistance of Chinese Navy with this Pakistan and Chinese Navy will be dominated the Arabian Sea at Persian Gulf by the 5th Naval fleet of US and India concept of blue water will be checked. This Pak-China Nexus will also control Indian Navy threats.⁵

STATEMENT OF PROBLEM

There are many Countries in the continent of Asia where peace disturbs and war image is eminent because of security challenges of many countries. Most of the time Civilians and military gave sacrifices. Other than that, many countries' social and economic situations also become weak. In Balochistan, targeting people and attacking property of Public because of sect as well as on the base of language is prominent. Indeed Balochistan is considering a hub to flourished economic opportunities. The Security Challenges in Balochistan greatly affect the Gwadar port project. Despite all Challenges the Pakistan and China economic cooperation in

³Mir Sherbaz Khetrar, "The Potential and Prospects of Gwadar Port", *Institute of Strategic Studies* 12(December 2015):80-84.

⁴Shaukat Iqbal, *The New Great Game And Security Challenges For Pakistan* (Karachi: paramount Books, 2014), 206-213.

⁵Nadir Mir, *Gwadar on the global cheeseboard* (Lahore: Ferozsons press, 2010), 78-80.

all projects are going in progress related to security and economic development. The work on Gwadar port project has started, a special security zone was established in order to overcome and solve the security problem.

SIGINIFICANCE OF STUDY

The research highlighted that Gwadar port project brings geo-strategic and economic progress in Pakistan. The research focuses on the Gwadar port's positive impacts and its benefits on other regions such as China, Iran and Central Asian States. The research highlights opinion of political parties who strongly condemn the Gwadar port project. The research analyse the Gwadar development in CPEC. A part from that research point out long term benefits on Pakistani people mainly those who accommodated at Gwadar in the form of jobs. Under the Gwadar port project, Schools, University and hospitals are established with the assistance of Chinese government in order to increase the basic facilities of people indeed from CPEC the bilateral relation of China and Pakistan proved stronger.

DELIMITATIONS

The study focuses on the Gwadar port project as well as Security issues in Balochistan. The complex security problems of Pakistan involve both state and non-state actor. The study throws light on the provincial security challenges and political difficulties.

OBJECTIVE OF STUDY

The Gwadar port brings an idea of economic corridor with central Asian landlocked states and China. Gwadar port development project is a serious concern for neighbouring Countries like India, Iran as well as for UAE. The work for the development of Gwadar port was started since a long ago but implementation process became delay due to terrorism and security issues faced by Pakistan. The research objective is to highlight security challenges of China and Pakistan while to achieve the project of economic progress. Another main objective of this research is to explain the point of view of other regional players like Central Asian States, Iran, Indian and Afghanistan. The research also carries out an analysis on Gwadar port project's advantages for Pakistan.

HYPOTHESIS

Gwadar Sea port due to its Geo-strategic location promotes economic activities and development of Pakistan with regional economic player in Asia but security issues of Pakistan have affected project development.

RESEARCH QUESTIONS

The research highlights following question after observation of Gwadar port project.

1. How has Gwadar port increased internal cooperation in the Region?
2. What are the economic outcomes of this project?
3. Why does the Project attract attention of other regional players?
4. Which kind of development has been done in Gwadar port?

CHAPTERIZATION

Chapter 1

The Chapter examines location of Gwadar port and its distance with neighbouring countries. Mentions that how Gwadar port was purchased by Oman then step by step all the developmental work of Phase-I and Phase-II is elaborated.

Chapter 2

The regional powers such as China, Iran, and India in addition to America, Middle East and Japan are competing military, political and economic interests in Gwadar port. They are facing fear of Strategic mistrust due to potential military use of this port. The conflict and incentive of power among regional countries are elaborated in this chapter. Gwadar port is competing with Iran ports, Dubai and Salalah port.

Chapter 3

The economic potential of Gwadar port has been evaluated in this chapter. In the beginning of this chapter, an overview of Pakistan's present economic system is highlighted, with the passage of time; the global need of natural resources is growing especially in the sector of oil and gas. All the regional powers are looking towards oil rich countries like Central Asian States. Through

Gwadar port, Central Asian Countries fulfils the flow of oil to all regional powers. The shortest route provided by Gwadar to all regional powers is elaborated in this chapter.

Chapter 4

In this chapter, the Impact of CPEC on development of Gwadar and the outcomes are observed. CPEC main project is Gwadar port and because of this project many other regional powers have also become the part of CPEC. Many other projects of CPEC also have direct or indirect link with Gwadar port. Meanwhile the current progress of Gwadar port is also the part of this chapter.

THEORETICAL FRAMEWORK

This research focuses on Geo-political theory. It is a branch of political geography that considers the strategic value of land and sea in the context of national economic and military power. Geopolitics is concerned with how geographical factors including territory, population, strategic location and natural resource endowments, affect the relation between states and the struggle for world domination. In the 21st century sea trade has become a major source of globalization Gwadar port will not only strengthen the Country's long broken economy but also serve as a geopolitical interest of the Country. Alfred Thayer Mahan and Halford John Mackinder presented theories about Geo-political. Halford John Mackinder published heartland theory and the geo-political vision of Alfred Thayer Mahan was about Sea dominance.⁶

LITERATURE REVIEW

Zahid Anwar in his journal "*Gwadar deep Sea port as Regional trade*" highlights connection of South Asia with Central Asia in order to increase the ratio of export by way of natural resources towards South Asian States. Gwadar port can easily fulfil requirement of trade at international level. The other two ports of Pakistan like Qasim as well as Karachi cannot easily encounter the high demand of import as well as export but Gwadar will easily accommodate the role of import and export.

Gwadar on the Global Chessboard written by Nadir Mir pointed out significance of Gwadar port as energy transfer among Countries. He focused on sharing of oil as well gas from Gulf region and Central Asian States towards Asian Countries. Gwadar port will be helpful in order to transfer oil from Saudi and Gulf region towards China in the form of

⁶ Nadir Mir, *GeoPolitik Pakistan Pakistan's Weltanschauung* (Lahore: Punjab Press, 2013), 191-194

pipeline and Ship like all production from Saudi transferred towards Makran and through Gwadar it would further proceed to Xinjiang region by road system or railway or in the form of pipeline. Nadir Mir also discussed the role of Iran economy and her progress related to Gwadar port. The writer also analysed mega project of TAPI and IPI and their importance as well as benefits for Pakistan. In the reference of these projects thermal power plant and oil refineries are established in Pakistan. These projects connect towards Nawabshah in Pakistan. The project IPI consist of 2775km long pipeline but India left this project after some times. Now the length of pipeline is 2100 km.

Andrew small in his book *China Pakistan Axis* explained about economic growth after Karakoram Highway expansion and mega project of China Pakistan related to Gwadar port. In the beginning of book the writer focused about Gwadar background. In 1958 Pakistan government purchased this Gwadar from the country Oman. Gwadar position didn't improve till 2001. China started work for the development of Gwadar port in 2001 under Gwadar port development agreement. FWO connected Makran coastal with Karachi. The work on the first phase of Gwadar was completed in 2006. Makran Coastal highway that connects with Karachi provides short benefits. According to current circumstance Gwadar port expansion and its connection with other cities of Pakistan was required and after Thar PSA started work on Gwadar port in order to complete this task as easily as possible. Around \$ 600 million coast was estimated for Phase-2 project. The Objective of Phase-2 project is upgrade Gwadar for commercial purpose. The writer also added analysis about delay of work on Gwadar port. Some sector of government as well as PSA put allegation on Pakistan Navy that's Navy was not willing to give 584 acres areas for proper development but some government sector blamed PSA about its failure efforts. In 2013 Chinese company of oversea port was responsible for the development of Gwadar port. Then writer pointed out hurdles and difficulties faced by Chinese and Pakistan government like Baloch nationalist party spread insurgency in the province. Although they have killed 3 Chinese workers, Pakistan Navy and Chinese Navy also played a vital role in maintaining law and order in Balochistan.

The great game and Security Challenges for Pakistan is written by Shaukat Iqbal. In this book, the writer pointed out different security problems for Gwadar port developmental projects. In Asia, Balochistan strategic location is quiet important as geographical way. All the super power of world also attracted towards Balochistan after Gwadar port development projects. United States intention towards Gwadar port development port is very different like on one side US fully encouraged IPI project and other side US want to create hurdles for Chinese in order to approach towards Indian Ocean. US aim is to create hurdle for China in order to promote Gwadar port project. The writer also included the analysis related to role of

India in the Province of Balochistan. India disturbs law and order situation as Indian government knows very well that after the development of Gwadar port, China as well as Pakistan will be in charge of world significant energy pipeline. India also makes plans and creates hurdles for Pakistan and Central Asia States.

Pakistan Institute for peace studies published a journal *Balochistan: Conflict and players* which also focused on significance of Gwadar in the continent of Asia. The location of Gwadar port is on Arabian Sea. Gwadar port is near to Persian Gulf as well as only 72 km far from the border of Iran. The writers describe that how Gwadar port identified in 1964. Pakistan government properly started work on Gwadar port in 1993. It was recognized as gateway for Central Asian States. Pakistan government decided to set up Training Centre for fisheries, Colony for fisherman as well as collage related to Marine at Gwadar. Apart from that, Pakistan government's objective to build strong network of communication like Makran Coastal highway of 700 km connects different areas like Karachi connects to Pasni, Ormara and Gwadar and this road network move to border of Iran. Some railway projects also in the way of progress in the way. The writer also highlight some other projects at Gwadar port like establishment of airport and estimated cost for this project is around is US\$ 200-250. The project of gas pipeline will also link to Gwadar port. From Gwadar port Supply of short route link Central Asia to South Asia. Government of Pakistan has set up military Shelter in order to maintain Security.

RESEARCH METHODOLOGY

The descriptive research and Historical research has been adopted. Historical research points out volume of trade, investment, profits and to determine the achievement of Gwadar port from Phase-I and phase-II. Descriptive research focused to signify economic importance of Gwadar port for China, Middle East, CARs and Afghanistan. The study is mostly based on secondary sources like written document book, articles, journal and some other published materials.

CHAPTER: 1

Brief History of Gwadar:

Gwadar is very important economic coastal area of Pakistan. Gwadar is located in the province of Balochistan. It is located on south west coast. There is very less distance between Iran border and Gwadar. Gwadar is located only 400 km away from Strait of Hormuz. Gulf States and Saudi Arabia is the southern western oil producing region on the other side Iran is the North Western region of Gulf. Gwadar port provides transshipment and pipeline route to eastwards. Saudi Arabia and China have moved forward in oil player If Saudi and Gulf States supplied oil to China the best way is to be shipped from Gwadar. In this process the Saudi oil could be piped, tracked or sent by railway through the length of Gwadar to China Xinjiang region and beyond into South Eastern China. Iran gas and oil from Caspian region supplied through Iran could easily pipe to Pakistan's coastal center. The Bandar Abbas, Chahbahar, Gwadar and Pasni should economically link to each other. Gwadar will become center if Iran exports energy to east. The Principal mean of transport from South is shipping and pipelined and from north railway track will be utilized. Central Asia is a vast land of mass. Its export resources are in many directions. Its major players are Russia, USA and China. The basic problem for central Asia is that China located in east and in west is Russia but the natural ports it can transfer are in South so for this purpose Central Asian states used the route of Gwadar in order to supply its export.

The South-western part of Pakistan has an area of Balochistan; it is rich in discovery of uranium, gold and copper. Balochistan is attracted by international player due to having its unique geography. Balochistan has over 800 miles of coastline. Makran is a town of Gwadar having a population of 125,000 now consider as a junction of marketing, shipping and commercial after the Gwadar port project. Gwadar port construction was started on March 22, 2002. The company Chinese Harbour Engineering started construction of Gwadar port. Pakistan paid 50 million US dollar on the other hand China contributed 198 million US dollar. The Gwadar port two phase programs were headed by TZHESC. The estimated cost of project was \$16 billion.

Background:

In the local language the word "Gwadar" means The Gate of air. In 1954, Condrick was appointed as a deputy by United States in order to survey the Balochistan coast. After his visit he recommended to take step for improvement of Gwadar. Oman having control of 200 years on Gwadar port but in September 1958, Pakistan bought the enclave and paid 3 million to

Oman. In 1964, Pakistan identified Gwadar as a major port. In 1993, Pakistan had taken first initiative step for the improvement of Gwadar port. On 22 March 2002 the work on port project was started and completed in December 2005. In the Phase-I project Makran coastal highway which consisted the length of 700 km was constructed. Makran coastal highway connects the city Karachi with ports of Ormara, Pasni, Gwadar and it will be connected towards Iranian borders. Now this highway reduced the travel time from 48 hours and become 7 hours. In phase-I some other upgraded projects are included the construction of Gwadar-Quetta-Chaman road and it's also link towards Khuzdar town which is located in eastern side of Balochistan. A part from that Government of Pakistan also planned to establish Quetta-Kandahar (Afghanistan) and Havelian-Kashgar (China) track of railway network and its expected cost is around \$1.25 billion.⁷

During 1988-1992 Gwadar port was developed around 1,623 million costs including foreign exchange of Belgian francs of 1,429 million. Another project was started by Karachi port for the Gwadar port construction around the coast of \$200 million and the work was completed within 2 years. During 1993-1994 in Pakistan 8th five years plan and construction of port considered important objective of plan. In 1997 Prime Minister Nawaz Sharif pointed out Gwadar as significance area of development but the project work did not start due to US economic sanctions. General Parvez Musharraf visited to Beijing in 2001. During his visit he met With Prime Minister of China Zhu Rongji. They latter agreed to provide assistance in this project. Chinese Engineers prepared master plan in October 2001 but due to the US air strikes on Afghanistan after 9/11 attack in the US, the project became more delayed. The US used the area around the Gwadar as logistics corridor into Afghanistan. Finally on 22nd March 2002, the work on the project was started from the assistance of Chinese Company and was completed till March 2005.⁸

China Pakistan Economic corridor CPEC consists of different projects but Gwadar development is the main and significant project of CPEC. Gwadar development project consist of building of roads network, connect Gwadar with rest of Pakistan like from Turbat road (188 km) and coastal highway of Karachi 650 km connect towards Gwadar port. That road network connects Pakistan with China through Indus Highway. The Central Asian

⁷ Gwadar port: history-making milestones, <http://www.opfblog.com/1743/gwadar-port%E2%80%98history-making-milestone> (accessed January 7, 2017)

⁸ Gwadar port, Google Earth Explore, <http://explore.altopix.com/map/1ahjib/403/210/Gwadar-port.htm> (accessed December 12, 2016)

States like Kazakhstan, Kyrgyzstan, and Uzbekistan connect Xinjiang through cost of Arabian Sea. Different projects of Gwadar port has been initiated by the Government of Pakistan with the technical assistance as well as financial cooperation of China. The basic aim of project is to enhance the cargo capacity and volume in Gwadar port from land locked states. After the development of Gwadar port, it has started allowing natural gas supply .Under TAPI natural gas pipeline project, Gwadar will provide facilities of entry of oil and Gas to China western region.

The project of East West Railways was started from Chinese border city Kashgar to Peshawar. This network of railway also gives the advantage achieved by China and Pakistan in prospective of Gwadar port. The Internal railway network also provides route to China to access Iran. The government of Pakistan declared Gwadar port as a “Special Economic Zone” in 2003-2004 budgets. Oman has provided \$ 100 million aid in order to develop Social and other infrastructure facilities in Balochistan. Out of \$100 million , Oman has offered \$7 million for the purpose to extend runway at Gwadar Airport, up gradation of Hospital and development of Power house. Oman also provides finance for construction of Gwadar Hoshab road, Construction of Irrigation dam and some other supply water scheme. It was also decided to establish Rice Exporters Association of Pakistan (REAP).⁹

The Port Phase-I

Every country in the surrounding region had to be part of developing Gwadar port like Oman, United Arab Emirates, Singapore, Qatar and China. This project play potentially role in economic progress among countries. Firstly, Prime Minister Zulfiqar Ali Bhutto discussed with United States about the future of Gwadar port but United States did not show interest on that time. The plan to formalize Gwadar port was started in the year 1993 but properly construction began in the year 2002. In 2002 president Musharraf had taken initiative for the development of Gwadar port.¹⁰

China Harbour Engineering Company has been entrusted with the task of dredging at a cost of US\$ 39.8 Million. The three berths construction with 12.5 meters approachable channel included in Phase-I. To load or unload the general cargo these berths will be used. These loads normally comes from these countries like Europe, west China and America

⁹ Muhammad Amir Saleem, “Gwadar port: History making milestone” Dawn, 14 (April 2008):<https://www.dawn.com/news/297994/gwadar-port-history-making-milestones>(accessed March 9, 2017)

¹⁰Yousaf Farooq, “Gwadar port: Chinese acquisition, India Cocerns and its Future Prospects”, Spotlight South Asia 10 (October 2013):24-26.

Continents. The 50,000 Dead weight Tonnage (DWT) will easily handle by the 602 meters long jetty. The 270,000 tonnes and 450,000 tons of bulk cargo, three multipurpose berths are handled by cargo of bulk.

Under Gwadar port project Phase-I construction responsibility was done by government sector of Pakistan, with the help of China, different tasks like (602 m quay long), 12.5 m of channel, proper set up of road, different craft and equipment related to shore etc will be established. The project of Phase-I was completed in 2007. The Phase-I project cost was estimated US\$ 300 million. From 2002 till 2007 major development work was taken. The 653 km Makran coastal road was completed by National highway of Pakistan. The N-10 connect Gwadar city with Karachi passing through coastal city of Pasni and Ormara under NHA project. A part from that Gwadar also linked with the region of Sindh through M8 section of Motorway. The Asian development bank has given US\$ 500 million to Pakistan in order to improve road network. After GDA was set up in order to promote the development as well as industrial plan in city, China contributed 80% assistance for the completion of project.¹¹ Some development work on Gwadar port was completed on March 1, 2007. The first Canadian vessel arrived at new developed deep sea port. The Vessel is having 60,000 tons of wheat. Currently the government is trying to advance the port of Gwadar and to accommodate the port till 500,000 TEU. In next year's, Pakistan's government will try to enhance the level of TEU around 700,000.¹²

Phase-II and other Initiatives

The Phase II included different developmental programmes which firstly focus on establishment of ten berths along the approachable channel of five kilometres that easily handle 200,000 DWT oil tankers and 100,000 DWT dry bulks. The three container Terminals are having length of 20.0 meters and one terminal having length of 688 meter, one bulk cargo terminal having approachable channel of 160/20.0 deep as well as with different kind of equipment are the parts of project. The Government of Pakistan also decided to set up Export processing Zone at Gwadar . The purpose to establish Export processing zone (EPZ) is to assemble plants and

¹¹ John Garver, **The China-India-US Triangle, strategic Relations in the post cold war Era** (New York: National Bureau of Asian Research, 2002), 43-49.

¹² Inayat Kaleem, ‘**Pakistan Gwadar port-prospects of economic revival and inter-regional prosperity**’, SASSI Research Report 24(April 2009):20-22.

other equipments for Industries. The Balochistan provincial government announced to establish a sport complex and hospital with the cost of US \$150,000.

It is expected that Gwadar will serve as Mother port with reference to strategic location started from the opposite side of Hormuz strait and other side open towards Persian Gulf. Gwadar port also enhance facilitate of Industrial equipment, transshipment as well as warehousing to more than 20 states among Persian Gulf, CARs, Africa and China and cost was estimated around US\$865 million and some other completion. Gwadar is considered as one of the busiest ports of Pakistan. For setting up industries a Special Industrial Development Zone (SIDZ) established on the north side of Gwadar port comprising an area of over four thousand hectares. The Special Industrial Development Zone (SIDZ) consist of different industries that is only 30 km away from port, due to shorter distance the port will easily access to Industries. The Pakistan Federal Government was to established desalination plant around the cost of US\$12 million in Balochistan. The main purpose of this project is to clean water in order to fulfil 15 years demand of water for the area of industries. Before this project it was quiet difficult to acquired filter water on that time. Desalination plant and water recycling fulfil water requirements. In the project of Gwadar Industrial Estate include 30,000 workers were appointed and two thousands industrial units came forward. The production will also helpful in export and beneficial for Country economy. The project has a main objective to develop Gwadar while employing majority of the person from Baloch community. Another main objective was the construction of motorway from Balochistan to the port area due to which Industrial Installations get a lot of support and get many benefits related to oil as well as gas. The government of Pakistan also decided to promote railway project while connecting province Balochistan as well as Afghanistan. Under this project Kashghar connect with Havelian and Kandahar around the cost of US\$ 1.5 billion. UAE decided to establish Khalifa oil refinery at Gwadar which produce barrels of 300,000 per day. For establishment of refinery Abu Dhabi did an agreement of US\$5 billion.¹³

After operation of phase-1, the government decided to start Phase-II. The port project is based on assembled work like to be built on BOOT and BOW. The project consists set up of four terminal of container, 2 terminal of oil, nine berths, one general cargo, one grain terminal and bulk cargo, Roll on Roll off and other facilities. After phase-II work was completed Gwadar having more capacity and easily carry vessels of oil around 200,00 DWT.

¹³Emilion Kavalski, **China and the Global politics of Regionalization** (England: Ashgate Publishing Limited, 2009),33-40.

Gwadar is located on the Arabian Sea. It is also considered as a fishing village. The border of Balochistan connected with the Country Iran and Afghanistan. Gwadar port only 320 km away to Cape al Hadd in Oman, 72 kilometres far to Iran border. Gwadar also 400 km away than Hormuz strait from this point 40% world tanker of oil passes. Moreover Gwadar is also near to Persian Gulf. It is near Oman Gulf where Persian Gulf entrance is very near. After the development of Gwadar port Phase-II, it will helpful to increase foreign exchange because foreign Countries suppose to register their vessels for this purpose they will pay to Pakistan. Right now percentage of present tariff foreign exchange is 33% pay to authority of port. In the North of Gwadar an oil storage Yard was proposed to set up near the East bay cover 1,000 hectares. In the beginning, tank will be established after those refineries will set up.

Gwadar deep Sea port Construction Plan

Phase-I (Budget \$ 250 Million)	
Beijing and Islamabad signed agreement regarding Gwadar port. In 2002 construction work was properly started and in 2005 project was completed.	
Man Power	
Chinese workers (450)	Pakistani Workers (512)
Main features	
<ul style="list-style-type: none">• 3 berths of 602m length.• Channel dredged is 4.5km long.• After construction the port can handle 25,000 DWT container and 50,000 DWT bulk carriers.	
Implemented by	
China Harbour Engineering company Ltd of CCCC	

Source: <http://www.skyscrapercity.com/showthread.php>

Phase-II (Budget \$865 Million)
Phase-II agreement was signed with concessional holding company (CHC) which is working under supervision of Singapore authority.
Facilities
<p>Four Container berths</p> <p>Bulk cargo carries 100,000 DWT ships.</p> <p>One Ro-Ro terminal</p> <p>2 oil terminals handle 200,000 DWT ships.</p> <p>One grain terminal</p>
Main features
<p>Private warehouses</p> <p>Large storage of oil refinery</p> <p>Development area is 18,600 hectares</p> <p>Industries related to Marine like Ship yards and repair yard</p>

Source: <http://www.skyscrapercity.com/showthread.php>

TAPI and IPI

A Gas Pipeline agreement was signed by four nations like Pakistan, Turkmenistan, Afghanistan and India at the cost of \$7 billion. Gas pipeline project was signed on April 26, 2008 in Islamabad. This “Inter-government agreement”(IGA) was signed by Afghan president Hamid Karzai , President Asif Zaradi, President of Turkmenistan and Indian Petroleum Minister. The length of Afghanistan-Pakistan- Turkmenistan-India gas pipeline is considered 1,680 kilometres and supply of natural gas is around 3.2 billion cubic feet.

From Dauletabad an ancient route of gas field in Turkmenistan is started and then moved towards Afghanistan areas like Helmand, Kandahar and Heart than enter in Pakistan at area of Quetta and Multan and finally enter in India side of Fazilka. The TAPI gas pipeline project sponsored with the help of ADP. From the Caspian Sea the natural gas moves from Turkmenistan than enter into Afghanistan and after that move towards Pakistan than India. After Inauguration of this memorandum, an agreement was signed by government of Turkmenistan and Pakistan in March 1995.

The TAPI is 1,680 kilometre long. This pipeline will start from gas field of Dauletabad in Turkmenistan and move towards Afghanistan. TAPI supposed to build with highway. The route along with highway will begin around area of Kandahar towards Quetta than move towards Multan in Pakistan and its end at area of Fazilka in India. The pipeline will easily supply gas and pressure of working is 100 atmospheres and having storage of 33 billion cm natural gas in one year. The TAPI project facilitate Afghanistan 30 million cubic meters and after sometime it will be enhance to 90 million cubic meters.¹⁴

In the World, Turkmenistan is having fourth largest natural gas reserves. Turkmenistan country is located very far from Indian Ocean. In order to provide its gas to the national market, Turkmenistan relies on pipelines. Turkmenistan export its natural gas and provide a hub of pipeline easily to different Countries like North to Russia, from South side to different Countries like Pakistan, east to China and from the west side towards Europe through the Caspian Sea. The project of TAPI provides benefits to all four participating Countries. It will generate revenue from the way of export in Turkmenistan. It will be source of revenue development and gas for Afghanistan Industrial enterprise and for developing countries like

¹⁴Gas pipeline project Turkmenistan-Afghanistan-Pakistan-India approved, <http://www.gasandoil.com/goc/news/ntc64919.htm>(accessed March 14, 2017).

Pakistan and India, it will overcome crises of energy. Although basic advantage of TAPI is to link gas to other countries through Pakistan port of Gwadar, from the point of Gwadar the shortest routes of gas pipeline project will be provided. The basic objective of TAPI is to connect Central Asian States with South Asia. As TAPI pipeline passes through more Insurgencies areas especially through Afghanistan and tribal areas of Pakistan so peace is essential in order to achieve the objectives of project.¹⁵



Source: Energy security partner, oil and gas journal.

¹⁵ John Foster, **Afghanistan, the TAPI Pipeline and Energy Geopolitics**, Journal of Energy Security, March 23, 2010.

IPI

Iran Pakistan India gas pipeline is known as peace pipeline. IPI project's purpose is the supply of natural gas to Pakistan and India from Iran. The project estimated cost \$7.5 billion started from South pass from gas field located in Gulf. IPI will fulfil the fast demand of energy in Pakistan. In the mid of 2015 Iran will supply 750million-1billion cubic feet of gas per day. The length of Pakistan to India pipeline carries 2775 km pipeline.¹⁶



Source: Canadian Centre for Policy Alternatives

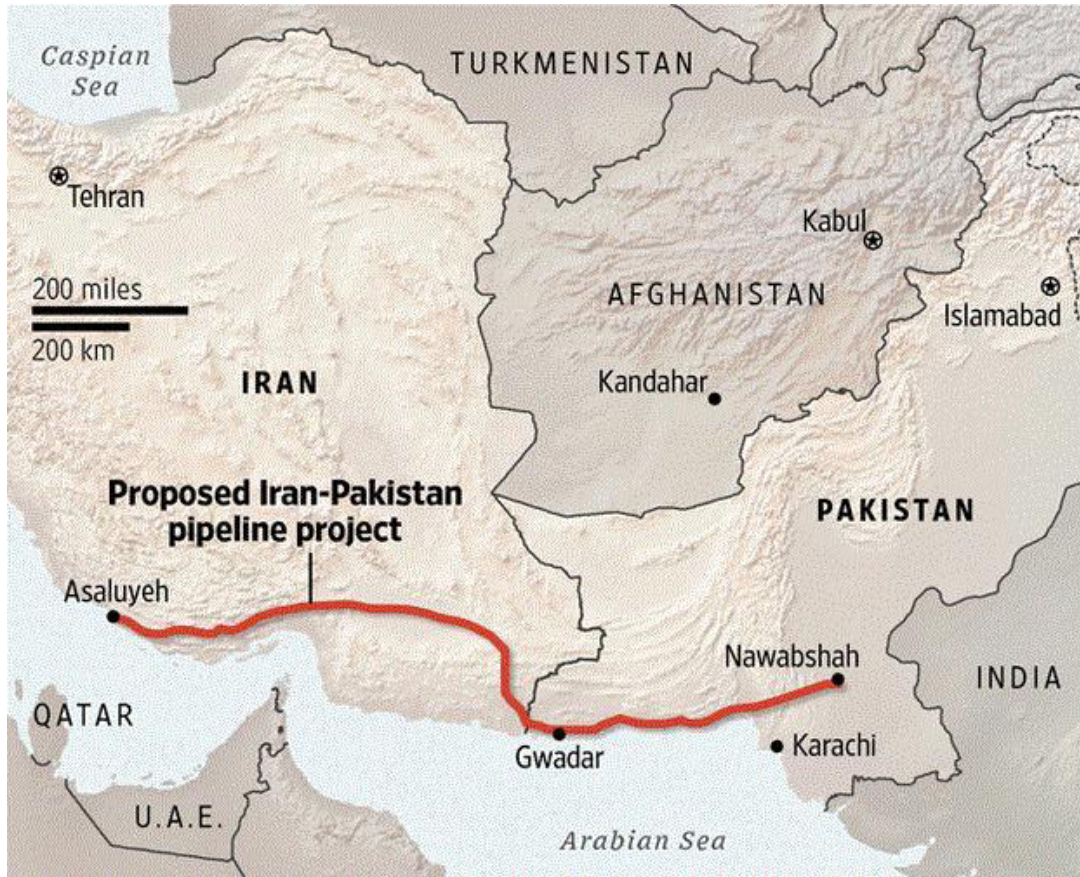
Gwadar- Nawabshah gas Pipeline under IPI Pipeline project

China and Pakistan signed a project pipeline of gas which will be 700 kilometres long around \$1.35 billion cost. It will be started from the point of Nawabsha. Inter-State Gas system on the side of Pakistan and China National Petroleum cooperation on the side of China signed that agreement.

The Gwadar pipeline agreement and LNG terminal was signed in April 19, 2016. But now Pakistan and China have agreed to extent it for one more year till April 19, 2017. Pakistan Minister of Petroleum has been striving hard to make the project part of China Pakistan Economic corridor (CPEC) but his attempt did not approve successful. For the construction of project, China company contributed 85% of finance and rest of 15% of finance will be given by

¹⁶A look at Gwadar deep sea port, Strategic and Economic Dimension, <http://www.strategypage.com/militaryforums/72-6970.aspx>(accessed January 12 ,2017)..

Pakistan government. Around 12-15 billion will be arranged by the government of Pakistan for the project.



Source: Sui Northern Gas pipeline Limited.

Now the China National Petroleum corporation (CNPC) will transfer the contract to EPCF. There is plan for installation LNG terminal is around 600 MMCFD at Gwadar. The cost of project is estimated \$250-300 million. The LNG terminal will set up by China pipeline Petroleum Bureau also having responsibility to establish 700 kilometre pipeline of Gwadar to Nawabshah. For both project LNG pipeline cost will be estimated \$1.6 billion and project having no taxes and duties. According to the agreement firstly 700 kilometre pipeline will be set up than other 12 kilometre will set up from Liquefied Natural Gas (LNG) terminal that will connect main pipe after that Pakistan will connect pipeline with two compressors Station. Firstly to connect as IP gas pipeline from Gwadar to Nawabshah after that its connection proceed towards Iran. After the establishment of this gas pipeline it will be attainable economy because this pipeline will easily supply gas of 500 from LNG and 750

mmcfcd on the spot of Iran. After sometime, Iran enhanced the export around 1 billion where natural gas of 250 mmcfcd was assigned to Gwadar. The long LNG pipeline of 12 kilometres will be established at Gwadar having the capacity of 500 mmcfcd and project base on BOOT, a Chinese company.¹⁷

Impact of trade and ports in building national economy

The development of Gwadar plan will consist of various projects. The Plan carried out by GDA In four phases Gwadar will connect with other ports and cities like Gwadar connect with port Ormara, port Pasni and Karachi port as well as with Turbat. In order to connect Karachi port with Gwadar a coastal highway of 675 km long will be set up and other highways consist length of Pasni to Gwadar 135 km and the length of Gwadar to Turbat and Ormara is 188 km. The length of 275 km long coastal highway of Gwadar was constructed in Phase-II. Some networks of road will be connected in Phase III and IV like port Pasni will link to Ormara in Phase 3 and Pasni will link towards Gupta at Iranian border around Gwadar in Phase IV and finally through Indus highway, this network will finally be connected to China. After completing this communication network it will not only provide facility to transfer different goods towards Middle East Countries and Persian Gulf from Central Asian States as well as China. From Gwadar port shortest route will be available to Countries for easy access to Central Asian States.

From Gwadar port shortest route will be available to different countries for easy access to Central Asia. In this way, enterprise will be promoted among China, Asia. The project to connect Gwadar with Saindak is almost done. Although the link of saindak with RCD highway N25 is already completed but to Central Asian States provide short way from Quetta Chaman route. In order to facilitate market goods to western China, Gwadar port provide 1500 km shortest route as compared to 3000 km route of Shanghi port of China.

Although Gwadar provides 1500 km shortest route of access, this significance enhances its economic worth but also becomes source of incredible development for other Countries because Gwadar provides trade connection to United Arab emirates Iran, Central Asia, Persian Gulf and Eastern Africa. The research by ADB about Gwadar proves that in the Asian continent Gwadar provides substitute route to manage heavy and large oil tankers and high

¹⁷Gwadar-Nawabshah LNG pipeline project approved <http://www.dawn.com/news/1287172>.

quality ships. In order to process the Gwadar in strategic and Economic perspective, the Pakistan government allocated specific budget in 8th five year plan. Makran coastal highway connected with three thesils like Gwadar, Kulanch and Jiwani. Jiwani link the border of Iran on west side. Ormara as well as Kulanch located on eastern side connected Lasbela and Karachi. The distance between Karachi and Gwadar remain only 715 km.¹⁸

Pak-China Cooperation

The Gwadar port project is another positive turning point of cooperation between Pakistan and China. In Beijing both countries signed different agreements to make Gwadar development on universal standard. The Mega project of Phase-I is organized by Chinese Harbour Engineering company and that project implementation is on peak. This mega project became an important landmark development in economic field. After the development of Gwadar as third Pakistan port, our Country will easily adjust the upcoming demands of future as well as provide benefits of Gwadar port to neighbouring Countries.

Gwadar is considered as an open gateway to Arabian Sea warm waters especially for central Asian States and China. Although there are many hurdles but Beijing still provide fund to this mega project. The Gwadar port has importance as largest and deep Sea port of the World. The first phase is completed now and three berths have become operational. The total expenditure of project estimated \$1.6 million and for the first phase Pakistan gave finance of \$50 million. In order to build coastal highway from Gwadar to Karachi, China gave financial assistance of \$ 200 million. Around \$865 million amount was fixed for second phase that consist on establishment of nine terminals as well as berths. There is another project to link Central Asia with west China through the route of road. Beside this Balochistan from the town of Chaman will be connected with Afghanistan from Qandahar. In addition Gwadar having fortified military post and unit of air defense as well as international air port will also be established at Gwadar and will be carrying bus services as well.¹⁹

Inauguration

On March 15, 2008 Gwadar port Started to handle its cargo and the ship carrying 60,000 tonnes wheat first time sailed out from the port of Gwadar and wheat import from Canada

¹⁸Owais Mughal, Gwadar port: A Great Development project or a Great Game, [http://Pakistaniat.com/gwadar-port-a-great-development-project-or-a-great game](http://Pakistaniat.com/gwadar-port-a-great-development-project-or-a-great-game) (accessed January 18, 2017).

¹⁹Tarique Niazi, “Gwadar: China’s *Naval outpost on the Indian Ocean*,” Asian Research, July 16, 2008.

local company chartered vessel of Panama class. On 21 December Pakistan Minister of Shipping and ports officially inaugurated the port. The basic aim of project to develop Gwadar port and to have the facilities of truck yards, private owned ware houses , different equipment to handle cargo and infrastructure. Gwadar is a gate to China, Afghanistan and landlocked states in central Asia. The oil and gas emerging centre which is located at Caspian can easily get short route to supply their product. Gwadar facilitates two options in order to promote market that are north and south, east and west. From the Gwadar port direct approach is possible to access central Asian States and due to this direct approach to Russia, Korea, Europe and Japan will become possible.

Gwadar will become the mother port of the region after being developed for multipurpose that is why Gwadar can easily adjust the post panama categories. The dredging was done up to 14.5 meters. In Phase-II more emphasize was given for deepening channel. The government also implemented Allied harbour facilities on Gwadar. Gwadar development project is a platform to increase number of jobs in Balochistan and become source to abolish unemployment. The plan was started by Singapore Authority to further develop the Gwadar port. This authority further assigned Pakistan Indus associated, artur D Little (ADL) from Malaysia and Lyon Associates from USA and private sector to enhance the source in cargo handling and development of terminal. The Gwadar will become economically important part of Pakistan.²⁰

Economic Development Prospective

Gwadar port project plays significant role for the revival of economy in Pakistan. For construction of road Asian development Bank gave financial assistance of US\$ 500 million. Along road network there is plan to build railway network as well. After completion of both phase as compare to other ports, Gwadar port will be more beneficial from Central Asian States, western province of China as well as South west Asia. There are some public sector development projects (PSDP). CPEC proposed three routes related to Gwadar Western route, Eastern route and the Central route. The western route will cover 2674 km long distance, Central route consists of roads project which enter from Gwadar via cities of Muzaffargarh, Rajanpur, Basima, Sukkur, Layyah and Khuzdar will terminate in Dera Ismail Khan. Eastern route will be developed under National Highway Authority (NHA). Its main purpose is to overcome the traffic burden to the corridor.

²⁰Gwadar port Master plan Implications For Energy sector Development. www.ssgc.com.pk/gssgc/press/gwadar.pdf. (accessed February 12, 2017).

Gwadar will enhance the revenue of national economy. The development of port also overcomes the challenges of security. Beside economic benefits the port also promotes bilateral relation among the regional countries. When Gwadar port become operational able, Afghanistan gets direct benefits from gas and oil pipeline project. Pakistan needs to keep Afghanistan engaged with these facilities in order to smoothly run port economic activities with this objective to bring stability of peace and development in the region is possible. Gwadar is situated at junction of different natural sources and larger consumer market of Asia like Middle East and Central Asia States along more than half of population. The demand of natural resources increase to unprecedented ratio and only shipping terminal required to fulfil this demand.

Gwadar port easily handles the share of natural resources and cargo. In future joint ventures will be developed to enhance cooperation in the economic field related to sea industry in order to further promote food industry like fishing, exploration of minerals, oil and gas. The exploration of east-west trade corridor and the new expansion is coming from South from China that breaks all isolation in Asia. This new Gwadar deep sea port on Baluchistan and construction of highway connects Gwadar port to Afghanistan and the distance between Pakistan and Central Asia decrease to 500 km.

The travel distance of trade between South and Central Asia by the way of Afghanistan will charge cost around US \$ 6 million or less than it. The province Baluchistan is very significant regarding metallic resources and hydro carbon minerals. Although Baluchistan reserves oil of 6 billion barrels and having natural gas of 29 trillion cubic feet ²¹. It is estimated that Pakistan's overall trade with SCO members is below potential. There is another organization Economic cooperation organization ECO Iran and CARS are also member of this organization and due to both countries contribution the development in the field of economic is fast in the region.

Central Asian States and Pakistan are significant for one another because both countries rely on each other in order to access and transform natural energy resources to the outside of World through Gwadar, Karachi and Qasim port. The Province of Baluchistan is also source of attraction due to deep water port as well Makran coastal. In the Past Tsarist Empire and USSR are inspired from Baluchistan due to many reasons like on 27 December 1979 Soviet

²¹Tarique Niazi, "The Ecology of Strategic interests: China's Quest for Energy security from the Indian Ocean and the South China sea to the Caspian sea Basin", *The China and Eurasia Forum Quarterly* 4, No.4(November 2006): 10

union invaded on Afghanistan because of warm water and easily access to Makran coastal highway. Gwadar also become the gateway to Xinjiang in China located 4,500 kilometre from east coast of China but from Gwadar it is 2,500 kilometre far.²²

Challenges

Gwadar port project will become competitive and comprehensive project if an effective direction is followed. In the World wide the project faced many challenges because Gwadar port is competing with the developed port of the region. Pakistan Foreign policy primary objective is to enhance strong and beneficial ties with all major power, especially with neighbouring countries in the region. But hurdles appeared in the way of success by the negative cooperation of Afghanistan that lies between Pakistan and central Asian states.

Gwadar port project faces many external as well as internal challenges while establishing this billion dollar different project. Internal challenges like there are some elements who show angry sentiments towards this project including Anti-State speech of Achakaizi and MQM speeches. The lack of political harmony with wide scale of disturbance and security challenges in Gilgit Baltistan and Baluchistan delay the project.

External challenges are mainly from US and India because both the countries are not showing positive response and good feedback. These Countries loudly express their negative feelings. This mega project faces many challenges at local, regional and international level. The menace of terrorism in the region show negative impact on this project especially in the area of Baluchistan, Khyber Pukhtunkhwa and Federal Administrative Tribal Area (FATA). Development and the security are the factor of one coin that is based on this project. Regional cooperation and development is basic features of all regional organization like ECO, SARRC, SCO, Great Regional power and many organizations are working to develop and advance infrastructure in order to bring peace in the region. After 9/11 incident US and many Allies like NATO attacked on Afghanistan Country. To stop this war of terrorism many neighbouring and regional Countries encouraged the efforts of USA. China focus to strengthening relation with CARs to fulfil energy demands. The domestic energy demand of CARs in the region focuses to find out transportation routes. CARs transportation route move towards Moscow. After USSR war and its disintegration the CARs countries focus to

²²Rizwan Zeb, "Pakistan and the Shanghai cooperation organization", *The China and Eurasia Forum Quarterly* 4, No.4(November 2006):57-58.

build route towards Turkey, South Asia and China. The high demands of energy will agree to sign following projects like TAPI and IPI because route from Northern side is not more suitable to promote trade.²³

²³Syed Fazal-e-Haider, Balochistan: why India feels concerned, <http://www.scribd.com/doc/23715846/Balochistan-why-India-Feels-concerned> (accessed January 22, 2017).

CHAPTER : 2





Source: <http://cpec.gov.pk/maps>

Strategic Significance of Gwadar Port

The Pakistan and Chinese Navy has properly started Naval cooperation in 1970. When the Vice Admiral Muzaffar Hassan paid visit to China. The visit proved very successful and gave positive impact on naval bilateral relationship. During 1971 civil war China transfer small Patrol craft to Pakistan in order to strength the Pakistan Navy. After the war it was recognized that Pakistani Navy's responsibilities were limited on water in Arabian Sea. So, Pakistan Navy orders large Patrol craft and submarine chaser from China. In 1980s Pakistan bought Missile, support ship and patrol craft from China due to its relatively availability and low price. In 1990 Pakistan Navy and Pakistan Liberation Army signed memorandum of defence cooperation for ten years. The Navy of Pakistan acquired Hela and Hegu class Submarine boats. In 1985 both countries began to explore technology of F-22 frigates. During this time period Pakistan had planned to provide training of operation related to submarine for two hundred personnel.

Maritime Strategist Alfred Mahan had pointed out about the importance of Indian Ocean by saying that Asia will be dominated because of Indian Ocean and in future the World destiny will be on the base of water.

Strategically Gwadar is overlooking the Gulf of Oman and the entrance to the Persian Gulf region. In Past there were several countries which had shown interest to upgrade the importance of Gwadar port. Chinese Success in development of maritime infrastructure in Myanmar supported the Pakistan to get assistance from Chinese Navy. The company for the development of Gwadar port which is Chinese Harbour and Engineering cooperation run the project of GDSP(Gwadar deep sea port) which had been floated on BOOT (build operate own and transfer) basis. In military strategic terms Pakistan and China developed Gwadar in order to monitor sea-lanes from Persian Gulf. The Makaran coast highway provides an excellent platform for launching missiles attack against enemy ships. A strategic directorate has been created at Pakistan Naval Headquarter along the highway that exercises direct command over the fixed and mobile missile technology included Hatf, Ghauri and Shaheen missiles placed on shore or aboard surface vessels and can be fixed from mobile launch. It is quite helpful that China would provide Pakistan the advanced missile carriage and also support to develop shore based firing techniques.²⁴

²⁴Lin Shanglin, "Pakistan-China Relation", *Pakistan Horizon* 54, no. 3, 6(July 2009) : 13.

In 1994 China imported large scale of oil from Persian Gulf with this China fulfilled 60 Percent of its energy requirement Chinese reliance on Gulf oil will continue for long time and this oil is usually transferred from Strait of Hormuz as well as on the side of Sea lanes of communication in Indian Ocean. The Chinese interest in Gwadar not only fulfils her energy requirement from Persian Gulf side but Chinese also gets chance to observe the Naval base US in the region of Persian Gulf and also observe activities of Indian Navy in Arabian Sea. Chinese people have developed technology around Myanmar in Bay of Bengal where they easily check out the Indian maritime activities and missile technology in Orissa.

To operate the India Ocean China has been engaged to modify military infrastructure in Myanmar. The Myanmar development included radar and radio equipment's, Chinese origin fighter aircraft, Surface to surface to air missiles, rocket launchers and naval ships. Pakistan played significant role in Sino-Myanmar strategies. It is the fact that three countries got permission for a port call but Pakistan was the only country who made Frigate, Submarine and fleet tanker port all to Myanmar. New Delhi would be worried of this that China and Pakistan have made strong military inventory in Myanmar's.

The Chinese Navy started joint Navy security exercised with Pakistan Navy. This the first China Navy exercises with any foreign country. Pakistan considered it milestone and the long standing bilateral cooperation in sector of defence. .In this exercise Pakistan Navy destroyer Babur and China Naval tanker for practice. This Pakistan Naval destroyer was also the part of International Langkawi Maritime Air Show. In this exercise around 1600 personnel were trained for both countries. The training was regarding combine patrolling, find out the suspected vessel and techniques of safety. The Pakistan Navy commodore and Chinese Admiral expressed their views that exercise played key role to improve professional skills and observing one another philosophy of operating in order to enable its submarine and operate in Arabian Sea and Bay of Bengal the PLA Navy is keen to obtain Oceanographic data. Although Oceanographic data record too much slow as temperature of Sea and levels of salinity is different according to the seasons. The data can easily upgraded by the ships and submarine. During Indo-Pak war of 1962 the Indian navy got Naval threat from Pakistan and China as well as received alarming news from operational skills of both countries in Arabian Sea and Bay of Bengal.²⁵

²⁵ Imtiaz Bokhari, "The US, oil and Geopolitics of the Persian Gulf", *IPRI Journal* 4, No. 2(2004): 51.

The most significant factor of China and Pakistan relation is geography. Pakistan opens door of Window to Middle East and China. Islamabad is linked with China province Xingjing North western China by 552 mile two way road that's called Karakoram Highway (KKH). The route starts from Havelian near Islamabad then it leads to Chinese border across the Khunjerab pass. The KKH is connected to Pakistan through National Highway. It is also integrated with Indus highway which proceeds to the Karachi port. Apart from above mentioned connection it will be linked with Regional Cooperation Development (RCD) highway and some other truck route in Baluchistan. The Karakoram Highway passes from the Pamir Plateau, the apex and connected the points of the world three largest high mountain ranges like the Himalayas, the Hindu Kush and the Karakoram. It also closes to the Wakhan corridor. The KKH provide safe approach for Chinese to supply military arms to Pakistan so this is the mutual interest of China and Pakistan to keep Karakoram Highway open. Indeed, China would not like that Soviet Union move further South wards from Afghanistan or keep Baluchistan under its influence. Apart from that, China aims to keep away Pakistan under the India or any other foreign power. China would like to establish Baluchistan as a well-developed Province and for this purpose China Strengthening Pakistan Navy to guard its 700 miles along the Makran coast. The Navies of India, Indonesia and Australia are fairly strong in the Indian Ocean. In relatively China has small navy to safeguard its long coast but later it would be expected that China strong naval power in the region while achieve qualitative and quantitative balance with superpower. The India-Pakistan war of 1971 regained India's lost prestige of the 1962 war with China's border and Indo-Pakistan war of 1965. The breakup of Pakistan in 1971 and military neutralization of Sir Lanka, Maldives and Bangladesh are India major accomplishment. India tested its first nuclear device on 18 May 1974, later launched its first Satellite in the Space and in the beginning of 1988 India successfully fired MRBM with 2500 miles range. India's growing military strength and scientific base has been quite impressive in this third world country but for this growing strength India required raw material from Africa and Asia Pacific and needs oil from the middle East. A Mega project with China under CPEC related to Gwadar port and Makran coastal such as Pasni, Jiwani and Ormara fulfil the strategically requirement of three important regions such as Western China, South Asia and Middle East.²⁶

²⁶ Muhammad Alamgir, Strategic importance of Gwadar port for Pakistan, *International Relation* 16 (September 2016).

It is important for Pakistan to have strong base Navy on the Makran coast in order to protect and secure Exclusive Economic Zone (EEZ) and coastal line to play an important role in neutralizing centrifugal and centripetal force in Balochistan.²⁷

Balochistan province is considered very important due to its natural resources and strategic location. Balochistan province is a channel that connects regions in two ways. On the one side it connected East Asia, Central South and South east and on the other side Middle East, Central Asia and Persian Gulf. The Balochistan is interest of Local, regional and International powers. China and United States strategic, security plan and economic concerns of Iran , India and Afghanistan affected the conflict of Balochistan. A new great game on border of Afghanistan and US ambition for war against terrorism has given rise to the importance of Balochistan.

Balochistan and Afghanistan border is strategically important because US Allied force and NATO force play frontline role in the war on terror due to presence of terrorist networks. The Pak-Afghan border near Balochistan secures the supply route of NATO. Apart from that, US launched drone attack from Pasni and Dalbandin in Baluchistan. The US has some other interest in Balochistan as well. After the collapse of Soviet union the US considered Balochistan more important because Balochistan is near to Hormuz strait, Oman Gulf which are the two most important strategically point for US military base in the Persian Gulf. Apart from that, the proximity of Province with Iran, China and Afghanistan also divert attention of US towards Balochistan although Americans want to establish naval base through military and submarines.

Strait of Hormuz

Gwadar has potential to access Strait of Hormuz. China as well as Pakistan can easily point out activities against Sea Lanes of Communication. If Malacca Strait will be blocked from India side and united State, Gwadar will serve as an alternative route to access Sea lines of communication. Gwadar can also help both countries China and Pakistan to monitor the Indian naval exercise near to Central Asia, Aden Gulf, and Persian Gulf. Gwadar can easily link to Caspian Sea which is the energy rich lake and is significant region because of its geographically position and centre piece in the International Area. A quarter of the world and most portion of China oil transfers from the way of Malacca Strait which is a continuous challenge in front of US navy. Strait of Malacca connects China with global trade at a distance

²⁷Syed Iqbal Ahmad, **Balochistan its strategic importance** (Karachi: Royal Book press, 1992), 269-273.

of 12,000 km sea route. Then in order to transport there goods to Xinjiang region, China further cover the distance of 3,500 km. CPEC reduce China distance from the route of Indian Ocean to 3,000 km across Pakistan territory through Gwadar port. Gwadar has the capacity of 200,000 tonne tanker that is unmatched opportunity for boosting economy.²⁸

India is Concern over CPEC

The ambition of India is to turn Indian Ocean into the Indian's Ocean so, India perceived great threat by Pakistan and China cooperation in the form of CPEC. China not only will be able to station its vessel at Gwadar port but will also secure for permanent place in Arabian Sea on the other side China Strengthening security in Pakistan seawards shores. The development of port in Gwadar also gives a threat to India because Pakistan established naval defence in Balochistan to safeguard 1,000 kilometre coastline. After flag ship naval port in Karachi the second base at Ormara was established to safeguard the defence of Pakistan Navy which is called Jinnah Naval Base. The Balochistan Naval importance is prominent by Jinnah Naval base which was recognized by regional power Soviet Union and India.

Some politicians analyze that India provide strong support to Baloch separatists in order to destabilize the Gwadar deep sea port project due to which it does not take off as Iranian Chabahar port through Zaranj Delaram Highway. Pakistan does not have any boundary conflict with Iran. Iran has almost one million Baloch populations. After the announcement of CPEC India has reclaimed to integrate Gilgit Baltistan into Indian occupied territory. India tries to present new map to the world while showing Pak-China land connection through Gilgit Baltistan as Indian Territory. Under CPEC many energy projects are installing at Thar a huge reservoir of coal in southern Pakistan So India also try to make vulnerable this area by falsely included the important area of Pakistan under Indian territory. India tries to put Pakistan insecure while endangering the CPEC project.²⁹

India policy towards Afghanistan

India reciprocated strongly and started a plan to utilize all resources in order to minimize the importance of Gwadar. Firstly India focused to develop the Chabahar ports that are located in Iran. In 2003 Chabahar port developed project was signed by Iran and India but on that time International sanction on Iran did not allow the plan to move toward progress. As

²⁸ Sabina Khan, Significance of CPEC, *The Express Tribune* 4(September 2016) : 14-15.

²⁹ Ibid, 16.

soon as this Sanction over India insisted Iran to carry on 2003 agreement of building Chabahar port. For India it is very important to develop Chabahar port because these steps provide an opportunity to India to promote good trade relations with Afghanistan.

China's President visited Pakistan and signed agreement of CPEC and Gwadar port project as a part of string of pearls, these two are signs of great threat for India that's why India anxiously want to promote good relation with Afghanistan in order to promote instability in Pakistan and provide danger to CPEC project. Pakistan paid heavily to build route to join Afghanistan. If route of Pakistan to Afghanistan will open then Afghanistan easily become the closer ally of Pakistan and that is quite unacceptable for India. India want to play pivotal role while use the Country Afghanistan as an envoy to destroy the positive struggle of Pakistan. But overall pattern in Foreign policy is not same right now. India wants to take control on South Asia region. Pakistan is a country which always shakes the ego of India and balances the power. Fortunately, Pakistan breaks all wishes of India.

A New Report has come forward that under the Raw and chief supervision, a special set up has been established and its purpose is to demolish CPEC project. India reserved \$35 million in order to disintegrate CPEC project so this is crystal clear that India tried its best to destroy Silk Road construction.³⁰

India Plans to develop Chabahar port

Chabahar port's present development is not very useful for Central Asia States and Kabul that's why Gwadar development project instantly got the attention of these Countries. India, Iran and Afghanistan signed a trilateral agreement for transport and transit corridors for strategically located port in Iran. On 19 January 2017, India and Japan signed an agreement to develop Chabahar port. India is looking to construct two terminals at Chabahar port. The Current presidents Afghanistan Ashraf Ghani now focus on his primary objective that's to abolish terrorism and maintain peace in Afghanistan. Pakistan's support is very essential to implement this objective and overcome Taliban's violence.

It's quite clear that India depicts several games to destabilizing Pakistan in Khyber Pukhtunkhwa and Balochistan. Several Reports have justified the RAW interest in all these

³⁰ Shirin Naseer, Altering Afghan-Pakistan trade Relations, Spearhead Research 27(March 2017) :14-19.

matters. Defence Minister Khawaja Asif said that India's passport has been found from Baloch Insurgents.³¹

Some reports justified that from where the terrorist get power of weapon. In United Kingdom from Gloucestershire University, a professor Dr. Iqtidar Cheema said about the role of RAW in terrorism of Pakistan. He further said that some militants were arrested who belonged to Tehrik-i-Taliban group, they declared that they got support from RAW for suicide attacks. For this purpose RAW funding 680 million rupees. The American Scientist of federation published report that RAW agents around 35000 spread in four provinces of Pakistan.³²

China plans to develop Gwadar port

Beijing has deep interest in the Gwadar port because it gives a lot of benefits to Pakistan, on one side China easily access to warm water on the other side China get short route towards Persian as well as Iran for the purpose of oil. Baloch nationalist party did criticize on government for giving this mega project supervision under Singapore Authority of port. Due to US airbase and military outposts China attention stem in Balochistan. The presence of US in Balochistan province directly clashes the Chinese interest pursued through the development and construction of Gwadar port. The Chinese already established its place in Myanmar which is eastern part of India Ocean while Gwadar will increase prominent presence in Indian Ocean due to which China achieved strategic importance in prospective of American's war in Afghanistan. Apart from Gwadar the Chinese have been investing in various other significant projects in Balochistan like the Saindak project, the coastal highway of Gwadar to Karachi, gas exploration and railway link from Dalbandin via Panjgur to the Gwadar port.

Unfortunately Pakistan inherited border dispute on its eastern and western sides. Due to these disputes insurgencies and separatist movement arisen on the border. Balochistan shares border with Afghanistan around 2250 kilometre and on the other side with Iran 900 kilometres. The Pak-Afghan border in Balochistan gives a shortest way through Chaman and from the mid of Kabul and Karachi towards fuel supply and NATO forces but a Balochistan

³¹ Sachin Parashari, India focused on Chabahar as Japan reiterates commitment to port project, *The Times of India*, January 19, 2017.

³² Iqtidar Karamat Cheema, RAW intervention in Pakistan, *Oxford University press* 21(April 2016) ; 17-19.

party that's Nationalist Pakhtun Party is a strong reason to create insurgency on the Pak-Afghan border. A part from that there is cross border movement of Taliban on daily basis.³³

China and Pakistan have enjoyed military and diplomatic relationship. The main reason for their strong relationship is primarily to encounter the India and US influence in the region. Their ongoing strategic and Economic projects give guarantee to promote peace and stability in South Asia. China has always presented reliable partner for Pakistan. When Pakistan was faced different sanction on west side on that time China was a main junction of hardware manufacture related to military arms and gave fully assistance to Pakistan in this field and China promotes their military exchange programme. The government of Pakistan and China highly appreciated security consultations Mechanism (SCM). Both the countries share the same approach on the current issues of terrorism and separatism. For this purpose they started anti-terrorism military exercises like technology and equipment sharing, joint training and regular exchange between military academics. In 2003 two naval forces jointly conducted their first exercise in the month of November at Shanghai.³⁴ In November 2005, another exercise was held in Karachi between Chinese and Navy of Pakistan in order to enhance regional stability and cooperation against crime of maritime threat terrorism and piracy these exercise will play a very vital role. Pakistan started multinational naval exercise like AMAN (peace) since 2007 at Karachi. The Objective of multinational exercise has to promote Naval cooperation and defence while sharing information and find out the area of future cooperation among the navies of different countries. The literal meaning of word AMAN is peace.

AMAN- 7

In 2007 Aman 07 held at Karachi and 27 countries had participated. The basic aim of Aman-07 was to enhance skills of techniques and tactics to safeguard sea lanes of communication. The objective of Aman 07 was to improve offensive as well as defensive operation abilities and to develop better infrastructure ability of Gwadar port.

Aman 07 besides enhancing Navy training. It also develops mutual understanding and co-operation with regional and extra regional navies. The main objective of multi-nation

- a. To improve tactical ability and inter-operational ability..

³³Tariq Muhammad Sajjad, **Conflict and Insecurity in Balochistan** ,Pakistan Institute for Peace Studies (2012): 122-130.

³⁴Pakistan Navy Ships Reach China for joint Exercise, *Dawn*, October 19,2003.

- b. Enhance skills related to anti surface warfare and air operation.
- c. Measure operation of maritime counter
- d. To provide protection in defence sector.
- e. Simulated military operation against air and marine manoeuvre.
- f. Assimilation of Maritime fights and patrols Aircraft into several Global wars on Terrorism GWOT related exercise.

Beside harbour and Sea phases exercise maritime conference was organized. In order to combat maritime threat and avail the opportunities of 21 century an international maritime conference was organized. The basic objective of this featured high level conference was to sustain the freedom of sea and utilize sea resources for benefits of human being. The objectives of Maritime exercise conference were as follows.

- a. Spread Knowledge about significance of Ocean and resources.
- b. Point out area of interest for Individual opinion and group discussion.
- c. Motivate concurrence of opinion on main issue like encountering Indian Ocean for dominance of maritime by any Country.
- d. Encourage recommendation to less threats and increase different opportunity in the areas of collaborative interest.³⁵

AMAN-9

AMAN-09 held in March 2009. The exercise comprises 13 Aircraft 23 different ships and 9 Special operations force teams were participated including Japan, France, Malaysia, Turkey, USA, Australia, China, Bangladesh and Nigeria were participated. Observers of 27 countries also attended the exercise.

AMAN-11

AMAN-11 Exercise was held from 8 to 12 March 2011. In the event of AMAN-11 total 28 countries were participated with naval assets. Three aircrafts from Japan and Australia and three Special operations Forces, Explosive ordnance disposal and marines teams from Turkey, USA and China also participated during the exercise. Total 11 ships from France, Malaysia, China, Indonesia, USA, Italy, Saudi Arabia and Australia took part in exercise. Forty three observers from 26 Countries participated in AMAN-11.

³⁵Fatman, Maritime Security requirements and Pakistan Navy, *Pakistan Defence* 26 (February 2009), Force <https://defence.pk/pdfthreads/maritime-security-requirements-pak-navy.22484/>.

AMAN-13

The fourth multinational exercise held on 4 to 8 March 2013 with the slogan of AMAN (peace). Navies of 29 Countries participated with naval assets and observers. Total 12 ships from 10 different Countries, 9 special operation Forces and Explosive ordnance disposal teams from 6 different Countries and 36 observers from 21 Countries had confirmed their participation in exercise.

AMAN-15

AMAN-15 was held on February 15, 2015. Total 02 aircraft, 14 Special operation Forces, Explosive ordnance disposal and Marines teams were participated. More than 60 observers from 34 Countries took part in exercise.³⁶

AMAN-17

Pakistan Navy conducted exercise every alternating year since 2007. It was held between 10-14 February. Around 71 Navy countries were participated but 37 Countries including Pakistan were participated in that event. Nine of the visitors provide assets including Sri Lanka, Australia, Japan, United kingdom, China, United States, Russia, Turkey and Indonesia.

The Chief Guest of the Occasion was Commander of the Pakistan Vice Admiral Arifullah Hussaini. He said that different types of threats related to marine may be overcome just because of cooperation among international Navies. In the Indian Ocean Challenges of maritime Security are both multifaceted and multidimensional. Different types of threats such related to maritime terrorism can easily be overcome by these exercises.

Pakistan Navy efforts are recognized in maintaining peace and stability. In this regard services of maritime are encouraged Worldwide. The Planet 70% portion is covered by Ocean. The Sea transportation cost is less than road, air and railway. Sea is source of minerals and Sea food and 145 times having low cost than road and 163 times having less charge than air and around 10 times having less price than rail. In past there was attack from terrorism refuelled in Yemen on USS COLE similarly an attack near Babel Mandeb attack against super LIMBURG French

³⁶<https://www.aman.paknavy.gov.pk/>

tanker. To overcome problem of terrorism and maintain long lasting security it's very essential that balance should be proper between trade and security. It's essential to rationalize the international regulation Sea trade that also affects vital life line for Pakistan.³⁷

In 1989, when USSR withdrew from Afghanistan, US imposed economic and military sanction on Pakistan. At that time Chinese government provide military assistance to Pakistan. China provides missile craft to Pakistan including PNS Jalalat and PNS Shujaat in 1990. On the base of Transfer of technology China and Pakistan signed a deal in the year of 2005. According to this agreement China manufactured F-22P frigate in China and then provide to Pakistan during the time period of 2013. All these frigates are having quality of Radar warning receiver as well as surface to surface radar, dipping sonar, Anti-submarine warfare like Z-9c Harbin and warfare helicopter.³⁸

In 2011 under the agreement based on technology transfer, China and Pakistan prepared Fast Missile crafts (FMC) one was developed in Pakistan and the other was manufactured in the Country of China. In order to increase the capabilities of Pakistan Navy, China has provided assistance of two 54 Jingkai II frigates to Pakistan. The basic purpose of these ships is the defence in air force sector as well as manufacture missile system of medium range air defence along vertical launch system. The frigate Jiangkai having quality of anti-ship firing YJ-83 and destroying. A new scientific knowledge called stealth that's also used in these kinds of frigates, this quality cable missile was to counter the kind of threat in adversary water.³⁹

Pakistan Navy introduced two kinds of missile boats, PNS Azmat and PNS Dehshat in 2013. By agreement of transfer of technology PNS Dehshat missile was manufactured in shipyard located in Karachi while China provide assistance in this regard but missile PNS Azmat boat was manufactured by China and this missile carry eight anti-missile of C-802A. China is doing its best to upgrade the defence and military sector since 1990. Along this, China provides military assistance to Pakistan in order to strengthen defence sector of Pakistan.⁴⁰

Military advantages of Gwadar Port

The advantages will be gained by Gwadar port is following.

³⁷ Aman-17 Naval exercise kicks off in Karachi, February 10, 2017, <https://www.dawn.com/news/1313970>.

³⁸ Iftikhar A. Khan, "China to build frigates for Pakistan", *Dawn*, April 05, 2015.

³⁹ S.M. Hail, "Sino-Pak naval cooperation reiterated", *The Nation*, April 10, 2013.

⁴⁰ FAC-M for the Pakistan Navy, *Force Magazine*, October 2011.

a. Security of SLOCs

In Pakistan, Gwadar port is located on south coastal side. The SLOC reduces distance from Gwadar and the route of convoys transportation cost will also become less specially from the area of Gulf.

b. Protection against threat of India

Many Air bases of India are operating from the South west side like Bhoj, Jamnagar and Nalya. Gwadar is also approachable for India Air force and reaction from Gwadar as compared to Karachi port is much approachable. Gwadar port will offer instant response to deal with air threat.

c. Monitoring Indian Shipping

India is dependent on supply of energy emanating from gulf. India imported 63% out of the total oil requirement from Gulf countries. For India the security of Gulf Mumbai and Gulf Candle is very important. History reveals that during tension period India threatened our SLOCs, so for quick response it is essential that Gwadar port will be used by Pakistan Navy ship and submarine because Gwadar port will show effective control on Gulf route.

d. Denial of Naval blockade

Pakistan learnt its lesson from the historic incident of war in 1971. During this war the port of Karachi faced many attacks of missile. After that government of Pakistan started work for development of another commercial port and less the effects of blockade result. The development of deep sea commercial port at Gwadar and Jinnah Naval Base at Ormara come up as a solution. The result of this development made Indian ambition blockade and our ports have been diminished to a large extent.

e. Naval Base

In order to move economic activities in an effective way, additional commercial port is required for stationing of naval ships and submarines and acts as naval base as well.

f. Range Maritime patrol Aircraft operation

The second aviation base of Pakistan Navy is establishing at Turbat which is called PNS SIDDIQ in addition to PNS at Makran and Pasni and PNS Mehran at Karachi. This New base will further facilitate Pakistan Navy to observe and monitor Indian navy activities with

the help of Long Range Maritime Patrol aircraft (LRMP). Gwadar port once again modernized with modern technology that future will act as a jump off base to facilitate LRMP operations by maritime security Agency and coast Gwadar.

Pakistan Maritime security Agency (PMSA) and coast will also facilitate with additional base and get great liberty of action to counter maritime threats of human killing and drug smuggling under particular area.

China is approach towards Indian Ocean

The objective of China is to increase its role in Indian Ocean whose interest was depicted in 1960s. On that time China started support to Asia, Afro-States because this objective was not fulfilled due to domestic tumult caused Cultural Revolution in China due to which China became weak.

The basic aim of China is to safeguard the route of energy pipeline because Chinese energy consumption will increase in coming years and most of Chinese energy demands fulfil from the Africa and Middle East countries. US officially have forecasted that China demand will double for oil in 2020. National Intelligence Council by US also gave prediction that China's consumption of oil would accelerate and it would be equal to US consumption by 2020⁴¹. Now Chinese want to protect and secure Sea line of communication (SLOc) in order to fulfil domestic requirement. Therefore Chinese economic growth and oil consumption will depend upon Indian Ocean. In 21st century China changed the policy and "open new era" of relation with Indian Ocean. It was estimated that China has reached 300 billion trades with regional state through Indian Ocean.⁴²

China imported oil by the way of Indian Ocean through Middle East more than 75%. In Indian Ocean there is sufficient resources of mineral resources like Uranium, aluminium, copper as well as different other materials that's why for China economic plan in Persian Gulf as well as Strait of Hormuz are significant.⁴³ China believes that in case India achieved

⁴¹ Philip Andrews, **The Strategic Implications of China's Energy Needs** (London: International Institute for Strategic studies, 2002), 25.

⁴² Analysis of China's Foreign Trade in First Quarter 2007, Hong Kong Trade Development Council, <http://www.tdctrade.com/report/indprof/070507.htm>(accessed December 19, 2016).

⁴³ David Shambaugh, **Modernizing China's Military** (Los Angeles: California University press, 2002), 66-69.

control over the sea lanes of communication then it will be great challenge for China in Indian Ocean. Although China would not be tolerated by India and US Navy in Indian Ocean.⁴⁴

From Iran to Africa there is Malacca passage and tankers require 16-25 days in order to cover distance. After establishment of Karakorum highway and energy pipeline will establish so it will be completed distance only in 48 hours and the journey will be shorter just because of Gwadar port. Gilgit pipeline moves towards Afghanistan and it also gives connection to China western province to the sea by pass Malacca. It would integrate the western China into world Market and for Pakistan it would be sign of development in South west region. There are two transshipping gateway for China to import oil one way is from Gwadar (Balochistan: Pakistan) and the second one is Made Island Rakhine State of Myanmar. However the Nay Payi Daw government did some internal political reforms after 9/11 incident US started pressure to adopt anti-Beijing alliance to disrupt the Myanmar-China oil trade. China pressure and vulnerability for importing oil through this Sea route become endanger so in this case Pakistan is the only partner that cannot left out. In order to replace Type-21 frigates Pakistan Navy did an agreement with China for Type-54A frigates and order 4 Ada class ship from Turkey as well as from United States of America. Pakistan will get two swift ship corvettes.

The Role of Pakistan Navy

In the 21st century, the Pakistan naval power was used as a significant instrument to protect and control Sea Lanes of communication (SLOCs). The Pakistan Navy observes that there is a need to play an effective role to protect the naval interest in the region. PN made its strategy according to limited resources and financial constraints. PN strategy is based on six points to secure territorial water against any adversary and aggressive nature.

a. Denial of Space

The basic element of PN is the threat of naval blockade which always became remainder. The fall of Dhaka in 1971 war gave a lesson to Pakistan. After 1971, war PN greatly emphasized on the maritime capability and its development. PN designed the strategy for the safety of Karachi in next warfare.

⁴⁴Robert d. Kaplan, Monsoon, The Indian Ocean and the Future of American Power (New York: Random House Trade paperbacks, 2010), 288.

b. Counter Nuclear Submarine Capability of India

Indian Nuclear development submarine like Arihant class submarine has caused great concern in respect of security for Pakistan Navy. Pakistan considers that Indian Submarine related to nuclear programme and other naval arms is great menace for Pakistan and other countries peace. . The navy of Pakistan organize different programme along with China to maintain power of balance specially to counter Indian Navy threat.

c. Abrogate the numerical advantage of Indian Navy

Pakistan Navy basic aim is to less the potential and numerical strength of Indian Navy and to safeguard regional water during time period of war. The Navy of Pakistan also do effective measure to increase their capabilities to defend any possible threat from India

d. Protect ports and Harbour infrastructure

Another significant objective of PN Navy is to safeguard and develop its port during war and peace. Now Pakistan has developed many other naval ports such as Jiwani, Gwadar and Ormara in order to reduce nuclear vulnerabilities at Karachi.

e. Gwadar Naval base development

Gwadar port development and objective is to explore role of Pakistan maritime. It would promote safeguard and enhance role of trade in the region because of it's strategically importance, it will become an international hub and also in future it provide services of important naval base in Pakistan. Gwadar will reduce the insecurity of blockade in Karachi Sea from India.⁴⁵

f. Protecting Sea Lanes of Communications

The strategic location of Pakistan is very important as it is situated close to Hormuz strait which is oil and mineral rich area. This is Pakistan Navy primary responsibility to secure Sea lanes of communication.

⁴⁵Abhijit Singh, "The Pakistan Navy: A Transformation from 'Fledgling Force' to 'Fighting Machine'", *Journal of Defence studies* 5, No.4(October 2011), 50.

Threats to Pakistan Maritime Interest

The security of maritime mainly moves around political, military factor, natural environment and modern technology subjects. In this century many countries rely on Sea lanes of communication as well as they also want to get advantage of Exclusive Economic Zones (EEZ) all these factors encourage the development of port according to the modern requirement and need to progress naval strength and building of ships. Due to Geo-strategic location and oil as well as gas trading and for some other transportation matter Indian Ocean consider very important. The Single power domination is not admitted in Indian ocean particularly in the region of South Asia. Former Prime Minister of Pakistan Shaukat Aziz said that domination of any country in Indian Ocean is quiet unacceptable. Although Pakistan didn't design any aggressive plan, on the other side it will not ignore its maritime interest.⁴⁶

Military Threats

Pakistan has a history of military conflict with India as well as Pakistan faced many military threats from the side of India Country. Indian Navy having 58,350 sailors,179 ships aircraft 250, vessels related to training including frigates, missile corvettes minesweepers and vessels related to training. India is having air arms related to navy in large scale. India manufactures an aircraft having ability of Vikrant. India also did some agreements with Russia related to nuclear aircraft and submarine.

India's Naval project for 2020 depicted that India's aim is to purchase 6 nuclear submarine and increase the number of surface ship including early warning as well as Airborne and unmanned aerial vehicles (UAVs). To develop an assertive naval force in the region, India will purchase weapon from Israel, Russia and US. In South Asia the trajectory creates security problem with neighbouring Countries. In 2013 from SIPRI was declared that India imported arms in a large scale as compare to the other developed countries in the World and now India has become arm hub due to which power balance is disturbed.

Pakistan didn't want that India would interfere or use the route of Hormuz Strait for trade. The Navy of Pakistan is taking different dimensional steps to encounter the threats from the side of coast.⁴⁷ Gwadar will increase the strategic depth from east to west. There is 460 km

⁴⁶ Pakistan Should Not Allow Domination of Indian Ocean, <http://www.Pak.gov.pk/news/appnews2005/app-mar08-2005> (accessed March 12, 2017).

⁴⁷ The Indian Navy perspective Vision Upton 2020, <http://www.bharat-rakshak.com/Navy/History/2000s/Golsalves.pdf> (accessed November 12, 2016).

difference between Gwadar and India due to which vulnerability level become less for Pakistan. From the side of Persian Gulf communication Sea lines started so Gwadar can easily observe activities around sea Lanes and Strait Hormuz with the assistance of China. Gwadar and Ormara will become naval base and other ports easily counter India blue water Navy programme and US 5th fleet Naval around Persian Gulf because of Gwadar port Pak-China nexus will be developed that will overcome all kinds of manoeuvre from navy of India.

Bandar Abbas and Chabahar Port of Iran

Bandar Abbas and Chabahar are two important ports of Iran. There are four berths in Chabahar port and it can carry five vessels and range is around 25,000 tonnages and its channel length is 11 meters long. Almost 26 berths are in Bandar Abbas among 26 berths the two berths are related to oil berths.

The port Bandar Abbas Channel is 64 kilometres long and its depth is 12 meters. There are only four berths among 26 berths in the port of Bandar Abbas which carry vessels up to 100,000 DWT. Iran plans to increase capacity up to 2.6 million TEU in Bandar Abbas. The 635 kilometre Bafq-Bandar Abbas railway links. This Iranian railway network provide route to Central Asian countries. Bandar Abbas expanded service will become the port and progress of Shahid Rajaii special Economic zone. India provides financial support to upgrade the facility of Chabahar port that's why this port's development is equally important in front of both countries like India and Iran. In Persian Gulf Iran faces great threat from US. If war will occur, the Bandar Abbas can be blocked easily because of US presence and secondly Bandar Abbas location is inside of Hormuz Strait and Chabahar port is outside from Strait of Hormuz so Chabahar port used as an airing emergency situation. India is an equal stakeholder of Chabahar port. India can also use this port during war against Pakistan.⁴⁸

Port Salalah in Oman

In Oman, Port Salalah is located around Aden Gulf. Aden Gulf provides a short route to Suez Canal that's an open one gate to Latin America on the other side to Europe. In Persian Gulf the port Dubai is also considered very significant that can easily carry heavy trade.

In November 1998 Salalah port of Sultanate of Oman started its operation as world class terminal of 2 berths with state of art equipment. After few years the port has developed world

⁴⁸ Muhammad Hassan Husseinbor, Chabahar and Gwadar agreement and rivalry competitors in Balochistan Region, *Journal for Iranian Studies* (2016):92-93.

largest and most sophisticated container terminals having largest containers vessel of 16 m draught and is equipped in such a way that next generation vessels can easily be handle. The port of Salalah achieved 2 million Twenty Foot Equivalent Unit TEU in a single year of 2003. The port expansion plan carry TEU of 4 million and expenditure estimated around US\$ 356 million. After five years of operation, twice the port of Salalah has broken the record for number of container vessels with this Salalah port got the position of world leading transshipment centers.

Domestic port: Karachi and Qasim port

Karachi port is commercial and most dominant port of Pakistan. It handles cargo of 28.24 million tonnes . Karachi port also carries dry cargo of 13.10 million tonnes. It also handles 1.591 million TEUs. Karachi port is having 30 berths including three dedicated oil piers. There are 7 berths of multi-purpose in Qasim port. Although Karachi port is a very significant port in Asia since a long period of time but Karachi port didn't prove as hub of trade in the region because it's located very far from all international lanes of shipping. Port Qasim handle dry cargo of 3.41 million as well as it also carry liquid cargo of 11.37 million TEUs. The handling capacity of cargo from increased year to year.

Dubai Ports

Around 2.8 million is handled by Rashid port annually. Rashid port also provides facility of transshipment within and around Gulf region. In March 2002 the work was started in order to extent Dubai port and become new port called Jabel Ali. After its establishment the port can easily handle 5.7 million TEUs.

Port Comparisons

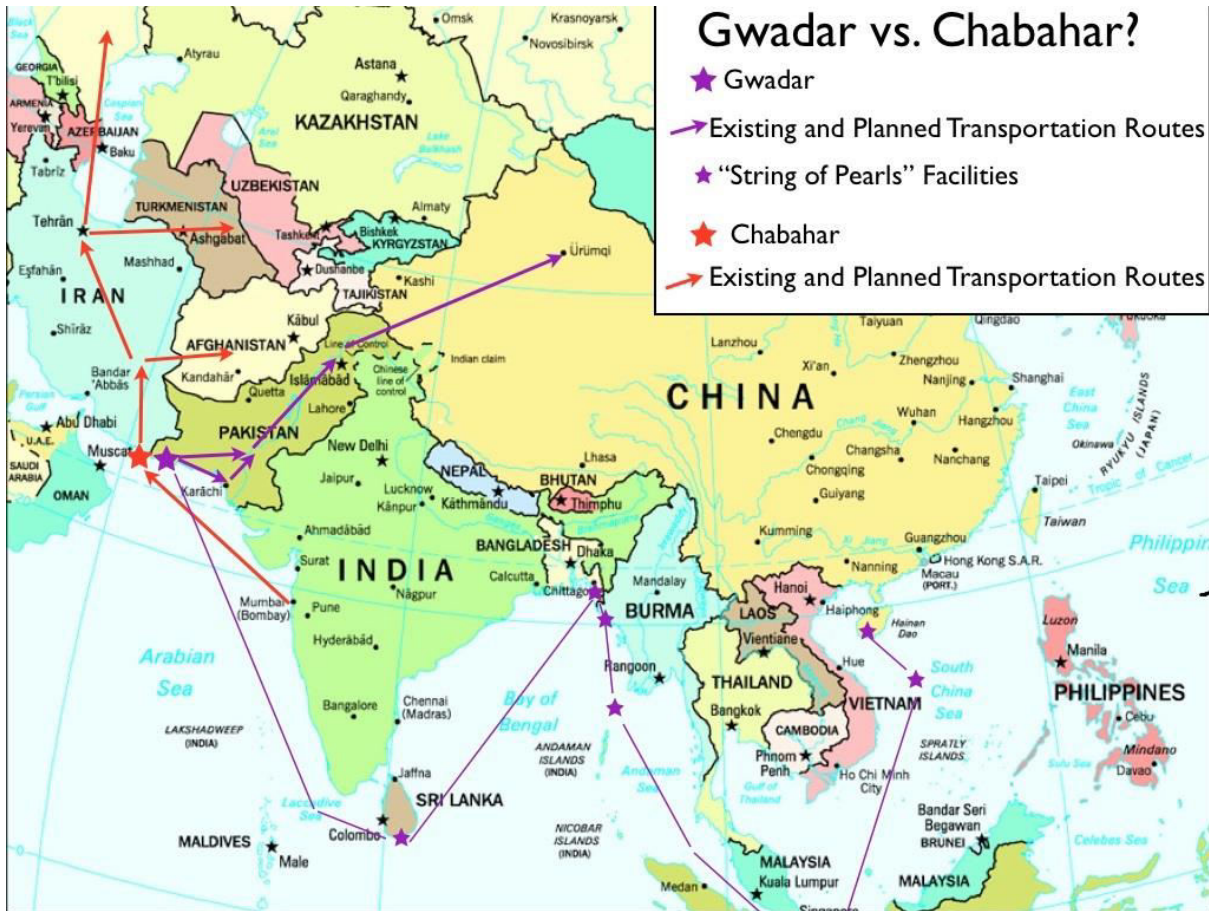
Dubai port and Salalah port are two well established ports in region. Within eight years of establishment the handling capacity of Salalah port increased manifold. As far as Iran is concerned, both ports Bandar Abbas and Chahbahar don't easily handle the trade of natural Resources from Central Asia. After the successful implementation of Gwadar port, all projects will provide moderate infrastructure of port for trade and other business activities. In middle East, disturbance of Geo-politics is on peak, on the other side ideal location of Gwadar port

and difference of cost provided an ideal platform of trade and proved itself a significant port⁴⁹



Source: <http://www.gwadarport.gov.pk>

⁴⁹Naveed Ahmad, “Gwadar, Chabahar and Dubai”, *The Express Tribune* 14 (March 2017), <http://defence.pk/pdf/threads/gwadar-Chabahar-and -dubai.483405/>



Source: <http://cpec.gov.pk/maps>.

CHAPTER : 3

Economic Significance of Gwadar Port

Geographical environment plays a very significant role for the progress of human society. The most important environment factor of society is oceans. The surface of earth covers three quarters by Ocean which impact great on economical factor of society. Pakistan bestows natural resources of Sea that direction is from West to South around 1046 km. In Pakistan, around 36,000 ships from the way of Arabian Sea. Almost 38 million tons trade is done by sea in Pakistan. Qasim port carries 32% whereas Karachi port handling 68% of the seaborne trade. In 2015 different project and trade volume reach to 91 million tons trade due to which shipping activities become raised. All the ports of Pakistan can become helpful to raise the economy of the country. Water is old source of trade since many centuries. Modern time enhance need of trade through water. Pakistan open gateway in Indian Ocean through Strait of Hormuz. Indian Ocean is having a lot of natural resources. As Gwadar port serve as gateway to Strait of Hormuz so UAE and Iran wanted to keep away Gwadar port in competition circle.

Pakistan has declared Gwadar as a special economic Zone. In May 2001 Chinese Prime Minister Zhu Rongji supported the GDA project and coastal highway project during his visit to Pakistan. In April 2015, China and Pakistan announced plan of CPEC at the cost of \$46 billion. At that time Chinese overseas port Holding company was taking the responsibility to develop the Gwadar port. Government allocated 2 billion 10 Sq km area for the construction of Gwadar work and that area will be tax free area for construction work. The construction work for Special Economic Zone was estimated around the cost of \$ 2 billion.

For the purpose of Industrial work 300 Mega watt plant was established. The cost of this project estimated US\$248 million. From this amount China gave assistance of US\$198 million. In this project one thousand Chinese and Pakistani personnel were engaged in this project. According to this project 3 kinds of berths with the size of 200 mt will be built. After fully implementation of second phase, trade related to dry cargo and oil tankers will be easily started. The Second phase work was completed by December 2004. Although since January 2003, ships can easily load more than hundred tonnes of cargo.⁵⁰

⁵⁰ Aymen Ijaz, “Significance of Gwadar port,” Islamabad policy Research Institution, www.ipripak.org/significance-of-gwadar-port/ (accessed October 9, 2016).

Gwadar would eventually provide facilities for trans-shipment of cargo and sea borne trade at Karachi. All import coming from this area will be free from duty as well as from Sale tax and there will be relaxation in income tax as well.

Pakistani Prime Minister was Speaking that Gwadar port projects were very important for the development of China. He declared that 12 billion rupees would be utilized for road sector which would included the Gwadar-Karachi, Gwadar- Khuzdar-Quetta-Chama, Gwadar-Khuzdar-Ratodero highways, opening route to Afghanistan and the Central Asian Republics(CAR). Before December 2004, the highway from Gwadar to Karachi would be completed and at time of inauguration of Gwadar port Prime Minister Nawaz Sharif declared that route of Khuzdar to Gwadar and to Retodero will functional very soon.

After the established of Gwadar port it was estimated that Pakistan annual trade increase to 75 million tonnes. It was estimated that Gwadar would be proved so much successful that ratio of shipment of cargo enhance to 3.7% and cargo related to liquid shipment will enhance the level of 1.09%. After proper implementation of Gwadar port the port can easily be shipped up to 2,286781 of different commodities.

Pakistan will get unexpected economic growth just because of Gwadar project. In 1976 Dubai port situation was same like Gwadar port. On that time Dubai port didn't play an progressive role in economy progress and it was unexpected that due to Dubai port this city will become the one of the busiest city in term of growth of economy. After decades the port Dubai represented an icons to entire World. Now it is expecting that Gwadar will perform the same. Maritime Industries and other domestic industries will enhance the desired results.⁵¹

International Airport of Gwadar

President Musharraf presented an idea to establish airport in 2002. Around six thousand acres area was occupied for International airport. In the province it will be largest international airport as well as cost will be US\$ 125 million. Pakistan government contributed US \$ 11 million and Oman provided assistance of US\$ 17 million in 2008. International Airport of Gwadar will manage ATR 72, A-300, and Boeing (B-747) for national and international level. Gwadar city is 26 km far from the international Airport and it is located in east side of Gwadar. It will be largest Airport in Balochistan. The Airline connect the following cities like

⁵¹Sohail Azmie, "Gwadar is a new strategic continuum of prosperity", *Pakistan Observer* 14 (September 2016), <http://Pakobserver.net/gwadar-in-new-Strategic-continuum-of-prosperity/> (accessed November 16, 2016).

Gwadar to Lahore, Islamabad, Karachi, Quetta, Peshawar and Turbat. Following Countries will also be connected with Gwadar having little difference like Bahrain, Riyadh, Mashhad, Tehran, Qatar, Muscat and Dubai. Pakistan International Airlines the main airline that provide services from Gwadar to Karachi, Turbat and Muscat. While using aircraft ATR- 42 , Oman Air line provides services to Muscat Oman Air line with its joint venture provide twice flight a day The project would be completed within stipulated time.⁵²

Road Infrastructure

China due to its huge export seeks to overcome logistic costs for trade with South Asia, Europe, Gulf and Africa. China trade being routed through Khunjerab pass and Gwadar are destined for Dubai and London because it can save more than 4,350 miles. This route also provides interline between various cities of Pakistan. Currently, Gwadar Deep sea port is having narrow 6 feet wide road of Gwadar town. Many trucks carry heavy burden of import and export and pass on the way of this narrow road due to which negative impact and disruption occurred on normal traffic. Now port operationalized with 3 multipurpose berths so it is essential to construct East Bay Express way. Makran coastal highway will be connected with 30 meters of railway through 6 lanes of expressway. The length of Makran Coastal highway is 653 km. It extends along Pakistan Arabian sea coast from Karachi in Sindh province to Gwadar in Balochistan. It passes through the town of Ormara and Pasni. Pakistan has been identified three routes for Chinese cargo under CPEC. The Eastern Alignment (passing mainly through Central Punjab and Sindh) , Central route (passing through Balochistan and Khyber Pukhtunkhwa) and western alignment (passing through Balochistan and Khyber Pukhtunkhwa). In first phase construction of eastern corridor and energy project is expected to be completed within three years. After that, western and central corridor construction will be started.

Eastern Alignment

It was decided that firstly eastern alignment project will be implemented. Eastern Alignment will be constructed by Chinese companies on BOOT basis. The eastern Alignment covers the areas of Gwadar, Khuzdar, Turbat, Rajanpur, Panjgur, Multan, Pindi Bhatian and Hasanabdal.

⁵²Maqbool Malik, Work on Gwadar International Air port, *The Nation* , July 25, 2016.

Central Alignment

Central Alignment projects cover the areas of Gwadar, Panjgur, Khuzdar, Dera Ghazi Khan, Rajanpur, Hasanabdal, Bannu and Peshawar

Western Alignment

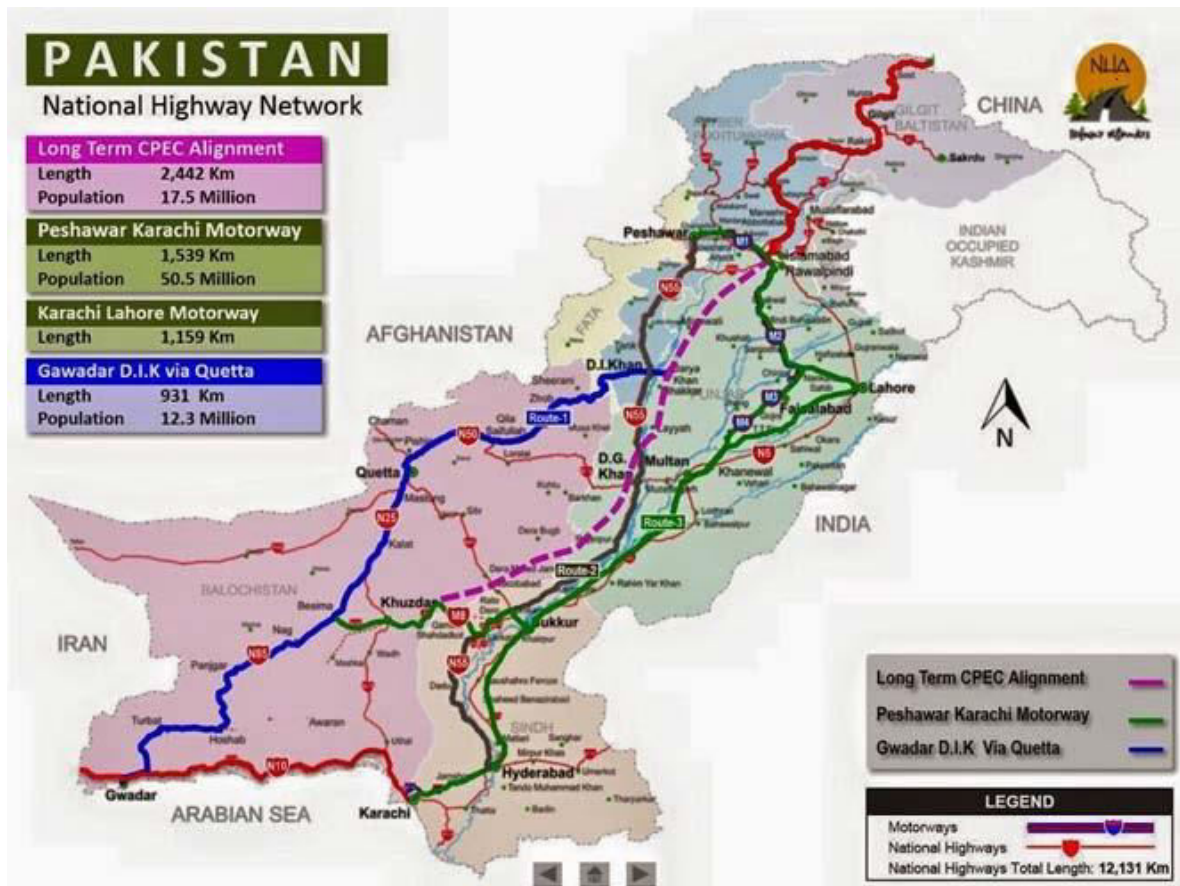
Western Alignment consists of the route of highway and Railway. The route will start on the point of Gwadar. The point will cover eastern and southern Balochistan district. It means that cover Dera Bugti and Khuzdar areas and then it proceed to South Punjab and Dera Ismail Khan. Particularly the route covers areas of Gwadar, Kalat, Quetta, Khuzdar, Bannu, Peshawar, Dera Ismail Khan and Hasanabdal. Western alignment further connects to other countries like Afghanistan through Chaman. Kashgar in western China will be connected to Gwadar through wide range of communication network including sea, air, road, railway and other communication links. The road will be manufactured in this way that domestic and foreign traders easily use heavy vehicles on it.

Road Network

The CPEC basically comprises of road, oil, and gas and railway network. The route is started from the point of Gwadar North-West China city of Xinjiang. CPEC starting central point is Gwadar in Pakistan. The road infrastructure will also develop with Khuzdar-Basima Highway-Karakoram Highway, Karachi Lahore Motorway and other projects. The development projects will enhance the connectivity between all provinces of Pakistan. The western route of CPEC which would connect Gwadar with Quetta via Khuzdar will be completed by 2018. A part from that 95 percent of construction work on Gwadar-Ratodero road has been completed. The road project of 650 km started from Gwadar and ended towards Surab. In 2018 another road project will also be completed, that route starts from Burhan and ends towards Dera Ismail Khan. Apart from that another plan of road is also approved that is road start from Dera Ismail Khan and move towards Zhob. Chief of Army Staff General Raheel Sharif visited Balochistan province specially area of Turbat as well as Panjgur and observed progress of road. Frontier work organization. 11 units appointed from the province of Balochistan in order to built 870 kilometre long road at different location out of which 52 km have already been completed. All this construction will connect Gwadar port with different parts of country through Chaman and Indus Highway.

In 2007, World Bank Identified that poor road conditions cause slow economic progress of the country. The government of Pakistan with collaboration of Chinese under the project of CPEC aim is to construct highway that connect Kashgar to Gwadar and \$ 3.9 have been allocated for development of railway Infrastructure. The Northwest of Chinese Province Xinjiang will connect through a network of road with Gwadar port of Pakistan at cost of \$ 5.9 billion and it is estimated that in 2017 projects will be in final shape.. The upgrading highway of Karakoram which links to Kashgar with Abbottabad as well as construction of Lahore-Karachi Motorway will be completed in stipulated time.

In 1999, the Author Hashim highlighted that the construction of road link has started. According to the writer Makran coastal Highway should be completed. The project of Makran coastal highway was completed by National highway Authority. Only basic linking Karachi and Gwadar has been constructed but the links towards Iran construction is going on. The highway is essential for Gwadar but still it is incomplete due to lack of attention and budget. The National Highway claimed that decrease in funding was due to flood in 2010. Like 2010 funding estimated 200 million which was less than 2009 funding because in 2009 funding was estimated US\$ 400 million. For Makran coastal highway project US\$ 22 million fund was fixed but Pakistani government consumed only US \$16.5 million. Hazara expressway which is called E-35. This expressway will join 155 km M1 (Peshawar to Islamabad) near Burhan. There are many reasons due to which completion of NHA project become delay, one main reason was the Baloch nationalist attacked on the workers. A part from these issues natural calamities is above all because the road runs through mountain and plain areas of Pakistan. In the mountainous region of the Karakorum highway there is chance of earthquake and landslides especially during the month of January to April. There are plans of Green Metro Line in Sindh and orange Metro line in Lahore.



Source: <http://nha.gov.pk/en/>

Karakoram Highway

The 1,300 km Karakoram highway which is also called 'Eight wonders of world' started from Kashgar to Hasan Abdal (NW of Islamabad) was already built from 1959 to 1978. This high spectacle mountain always remained route to access Arabian Sea from China western region. On 30 June 2006 the work to widen the Karakoram Highway (KKH) has started. National Highway Authority upgraded the Khunjerab-Raikot section. On the other side Hazara Motorway which is the part of Burhan-Havelian section and its length will be 59 km. This project will also be completed in 2017. China Road and Bridge corporation has been

upgraded 335 kilometre section of Karakoram Highway at the cost of \$ 510 million. After the proper establishment of KKH the operating capacity for heavy vehicular traffic will adjust and it will become six lanes of Highway. The up gradation work of Karakoram Highway is underway. At Buhran interchange near Hasan Abdal the existing M I will connect KKH from there onward move towards Islamabad-Lahore as a part M2 on the other side Hasan Abdal included in the part of both eastern as well as western alignment which directly leads towards port city of Gwadar. There should be bridges connecting two highways at every kilometre so around 40 bridges would be constructed.⁵³

Railway Infrastructure

The government of Pakistan also announced the major construction of track railway under China-Pakistan Economic corridor. According to the plan different areas of Pakistan will link by railway track. The length of track will be estimated 1,872 km and the route will start from Gwadar to Quetta and then proceed to Jacobabad by the way of Besima. After that it will join Karachi then move to Peshawar by the dual track of Kotri, Multan, Lahore, Rawalpindi then included the area of Taxila and Havelian. Along this some track also be upgraded including Kotri, Attock through Dadu, Larkana, Jacobabad, Bhakkar and D. G khan. The track of five hundred and sixty kilometre will be built on Main Line II start from Bostan towards Kotla jam by the way of Dera Ismail Khan and Zhob. Another track of 682 kilometre will be built from the point of Havelian to Khunjerab.

Chinese Dongfang Electric company will be constructed the Kashgar-Havelian railway link. It covers the distance of 700 km. The route of this railway line starts from Khunjerab pass to link with Havelian near Rawalpindi. An amount of \$1.25 billion will be consumed in order to link Gwadar with this new railway network. This railway track also connected Quetta-Kandahar and Karachi-Peshawar. When the railway track laid down it will also become helpful to transfer oil from Persian Gulf towards Xinjiang and for this purpose actual cost estimated 10 billion

Railway Minister Khawaja Saad Rafique said that Sahiwal coal project was completed and now Railway will utilize the Coal supply from coal based power plant. Pakistan Railway service under the Sahiwal coal project would start in 2017. Government is given first priority to connect Gwadar with the National Railway tracks and for this purpose Pak-China joint

⁵³Syed Irfan Raza, “China finance to road projects under CPEC,” *Dawn* 27 (December 2016) :03.

working group has been constituted. After that up gradation of ML-I Karachi-Peshawar track will be observed that will increase the speed from 12 kilometre to 160 kilometre. ML-I is 1736 Km long Karachi-Peshawar which is called Main Railway Line 1.

The railway and highways offer Chinese trades different short cut between China and Europe as well as travelling time and cost will also become half as compared to current shipping route through the straits of Malacca which have now become risky and full of crowd.⁵⁴

Pak-China Friendship Hospital

In phase-II the project of 50 bedded hospital construction is proposed under the supervision of Gwadar Development Authority GDA. It was planned that 68 acres of land is used for hospital. one out of five medical block (each 20 bedded) and 20% of residential block work is completed . under the project remaining five medical block, medical colleges, Central laboratory, Nursing and pre-medical institute and some other facility will be established after that equipment and tools related to medical will be provided and estimated cost is 100 \$ million.

Technical and Vocational Institute of Gwadar

The central stakeholders of Gwadar port project are local people. Gwadar local people participation in economic activities of industrial arrangement and operationalization of business as well as in urbanization processes is the basic feature progress. This project's purpose is to increase the skill of Gwadar people in different sector and provide them opportunity to participate in the development of port . The Project cost estimated 10\$ Million. The project will be helpful to promote professional skills and career opportunities.

Construction of Breakwaters

China overseas port holding company (COPHCL) was responsible to operationalize project activities in May 2013. Gwadar port Authority will complete task of break water and dredging on Eastern side. Many terminals around length of 1.200-1.500 km long have been laid down for further establishment of berthing facility on eastern side. The Basic objective

⁵⁴Fawad Yousafzai, Three Railway projects include in CPEC, *The Nation*, January 6, 2017.

of this project is to facilitate construction of additional terminal at Gwadar port. The estimated cost of this project is 123.00 \$million.

Essential requirement of water and its proper supply

The purpose of the project is to make strong, the system of supplying water and construction of desalination plan as well as sewerage system will be organized and estimated cost of this project is 130 \$ million.⁵⁵

Energy Projects

Total 19 Energy projects have been initiated under CPEC . The province Sindh would get the maximum share of 5,580 Mega watt in the Energy project. Punjab 2,940 MW, Balochistan 1,620 MW, Khyber Pukhtunkhwa 870 Mega watt and Azad Kashmir would get 1,124 Mega watts. Coal based power projects are installing Sahiwal, Port Qasim and Thar. As Gwadar will become a commercial hub for local and international business activities so Government of Pakistan announced that 300 Mega watt of coal will set up in Gwadar and project will be exempted from interest. It will be ready by the mid of 2018. Gwadar to Nawabshah 711 kilometre long Liquefied Natural Gas LNG pipeline is designed around the cost of \$2.5 billion. The basic purpose of this project is to connect LNG with gas pipeline of Pakistan and Iran. When different sanction on Iran will be removed than Gwadar almost 80% of the area will connect with Iran border. Iran has done work on 900 kilometre pipeline.

Gilgit Pipeline

Along road of Tajikistan, government of Pakistan planned to establish Gilgit Baltistan pipeline project. The purpose is to transfer natural gas from Turkmenistan towards Gilgit Baltistan. Both countries China and Tajikistan spend \$10 billion. The length of the pipeline will be 1000 km and 30 billion cubic meters will be provided per year to China from Galknysh. The government wants to modify the gas pipeline project of countries like Tajikistan Pakistan India Afghanistan gas. TAPI agreement to find route for Gilgit Baltistan with natural gas from Tajikistan. To promotes energy trade China focuses on 1,750 km long Gilgit pipeline. The size of pipeline consists of 1 meter diameter and supply of gas is 8 m/second through pumps.⁵⁶

⁵⁵ CPEC progress update, <http://cpec.gov.pk/progress-update> (accessed April 14, 2017).

⁵⁶ Abdul Rasheed Azad, Construction work on 15 CPEC projects initiated, Business Recorder 10 (March 2017): 12-17

Special Economic Zones (SEZS)

Special Economic Zone is a strategy to promote trade, employment and Economic growth. Government of Pakistan did the distribution of special Economic Zone as follow: eight SEZs in Khyber Pukhtunkhwa, three in Sindh, Seven in Punjab and Balochistan, while one SEZs will be established in Gilgit Baltistan and Islamabad, The Balochistan government further established Special Economic zone at Gwadar, Bostan, Khuzdar, Turbat, Lasbela and Qila Saifullah. Following projects in Balochistan under Special Economic Zones will be promoted like Gwadar Industrial Estate, Lasbela Industrial state, Mini Industrial state at Khuzdar, Winder industrial and trading centre and Bostan Industrial Estate. The cost for establishment of Gwadar Economic Zone is \$ 2 billion and for the Gwadar Industrial state 3,000 acres of land will be utilized. Pakistan has signed bilateral agreements with 47 countries including China under Special Economic Zones. The special Economic Zone was promulgated in September 2012. SEZs can be established along the Regional Transit and Economic corridors between Pakistan and China. The basic purpose of SEZs is to create industries cluster throughout the Country. The government introduce incentives like exemption of taxes on all capital goods imported for development apply both for Zone developer and Zone enterprise. The sector of investment under CPEC are Gwadar in Balochistan, Gilgit Baltistan and Khyber Pukhtunkhwa for the processing in Punjab and Sindh for manufacturing textiles, leather, food processing, chemical and Pharmaceuticals.

Development of Gwadar University

Chinese university was established at Gwadar. The basic objective of the university is to promote the study of marine. Along some other discipline subjects related to marine are in large number.⁵⁷

Bilateral trade

China observed that Pakistan is best partner of trade. In January 2013 both countries trade estimated around \$ 12 billion. Pakistan got import from China on cost of \$902 million but on the other hand Pakistan exports some commodities to China around \$3.14 billion. The element of exports were mainly related to textile, Chemicals, minerals, vegetable items, leather and metal goods on the other hand imports from China includes mechanical and

⁵⁷ Saba Anwar and Karim Khan, Special Economic Zones and CPEC : Background, Challenges and strategies, *Pakistan Institute of Development Economics*, 18 (March 2016) : 02-05.

machinery appliance metals, chemicals, transport equipment and minerals ores. In 2011, the trade volume was amounting to 48 percent. Trade and Economic development programme of five years comprises 36 different projects that will be implemented on the cost of \$14 billion. The country's Economic commission will observe project's work and its implementation process. The project related to agriculture, sector of energy, promotion of Industry, care of health and awareness of education. After the proper development work on area of Gilgit Baltistan to Khunjerab pass of 335-km on Karakorum will also open an avenue of trade. China has started work in Pakistan on more than 250 developmental projects including mega project of Gwadar port development during development and Karakoram highway. During 2005 to 2011 China investment recorded \$300 billion.

Nation pursues different strategies at international level in order to gain and safeguard their economic interest. The Pakistan and China relation always reflect like "Higher than Himalayan, sweeter than honey and deeper than Oceans". The Gwadar port and Kashgar city were connected from Karakorum highway after physically connected they become two huge supply and consumer market. This project makes Balochistan and Xinjiang hubs of economic activities and regional trade. China look towards east and Pakistan go towards west so these policies promote the relationship further deep.

Gwadar will provide avenue for oversea investment. The cost of investment estimated \$ 8 billion. The basic objective of this project is to develop different aspects of infrastructure, to promote large scale of economic activities and to influx the people of Gwadar port.⁵⁸

Domestic Expectation:

The government decided to promote economic zone after enhanced economic activities. The government of Pakistan has given different kinds of facilities, incentives to investor. The planned of industries and fishing harbour will be enhanced crab and fish exports and this will also promote food processing industries at local level. Gwadar will also become the source to increase export.⁵⁹

⁵⁸Pak-China Bilateral Trade crosses \$ 12 Billion Mark, *Daily Time*, January 29, 2013.

⁵⁹Sarfaraz Ahmed, "The Latest Hotspot: Gwadar", *Daily Times*, May 5, 2004.

Industrial Potential

Following projects highlighted the industrial potential of Gwadar.

a: Mines and Mineral Industry

There are nine mineral Zones in Pakistan in which four are in Balochistan, It contributes 0.5% to GNP. This potential could not be useful due to lack of market access and poor communication infrastructure. Now government planned mining strategy and finding out mineral rich areas which will boom this sector.⁶⁰

b: Gold and Saindak copper project

In 2003 another project related to Saindak Gold and copper was started. In that time period Pakistan entered in the world of metal market. The natural resources of metal are located in Chagai which would produce blister type copper of 20,000 tonnes in one year and it comprises gold of 1.5 tonnes. It will contribute in foreign exchange of \$40-45 million in one year.

C: Reko-Diq project

The project work activities are also in Chagai district. A company Tethyan copper run this project around investment of \$220 million. The company exports over 40,000 tons of copper. The project has total mineral resource of 5.9 billion tons. The minable portion of deposit is estimated at 2.2 billion.

Industrialization of Gwadar

Export processing and free Zones have great potential at Gwadar.⁶¹

a. Fishery and Fish Industry

The area of Gwadar is rich in fisheries. The fish harbour Karachi earns \$ 120 million in exports. After the development of Gwadar port, the export of this sector enhanced to \$1 billion in next 10 years.

⁶⁰ A report on Mineral Resources and investment opportunities, Geological survey of Pakistan, Quetta.

⁶¹ Economic Survey of Pakistan 2004-2005, "Manufacturing Mining and Investment Policies", 36.

b. Shrimp resources

In Makran area shrimps are available in abundance. Marine Fisheries Departments carried out study that the stock of shrimp is estimated around 16000-18000 million tons in Pakistan.

c. Cuttlefish and Squids

The Cuttlefish and squids were increasing and stock finds out around 4000 to 5000 Million tons including both increasing upward and coastal areas.

d. Crabs

During 1998-2000 maximum 5000 Million tons crabs were increased.

e. Lobsters

Around 1,077 Million tons Lobsters are available, which will also become part of export.⁶²

f. Tourism Industry

Gwadar links with railway in order to promote tourism not only in Pakistan but also in Afghanistan and Central Asian States. To facilitate the passenger US\$100 million amount was fixed. Government will setup many resorts at Gwadar⁶³

Gwadar Feasibility as Free Economic Zone

The Pakistan government has declared Gwadar as Free Economic Zone and tax free port and allocated 1 billion Rupees for construction of industrial city and export Zone. Government offers some other incentives which are right of ownership, BOOT/BOO basis development, Tax free business for ten years like for import of machinery and Plants there will be no sales and duty taxes⁶⁴

Economical Significance through different Routes

Strategic location of Gwadar port will flourish trade transit among the regional areas like Asian countries and Middle East. Republics of Pakistan for import and export would also find

⁶² Potential in Fisheries Remain unexplored, *Dawn*, April 3, 2008.

⁶³ A study on Linking of Gwadar by Rail with central Asian states via Afghanistan, National Institute of public Management, Quetta.

⁶⁴ Importance of Gwadar port for Pakistan, <http://www.cssforum.com.pk> (accessed February 19, 2017).

the route of various areas through Gwadar rather than Karachi. Trade between Pakistan and Iran will also be promoted by the coastal Highway linking Balochistan to Karachi and highway from Kandahar to Khuzdar.

Globe Trade Trends

United Nation presented report regarding Maritime transport in 2014. The fleet of world merchant has increased up to 4.1%. In 2013 maritime trade increase to 1524 million tons as compare to 1445 million tons in last year⁶⁵

Regional Trade Potential

Gwadar will enhance the economic trade potential among the region in the following ways.

China

In the world the second largest energy consumer is China. It is estimated that China consumption of energy is around 12% of the world. Chinese demand 60% energy from the Middle East. It is estimated that China in future will increase its import of oil around 13.50m/bd by 2020 and 16.10m/bd by 2025. China signed many agreements of oil and gas with central Asian states. This pipeline project spread from area of Xinjiang to Shanghai and total length will be 4,200 km. Gwadar offer a best opportunity to China and China is also interested to get transit terminal from Gwadar. China plans to establish an pipeline of oil through Xinjiang from Gwadar to western China. China also focused on its “Go west” policy in which China focused to develop its Xinjiang and western region. Due to this huge difference it is assumed that China will use Gwadar port to exports originating from western China.

China is an economic giant. China western part is less develops as compare to China eastern part. In the later 1990s China adopted western development strategy. Western region having a lot of mineral resources and Cheaper labour force. Xinjiang is located on south part of China but on the other side Gwadar is only 2500 km away from South part of China.

For export China considers Gwadar port as a better option because its own coast which is located on east is thousand kilometre far and it carries a lot of expenditure. China already connected Pakistan through Karakoram highway with the passage of time the expansion of

⁶⁵Fazal Hakeem, ‘Baluchistan uplift & Gwadar port’, *Pakistan observer*, October 19, 2014.

traffic required more area in order to run the smooth economic affairs so now Gwadar will be connected to Ratodero and Khuzdar road with this western China easily access to Pakistan through Gwadar.⁶⁶

Central Asian Republics

The Central Asian Republics States having plenty resources of natural reserves but oil as well as gas sources are in huge quantity. US and China will fulfil oil requirements from Central Asian States. Gwadar port provide shortest route to Central Asian States for any trade.

Prospects of Gwadar

In Ukraine the Odessa port near Black sea is only 3400 km far from Central Asian States but if compare distance between Gwadar and Kushka located in Turkmenistan then distance remain only 1200 km. Central Asian States get shortest way of trade from Gwadar.

Relative distance Advantages

Among CARs Countries Uzbekistan , Turkmenistan and Tajikistan having near geographical contiguity with Pakistan and in the coming years all these countries will be potential trader of Gwadar ports. Moreover due to proximity and geographical location, Gwadar has two main competitors for transit trade with CARs. That is Iranian border of Chahbahar and Bandar Abbas. The distance provide some advantages and disadvantages to Gwadar with CARs is as follows

Turkmenistan

The ports of Iran like Chahbahar and Bandar Abbas are 261 and 164 km near to Ashgabat than Gwadar so Gwadar proved disadvantage.

Uzbekistan

As compared to Gwadar the Chahbahar and Bandar Abbas of Iran have distance disadvantage of 266 km and 198 km away from Tashkent.

⁶⁶ Zahid Anwar, ‘China quest for central Asian hydrocarbons, *Dawn*, February 2, 2015.

Tajikistan

Gwadar is 281 and 213 km near to Dushanbe as compare to Bandar Abbas and Chabahar port.⁶⁷

Caspian Sea is the World largest lake. Caspian Sea is situated in middle of Asia and Europe. In the north west of this lake Kazakhstan is located, Iran situated towards south, Afghanistan towards west, on northwest Russia and Southeast Turkmenistan is located. It is bounded by Kazakhstan to the northeast, Iran to the South. Caspian sea is energy rich lake. Caspian Sea is having very vital position because of its huge natural resources and geographical position. In central Asia around Caspian Sea largest reserve of oil and gas are found because of this reason all Countries in the region are getting close to Central Asian States. Caspian region having rich energy resources attract to regional and extra regional player of countries as a junction of treasure. CARs efforts to arrange maritime border with Caspian Sea especially from west and south side because Turkmenistan located towards west and countries Iran and Afghanistan on the South side so this point remain the point of debate among Turkmenistan, Uzbekistan and Azerbaijan. Gwadar port is gateway to Strait of Hurmoz that improved link to landlocked Caspian region so Gwadar port will prove Edge to this port over other ports in the region.

The CARs required economically feasible pipeline. Despite unwillingness CARs rely on Russia. Now CARs aim to focus less on Russia regarding trade and strengthened by exporting abundant natural Resources of its country. These Countries need an outlet in order to export minerals and oil resources to the other Countries. Basically CARs having two routes for trade one route is from Iran Chabahar port another one is from Gwadar port, Pakistan. Although western countries avoid using way of Iran for trade, Pakistan was quick to realize the CARs countries potential and promoted diplomatic and trade relation. Pakistan also revived the development project of different organization like the Regional cooperation development is included CARs participation in it. Although CARs are landlocked countries So Pakistan supported these States and given the opportunity to access into the Arabian Sea for the ship trade. There are some facts which make Gwadar Significant for CARs.

- The Caspian region need short pipeline route from strait of Hurmoz and through Gwadar it's very effective way.

⁶⁷ Jehanzab, 'The trade potential and Industrial development in Gwadar', *Journal of Management Science* 1, No.1, <http://www.qurtuba.edu.pk/jms/default-files/JMS/1/6-jehanzeb.pdf> (accessed March 3, 2017).

- Turkey plan to make link of south Asia with Central Asia . To remove geographical gap many projects and plans failed because of geographical limitation. Now due to the present global circumstances and Silk Route this project implementation make Possible.
- In past CARs depend on Russia because of Moscow broadcasting grids that spread facilities of telegraph, internet, mail, telephone and many benefits regarding infrastructure communication. Now Russia gets alert because of widespread of Central Asia market of oil and gas . In future Russia Gazprom giant gas face great competition from Central Asian states. while to stop Russia influence CARs beside of Caspian region accessed to Gwadar.

After the development of Gwadar, the trade route of CARs adopt shortest available route. The trade production of Pakistan will also expect to multiply. For CARs countries export from Gwadar will be beneficial in following way.

- Kyrgyzstan and Kazakhstan will produce more dry cargo among CARs and Gwadar will provide shortest access to warm water. Gwadar easily fulfil the requirement of dry cargo.
- Turkmenistan, Uzbekistan and Kazakhstan having more liquid cargo to export through pipeline but these countries normally used route to Mediterranean sea through Caspian region which is around 800kms long route whereas through Gwadar it will be only 1400 km.
- Tajikistan is nearly 16 km away from Pakistan. Kazakhstan, Turkmenistan and Uzbekistan having more liquid cargo for export through pipeline and use route of Mediterranean sea from Caspian region that's around 1800 km long but from Gwadar route it become 1400 km shorter.⁶⁸

Afghanistan

Persian Encyclopaedia of Economics and Management published information that in Afghanistan there are 89 rich mineral fields, the Country having natural resources of copper, Iron ore and Barite. Afghanistan has huge potential of oil and gas, precious stone and Coal. After the improvement in security situation, trade activities are to be given importance.

⁶⁸Blank Stepen, Central Asian Security Trends view from Europe and Russia perspective, *Institute of Strategic Studies* 17 (May 2016) : 12-17.

Another significance aspect of the US support 1.4 billion for development of economy specially related to gas pipeline project of Pak-Afghan. The pipeline supplies 30 billion cubic meters per year by the way of Gwadar through Turkmenistan. It provides huge economic benefits.⁶⁹

According to Afghanistan's Deputy Minister of Commerce and industries from 2008-2009 nearly 60 percent of Afghan imports were transited from Pakistan . However the figure have shrunk that in 2016 not even 30 percent trade were transited from Pakistan. This is truth that just because of security issue and terrorism Afghan trade have diverted their attention to Bandar-e- Abbas in Iran. From 2008-2009 nearly 15-20 percent Afghan imports were transited from Iran and in 2016 the percentage increased to 37-40 percent. The distance between Gwadar and Kabul is 1237 while Chabahar is 1840 kilometre away from Kabul so in this perspective trade between Gwadar and Kabul is best option because Gwadar is almost 600 km near to Kabul similarly Kandahar also having less difference from Gwadar which is 1338 km but from Chabahar the distance is 1346 km. The closest city of Iran and the third largest city of Afghanistan is Herat, it is 1358 km away from Gwadar but from Afghanistan and Chabahar it is 1637 kilometre away. Pakistan route is not secure. In order to promote economical activities in Pakistan, maintaining law and order situation is very compulsory. If peace will be stable then Afghanistan and some other countries will easily take advantage of this route.

Government of Pakistan must focus to establish bilateral relationship with Afghanistan; this step will be helpful to promote economic agreement between Pakistan and Afghanistan. In Economic perspective Pakistan will face less logistic expanse from Gwadar. Moreover the shortest route will also link to Pakistan to connect Hydro carbon rich CARs. If Pakistan succeeds to maintain peace and stability then its economy would turn into standardize form and gradually Pakistan will be considered as developed country but this progress is not bearable for India.⁷⁰

Russia

If Russia prefers to use route of Baltic port through Gwadar so its journey decreases to 20 days as well as cost will also become less and it estimated \$400 to \$500 as compare to

⁶⁹Persian Encyclopaedia of Economics and Management, <http://www.tolonew.com>(accessed October17, 2016)

⁷⁰Muhammad Ali Zoab, Chabahar or Gwadar, Which one is Suitable for Afghanistan, *Voice of Journalists* 11(June 2015) : 7

existing route which is Suez canal and Atlantic .If Europe block the way of Mediterranean sea as well as Atlantic ocean, the Gwadar port will provide an alternative route towards warm water for Central Asia States . Gwadar port will become a superior option for exploitation of resources and economic development in parts of Russia.⁷¹

Almost 227,984 people are living in Gwadar port which comprises the area of 12,637. It will become vital for their Inhabitants. Gwadar port show potential to acquire centre piece around strait of Hurmoz . After Gwadar port development around Caspian region then Gwadar will be great competitor with UAE. Gwadar port provide short way to land locked region, In future Gwadar port will be proved as developed features and transshipment junction as well as provide unique opportunity to observe environmental changes of World. Gwadar port also shows conflicting interest to regional power like UAE and Iraq. Pakistan and China will make maritime communication safer in order to promote commercial shipping in Indian Ocean. If Malacca strait is blocked then China will get substitute route through Gwadar. From Persian Gulf, Sea lanes of communication will easily monitor from Pakistan as well as China through Gwadar port. China 60% energy requirement fulfilled from Persian Gulf. From Gwadar port China will also get chance to examine activities of Indian Navy on the area of Persian Gulf and Aden Gulf.

Gwadar port is competitive for Gulf States like Iran and Persian Gulf. Gulf States faces big challenge regarding Gwadar trade as well as economic progress of future in Pakistan. Gwadar port progress is also an alert alarm for US because US is also interested in CARS and Middle East resources and because of Gwadar port China presence near Hormuz and Gulf states may create problem for the US. This globalization will bring changes in economy of world and civilization will be called borderless Civilization. This economical system of phenomena will increase economical trade around 5.88 billion from 2.37 billion tons.. Gwadar plays an alternative port apart of Bin Qasim port, Karachi, Jiwani, Kalamat Khor, Pasni and Jiwani. Gwadar has numerous potentials instead of other port like

- Gwadar can easily approach towards SLOC and many countries will also get facilities of transshipment that's Gwadar is more suitable for trade.
- Eastern neighbour is very far from Gwadar and from Gwadar more naval as well as air threat will be encountered at the time of war.
- Gwadar provide safeguard from different disasters and weather.

⁷¹Gordon Filler, "Trade Route of the Future", *Journal of commerce* 27 (August 2015) : 11.

- Gwadar is more suitable to enhance level of trade and it is also best source for regional player like European Union and UAE.

Development Plan

Gwadar development authority includes area of 18,600 hectares for multipurpose projects.

- The port expansion over an area of 3.2 kilometre of seafront to east for construction of nine new berths.
- Special Industrial Zone will be set up about 4,000 hectares located in north of town.
- In Eastern bay 47000 acres land is allocated for Export processing Zone.
- In western Bay 400 hectares of Residential area.

Ministries Links

Gwadar port project is getting progress under the supervision of following Industry. Planning and reform ministry, Ministry of shipping port, water and electricity ministry, Ministry of Information Technology and Communication, ministry of Railway , Finance ministry of Pakistan.

Department Links

Following Departments are concerned about the Gwadar port development project. National Highway , Gwadar development Authority and Frontier work Organization.⁷²

⁷²Hasan Yaser Malik, Strategic Importance of Gwadar port, *Journal of Political Studies*, no.19 (2012) :60-65.

CHAPTER : 4

The Impact of CPEC on Gwadar

China and Pakistan's Economic corridor is basically project of one belt and one road. The OBOR cover many Asian countries and some other region around 4.4 billion population and volume of economic is around US \$ 21 trillion in percentage it count as 63% of population. CPEC basically develop route from three sides. From South side (Kashgar connect Gwadar part), Central (Shanghai connect to China than Tashkent, Tehran and move towards Iran port of Bandar Imam Khomeini port) and some of its branches link to Europe on North side (Beijing connect Russia then move to Europe). After completion of Pakistan China Economic Corridor (CPEC) a gateway of trade between China, Middle East and Africa will be functioned. It is expected that first short term will complete in 2017 and second midterm project will complete in 2025 and last phase of long term will complete in 2030. The development of Phase-I work consists of constructive work of port Gwadar, up gradation of Karakorum highway and railway network that connect Karachi at South and Peshawar at north. Meanwhile the progress of Fibber optics communication link is also going on.

The heart of CPEC project is Gwadar port, which both China and Pakistan will get beneficial economically. To feed local and regional market oil refineries, cement factories, fertilizer industries and steel mill and other service will open success door in trade relation among countries of the region. After the establishment of road and railway link from Khunjrab to Gwadar trade volume to the other countries of region will be increased.⁷³

The Prime Minister Inaugurated Gwadar port free Economic Zone on 1st September 2016. In the inauguration ceremony the Prime Minister said that "Gwadar port was his dream and he was pleased to witness its development as an international day. Gwadar would soon emerge as one of the most prosperous cities in the country". There are several schemes like Gwadar port Business Complex, University of Gwadar campus, Shadi Kaur dam, Sawad dam and Pakistan-China Government primary School will be completed in the next years.

The port and shipping federal Minister Mir Hasil Bizenjo stated that "CPEC is because of Gwadar". Mir Hasil Khan Bizenjo expressed hope that CPEC will bring prosperity at the door step of Balochistan people. Secretary ports and shipping Khalid Pervaiz expressed his view that Gwadar port progresses the country economy in general and Balochistan in particular.

⁷³ Muhammad Rayyan, CPEC- Threat and opportunities, *National Herald Tribune*, <http://dailyiht.com/story/17974> (accessed January 10, 2016).

The connectivity of Pakistan with China from land and sea route minimizes the distance from weeks to days. Gwadar will also provide transshipment facilities to landlocked countries like Central Asian States, western China and Afghanistan. Chairman Gwadar port Authority Dostain Khan Jamaldini expressed his hope that Gwadar port will provide modern facilities like three multipurpose berths to cater ships of 50,000 dwt.⁷⁴

Chinese delegation of 10 members headed by senior government official did visit of Gwadar and observed ongoing project. The delegation did visit of Gwadar port, Pak-China friendship primary School, Gwadar Expressway and Free-Zones and different projects related to progress of Gwadar. Director General of Gwadar development Authority (GDA) informed to delegation that many development projects like GD school and GD hospital has been completed.⁷⁵ In the meeting it was declared that Liquefied natural gas and Coal projects are completed at Gwadar. Government also announced complete tax exemption for registration of Ships and imports.⁷⁶

Memorandum of understanding

Prime Minister Nawaz Sharif played visit to Beijing for one Belt and one Road Summit 2017. Chinese economist Li Keqiang and Prime Minister Nawaz Sharif signed MOU in Beijing. They also discuss about construction of silk route which is main project of 21st century between Pakistan and China. Both the leaders agreed on quick implementation of MLI and Havelian dry port in Pakistan between NDRC (National Development and Reform Commission) and MPDR. Later on the project director of CPEC Hassan Daud and Chinese professor and Economist Justin Yifi (who is also responsible of 21st century silk road project also signed on MOU. Ahsan Iqbal, a Minister for Planning development and reforms expressed his point of view regarding MOU that agreement would promote bilateral cooperation multilateral mechanisms such as CPEC to form synergy, give each other support and learn from each other Strengths. The first implementation of MLI projects and establishing the Havelian dry port under MOU will be started. This project promotes combine research on the formula of Special Economic Zones. This work will form synergy on policy (SEZS).

⁷⁴ Munir Ahmad Jan, Qazi Naimat Ullah and Jameel Qasim, Gwadar port symbol of prosperity, " *Gwadar port Newsletter*, No. 1, 12(December 2016: 3-7).

⁷⁵ Chinese team reviews Gwadar progress, *The Express Tribune* (2016).

⁷⁶ <https://defence.pk/pdf/threads/malaysian-wishes-to-utilize-gwadar-port-join-cpec.487763>.

The work on following projects related to Gwadar port is going on. There are many projects of Gwadar port under CPEC like Construction of East Bay Expressway, Infrastructure development for free Zone ,Coal based power plant, Construction of international airport at Gwadar, established basic necessities to provide fresh water, Construction of Break water, Pak-China technical and vocational institute and Dredging of Brething Areas and Channels.

The World's largest professional service firms is price water house coopers (PWC). It published a report in which the prediction was found out about powerful economies of 2030. PWC ranked 32 countries and Pakistan was among them. PWC ranked Pakistan on 20th number just because of CPEC project.

The first trade Chinese convoy and cargo ship Zhen Xing sung were carrying different goods for purpose of export arrived on port on 11 November 2016. The Convoy comes from Kashgar carry 80 containers of goods for the purpose of exports. The convoy came to Balochistan from the Zhob district and finally entered at Gwadar on 12 November 2016. Prime Minister Nawaz Sharif said that CPEC dreams become real with the arrival of first cargo. Prime Minister also encourages the efforts of all Army staffs and Balochistan Chief Minister to achieve the targets of this mega project. He also commend service presented by Frontier Works Organization about concern of Gwadar port functioning and appreciate FWO members sacrifice their lives in the establishment of road. It was expected that next convoy arrive within 24 hours. So, the Convoy was reached at port on 12 November 2016. After that goods will be exported to countries in Africa and Middle East.⁷⁷

Hu, Yaozong, Gwadar free Zone company manager has given an interview to China Daily Newspaper and expressed his view that first phase of Gwadar free Zone that sixty percent construction work has completed. Hu Yaozong said the construction work of second Phase consisted the project of huge stainless steel factory and it provides job opportunity for local people. The Gwadar free Economic Zone is spread over 923 hectares. Gwadar free Economic Zone designed for mineral resources enrichment and to promote Gwadar rich fishery by giving them shape of industries for domestic consumption and overseas market.⁷⁸

⁷⁷<https://www.dawn.com/news/1295895> (accessed March 12,2017).

⁷⁸<http://gwadarnews.com/2017/04/06/60-percent-construction-work-of-gwadar-free-Zone -completed> (accessed April 6, 2017)

The ceremony was held in Ministry of commerce in Pakistan about CPEC in which various agreements related to establish Gwadar as developed port of a world as well as to utilize all opportunities related to structural development at Gwadar in order to upgrade as special Economic Zone. Both Countries signed a project about Gwadar East Bay expressway and the construction of this project was started. The express way will be divided into 4 lanes. The total length of this East Bay express way will be 18.981 km, it would further embank 6 lanes structure. This project will associate Gwadar with coastal highway of Makran.

sister of planning development and reform paid visit to Chinese company called Gezhouba where he observed a unique technology about power plant of coal fired. The Chinese engineer explains the advantage of this project that technology will be helpful for minimum carbon ejection. The Chinese engineer also makes sure that knowledge in this coal energy sector will connect with engineering council of Pakistan. This step will be beneficial for Pakistan while enhancing knowledge in different energy sectors.

Two tones of seafood originating from the coast of Pakistan were exported to Karamay in China's north western region of Xinjiang Uyghur from the route of one Belt and One Road. The time period estimated more than 34 hours from the port of Gwadar. There are 16 types of deep sea edibles like lobster and black angus , all originating from Indian Ocean. The sea foods also exhibited at the event by Karamay based Xinjiang Yufei International fishing companies, Yufei was first Chinese enterprise who has started business in Pakistan and established branch in Gwadar. Yufei General Manager of Luo Jun insisted that his company will more imported shipments of seafood to Karamay. The company invested around \$74 million in establishing seafood, freezing workshop, sea water desalination, Ice making factory, a packing factory and a maritime scientific research centre in Gwadar. It is expected that railway project will further cut the cost of shipping of seafood. The company General Manager Yeufei said 'we will send Gwadar's seafood to shanghai, Guangzhou, Beijing, Karamay and Urumqi. We also plan to sell it to Dubai and Iran in the future. Pakistan expected around 4 percent of global trade amounting the revenues of \$6 billion to \$ 8 billion at year.⁷⁹

Sahiwal power project both units (2x660) 1320Mega watt of energy became operational on June 3, 2017 at Rs. 8 per unit. The project was completed in just 22 months. It is the first

⁷⁹ Chinese enjoy seafood from Pakistan transported over new trade routes, *Daw*, May 22, 2017.

Mega power project of CPEC. The concept of putting such a mega coal fired power plant seemed ambitious with no prior experience. The international cooperation conference held at Beijing where Prime Minister Nawaz Sharif spoke about Bhasha project organized by China's National Energy Administration (NEA). He said NEA under Chinese government assistance Pakistan will overcome crisis of energy sector while set up different power projects in energy sector, the NEA is effective and reliable partner it's not only try to overcome Pakistan energy problems but also provide assistance to Pakistan experts in the sector of energy to enhance its learning area. He said that human resources in Pakistan will give considerable benefit to the Pakistan expert under the guidance NEA. The project carried by two groups will lay solid base in the energy sector of Pakistan while maximizing their potential.

Pakistan port Gwadar is operated by China which will also provide benefit to many other regions like Central Asian States and Middle East because these countries also get the flow of energy and goods. Gwadar deep sea port which is operating and built by China remains a considerable interest for the world. In the east of port 605 km energy choke point exist whereas Strait of Hormuz having great strategic dimension. Nearly 77 percent of oil move to Asia Pacific pass by the way of Strait of Hormuz. General Pervaiz Musharraf explained the importance of Gwadar as transmit of economy for entire region. China also get shortest route from Gwadar and its distance reduce towards thousand kilometre while doing trade. Gwadar will play a formidable rock for strategic control of Indian Ocean. The project consist the construction of railway as well as road and project also comprises connection of oil and gas pipeline. The project of Gwadar port change in the form of port of transshipment.⁸⁰

The 923 hectares of Zone will build strong backbone of economy at Gwadar and in future provide advantages to Middle East, South Asia and Central Asia. This project of Chinese built Naval base is nearing completion. Gwadar location 460 km west of Karachi and along with Naval base at Ormara 349km west of Karachi decrease the vulnerability of Pakistan against India. China fulfilled 75% of energy requirement by the way of Malacca. The Navy of United State has strong influence in Malacca Strait So US can easily block the China's supplies so, Gwadar port provide an alternative route to China. The project Iran-gas pipeline extents towards Gwadar, when Gwadar will also link to Iran-gas pipeline project then project will be more progressive and secure even from Persian Gulf region. In Indian ocean Gwadar also consider as string of pearls. US playing a very powerful game because US having

⁸⁰ <http://www.gwadarport.gov.pk>.

development and dominance on land, sea. After the development of Gwadar port Chinese attempt to break out US Imposed order. The Gwadar and CPEC offer many opportunities. Between UAE ports and Xingjian there is 15,000 km distance, just because of Gwadar the distance will be maximized to 25,00 km. After the road, railway and energy pipeline based Gwadar will facilitate short route with full security to China while Transportation of Gulf oil and gas from gulf region. Further, Gwadar port eliminates danger of Chocking at Malacca.⁸¹

A series of visit by the political and military delegation of both countries have contributed to promote bilateral relation and confirm the concern as well as approach of both countries related to economic and geo-economic strategy. According to Chinese Minister of Foreign Affairs, China reaffirmed that most of the energy project under China-Pakistan Economic Corridor (CPEC) will be fully implemented in 2018 which will fulfil the shortage of electricity.

The elicitation of minerals from Balochistan is always bone of contention between local people and government. They consider that Balochistan is the poorest province of Pakistan. Although it is having vast mineral resources, Balochistan government wants Chinese companies to promote mining Industry under one Belt and one Road (OBOR) project. Beijing has pledged \$57 billion for CPEC because its first aim is to develop road and sector of power after sometime Chinese started focus to promote industrial set up in Pakistan.

The Baloch said that Beijing Chosen Chinese companies promoted the local firm for utilization of natural resources like marble, coal, mine, chromite, limestone etc. He also requested to set up steel mill and other plants. Baloch officials said that subsidiary of state run like China Metallurgical group operated by saindak copper and gold mine is an example to follow. In order to explore natural mineral resources, Balochistan did agreement with an international company Tethyan. It is expected that with this agreement Balochistan natural resources like copper and gold will be boost. The company estimated cost of \$148 million. Barrack gold and estimated a US\$3 billion investment.⁸²

Chinese leader Li Keqiang visited Pakistan and presented the proposal of CPEC in May 2013 according to which Gwadar will link to the city of Kashgar then connect to Xinjiang the northwest autonomous region of China. The CPEC play bridge role by the way

⁸¹ Sajjad Ashraf, "Gwadar will be the economic funnel for the region", *Gulf News* 2(June 2017).

⁸² Chinese Silk Road firms to help Balochistan Mine Minerals, *Dawn*, <https://www.dawn.com/news/1336981> (accessed June 7, 2017).

of silk road and Gwadar that connect billion of people from Asia, Europe as well as Africa. By these projects China's distance for importing oil and gas will be reduced by thousands of kilometres including Africa.⁸³

CPEC generating interest from developed Countries

On 5th April 2017 Malaysian delegation expressed deep interest to become the part of project like ferry service operation, establishment of Industry in Gwadar and construction of dedicated terminals at ports. The meeting was held between two countries leaders, Pakistan port and shipping minister Mir Hasil Khan Bizenjo and on the other side Malaysia Prime Minister Abdullah Badawi attend the meeting and many industrialist and businessmen of both countries were also the part of meeting. Mir Hasil Khan Bizenjo said that government provided different kinds of incentives to Gwadar port project like income tax and Custom duty exemption. While promoting Pilgrims visit and industry Government inaugurated service of ferry boat for public as well as private sector for Middle East countries and Iran. This step also becomes part of economic growth development. In this technological era the latest technology is the need of time. In Pakistan most of the institution works manually so to promote automatic system special attention is required. Therefore, if Pakistan will link with technologically advanced country so Pakistan finds easy way to bring new technology in the Country.

After Senior Russian officer visited to Gwadar, Russia also wanted to be a part of Gwadar project after that Moscow rendered its proposal to Pakistan. Russia is a landlocked Country on its South East border so it needs to access warm water. Pakistan is blessed with an Arabian Sea and it has warm water whole the year. Russia army used the most advanced technology. If Russia will join CPEC then Pakistan can easily get the benefit of its military weapons instead of buying from France and United States. Although many times these Countries refused selling military weapons to Pakistan. After Russia's joining of CPEC, Pakistan no longer needs to rely on these Countries. Recent military training between Russia and Pakistan further supports this point. The meeting was held between Sardar Ayaz Sadiq and Egyptian leader Sherif Shaheen. In this meeting, Egypt shows interest to be part of CPEC. National Assembly speaker remarked about the Egyptian proposal for CPEC. He said "Proposal affiliated to

⁸³Balochistan wants China to include mining industry in OBOR initiative, *The Daily Times*, dailytime.com.pk/Pakistan/03-jun-17/balochistan-wants-china-to-inculde-mining-industry-in-obor-initiative.

Allama Iqbal poetry and concept of connection from Nile Shore to Kashgar soil can be implemented. It would be gate of infinitive economical progress.⁸⁴

Boris Johnson is the UK secretary of State for Foreign and Commonwealth Affairs. He encouraged potential of Pakistan related to CPEC project. He said “UK needs an alternative market for their goods and CPEC with its benefits seems the perfect platform for their Investment.” Instead of UK, France and Turkey also show desire to join CPEC. The France ambassador came to Pakistan. He did visit to Pakistan and expressed her Country wish to join CPEC. After Inclusion in CPEC, then hopefully France advance technology and expertise will future boost the economy of Pakistan. Romania is also among EU nation. The Country shows interest to become the part of CPEC. The Country further expressed her wish to introduce Dacia Cars in Pakistan and invest in different sectors . After the EU nation participation in the Pakistan corridor, the economic growth will prove to be exceptionally good for Pakistan.⁸⁵

Threats to CPEC in Gwadar

The project of CPEC is most common and attentive topic in the world. An Analysis was observed that CPEC will bring Geo-politics changes in the region as well as bring specially an economic development in Pakistan. The China basic objective is to link three main continents that are Africa, Asia and Europe. The project will be helpful to increase number of job opportunity in Balochistan as well as in Xinjiang, China. Gwadar district of Balochistan is heart of this project. This Balochistan largest district having 600 kilometre coastal highway and 55 percent of population are living over there. From CPEC programme both countries are agreed to develop deep sea port as well as to build infrastructure, transportation project, energy and airport. The hope is that these developments overcome the problems of Pakistan most backward province and also open the door to access the rich mineral resources of province. There are some problems which need to be overlooked and it's essential to solve these crisis and problems as early as possible otherwise this mega project face many hurdles in order to accomplish the project. The Challenges related to seawards activities includes Piracy, human trafficking and smuggling etc but apart from that there are prominent issues in Gwadar district which need to be overcome as early as possible.

⁸⁴ Countries lining up to join CPEC, <https://www.dawn.com/news/1313052> (accessed May 4, 2017).

⁸⁵ Hiba Arshad, “Countries hoping to become part of CPEC,” *Pro Pakistani*, <https://propakistani.pk/2017/01/19/countries-hoping-become-part-cpec/> (accessed March 25, 2017).

a. Water Crisis

The water crisis is the main issue in Gwadar. The local people are not getting clean water since a long time and the process of desalination having a lot of cost. The one desalination plant which is located in Gwadar and Kurwat only facilitate clean drinking water around 2 million gallon per day during 2015-2016. Sometimes just for bring water tanks people spend an amount of 15,000-18,000 rupees, which is \$150-180 per day. Mir Iqbal Saka, a well know land lord expressed his feelings that he has no water to drink, Although he want to spend money around \$160 for water but due to deficiency of water he is not able to arrange the water. In September 1995 the construction of Ankara Dam was completed. For supply of water Ankara dam is established but now its condition is also not good and storage area is around 17,000 acres. The storage capacity will divide further 11,000 acres consist of live storage and 6,000 acres comprises dead storage. Although the dam depth was 50 feet, but now its capacity became less and its capacity is now 20 feet the capacity of dam reduced to only 20 feet because slit accumulated at bottom. The best logical solution to increase the reservoir is by desalting bottom with the passage of time.

b. Conflicts on dam construction

Under CPEC the construction of two new dams were announced, one was Dasu dam it will be constructed in Khyber Pukhtunkhwa and other one was constructed in Gilgit Baltistan that's called Diamer Bhasha dam. This dam is having the cost of \$26 billion. Political unrest and insurgency continues prevail in Balochistan. Local people of Balochistan also didn't show positive support for the project because they always feel that they are deprived from their own local resources. Baloch People expressed their opinion that their objection is not for development of province but indeed they wanted their basic problem should be solved firstly like many children are dying just because of lack of clean water.

c. International cooperation

A growing partnership between US and India and on the other side alignment among Iran-India and Afghanistan made situation hard for Pakistan so in these circumstance this project become very important for Pakistan. Pakistan has few choices left but its friendship with china always show fruitful results⁸⁶. India is among those countries who strongly and openly opposed the project because India consider this project as a danger to the national security and integrity. India is pursuing diplomatic route to create hurdle in the construction of CPEC in Gilgit Baltistan by Claiming and considering it as a disputed area.

⁸⁶Shah Meer, The overlooked Threat to CPEC, *The Diplomat*, 23 (June 2016), <http://thediplomat.com/2016/06/the-overlooked-threat-to-cpec-in-gwadar>.

The United State of America also has been apprehensive of Chinese access to Indian Ocean. For America this is more strategic and military move by China. America's intention was to dissuade Pakistan for involving China in developing of port because after the European Union, it will function as the Second largest port.

d.PN supplies potable water

The Scanty of fresh water resources and less rainfall badly affected the common man's life in Balochistan. Pakistan Navy on the base of its resources dispatched Navy tanker like PNS NASR towards Gwadar in order to provide 1200 tons of fresh water. On 25th May 2017 this ship arrived and further distribute the water for residential areas with assistance of district administration due to the Gwadar project under CPEC Pakistan Navy having its operational bases on coast of Gwadar and Ormara.⁸⁷

e . Militants Organization

In order to damage the project, militants are spread from Xinjiang towards Gwadar in the form of group For example TTP, Daesh, Balochistan Liberation Front (BLF), Sectarian Violent groups, Balochistan Liberation Army (BLA) all these are security dangers for the completion of Project. Although these militants having no conflicts with China. Indeed their intention is to destroy the Chinese project CPEC and their purpose is to provide danger to Pakistan state. There are also indicators that foreign intelligence agencies engaged in espionage against CPEC. There are reports on media that RAW has involved with militants organization in order to Sabotage the construction of project. Murder of Chinese and Pakistan personnel, Kidnapping, bombings of installation, and acts of violence are measures of this group to spread insurgency in major cities of Pakistan where CPEC project is going on. Pakistan military have shown very positive measures to counter threats. General Raheel Sharif, chief of Pakistan Army Staff has issued statements on different occasion, since the final agreement has signed to ensure the completion of project at any cost. Some measures have taken by Pakistan government to overcome the physical security threats to Gwadar port and CPEC.. They didn't see any positive response from the government whenever they view any construction work related to CPEC project they want to avail the opportunity to damage it. Baloch insurgent opposing the development of Gwadar port and are creating hurdle like Baloch insurgent who opposed the Gwadar port development, attacked Chinese Engineers and blew up the numerous pipelines so these insurgents troublesome the environment and

⁸⁷ <http://www.defence.pk/pdf/threads/fleets-tanker-pns-nasr-to-gwadar-with-1200-tons-of-fresh-drinking-water-497810> (accessed May 25, 2017).

situation for Chinese workers in Balochistan. In the town of Karachi three Chinese engineers were died from attack of Balochistan Liberation. In Turbat 20 labourers lost their lives due to BLF gun men. Whenever militants get opportunity they attack on projects related to energy as well as power lines. They were afraid that if Gwadar will become developed than outsiders will move in and native people will become minorities. Various Balochistan leaders are opposing development of Gwadar port and CPEC like the leader of Baloch Republic party Brahamdagh Bugti criticized Gwadar port project and called for UN Resolution. China has been significantly troubled by East Turkestan Movement and this group was responsible for the death of Chinese for the last two years.⁸⁸

China also faced ethnic violence from Uyghur rebels in its Northwest Xinjiang Province where Muslim are living in a large number. Some other terrorist groups are also bone of contention for the progress of this project including militant group from Afghanistan, RAW, Mossad and CIA are continuously supporting these militants organization in order to destabilize Pakistan. Both countries are aware about evil intention of militants they are trying their best to make corridor successful and Iron brother will be proved soon as golden brother. On 18 June 2017 two Navy sailors were martyred and 3 other were wounded after their vehicles attack in the Jiwani area of Gwadar district, Balochistan. The sailors were transporting Iftar items from a Jiwani city when the militants attacked on them. Security was tightened after the incident and a search operation was launched. Chief Minister of Balochistan Sanaullah Zehri said about this incident that ‘we will not bow down before the terrorist’. These types of shooting incident affect Pakistan reputation and discourage the foreign investor. This warm water of Gwadar is basic element of CPEC. Gwadar port project

⁸⁸Jawad Falak, “CPEC: Internal Significance and Challenges,” *Center for Strategic and Contemporary Research* 12 (November 2015) :10-15.

considers ‘Game Change’ and manifesto of a strategic partnership between Pakistan and China. In the month of May 10 labours were killed in Balochistan district of Gwadar. Separatists continue to wage their campaign against the central government for decades because they are demanding a great share of the gas rich region resources. They didn’t see any positive response from the government whenever they viewed any construction work related to CPEC project, they wanted to avail the opportunity to damage it.

Terrorist back to back attacks killed three dozens of lives in the province of Balochistan. Due to this incident, International cooperation was held at Beijing. Nawaz Sharif with his delegation attended the conference. By Striking Deputy senate Chairman Abdul Ghafoor Haidri’s convoy in Mustung and killing ten members of two assaults in Gwadar, these negative activities depict that Pakistan was not safe for multibillion dollar project. On the other side Pakistan and china continuously gives progress to the project and uncompromisingly claim that it would be completed at all cost on a fast pace This project one belt and one road that’s main related to silk road and comes under category of 21st century economic belt project that launched by Xinjiang 2013. Terrorist also gunned down those poor daily wages that had come to Balochistan from Sindh in order to earn and improve their livelihood.⁸⁹

Current Internal Significance and enhancement of Security cooperation

After the commencement of China-Pakistan Economic corridor CPEC Pakistan Navy has increased security and surveillance at Gwadar. For the security of Gwadar a special Marine Battalion raised. The Gwadar port is the origin and starting destination for CPEC.

On 25th May 2017 a ceremony was held at Karachi to operationalize a Naval Air station which will enhance Naval capabilities to face challenges of terrorism at sea, counter maritime security operation and curbing piracy. The ceremony chief was Khawaja Muhammad Asif who was defence minister of Pakistan. The Naval station at Turbat will play significant role for air transportation and as a Base of Naval operation. Apart from that it provides support to CPEC project. Around Naval station a new runway has established, it would be helpful to

⁸⁹Syed Ali Shah, Two Navy sailors gunned down in Gwadar Shooting, *Dawn*, 19(June 2017).

handle heavier aircraft of Pakistan Navy as well as for other services related to airline for public.⁹⁰

Ruddul Fasad testicular in certain region of Baloch Nationwide military operation needs to accelerated particularly in certain region of Balochistan because Balochistan play very important role in CPEC, most important is the location of Gwadar port there.

For the protection of Gwadar port and China-Pakistan economic Corridor (CPEC) in Punjab, a first ever Riverine Amphibious police Force (RAPE) has established. The RAPE basic objective is to stop infiltration of Baloch insurgents into Punjab, counter terror and avert any effort at sabotage and protect railway track. The total 1,650 RAPE personnel are post at Bhakkar, Attock, D G Khan, Mianwali, Layyah, and Muzzafargarh, RahimYar Khan and Ranjanpur Places where River Indus flows and project of west corridor is going on.⁹¹

Pakistan Navy presented services in order to ensure the security on port, sea lanes and vessel. Pakistan among 400 marines to the third marine battalion gives security to the Gwadar port all the time. The city of China Liuzhou BASOL launched the second patrol ship of maritime in August 2016. This conference Maritime security cooperation policy were drafted between Pakistan and China for ensure the security of Gwadar port. Another Importance in this regard is that in June 2015. Defence Minister of production under programme of PSDP did an agreement with CSTC that's construction company of China in order to produce 4x600 tons and 2x1500 tons ship of maritime patrol. According to the contract around three ships will be constructed with the assistance of Engineering work of Karachi shipyard and the remaining four ships are being constructed in China. In September 2016 during ceremony Pakistan Navy 3 Fast Attack craft were exhibited. Indeed Pakistan and China collaboration has the potential to face the challenges and further promote cooperation for indigenous ship construction Industry⁹².

Government and Pakistan Navy have taken many security measures around the Gwadar port. In the deep sea port for vigilance of ships and other sea connection a Marine Battalion is set up over there. All Pakistan marines and some other special service group got train in order to counter the land, air as well as sea operation. In the Gwadar city digital camera with FID

⁹⁰ <http://www.the news.com.pk/latest/206573-Pakistan-operationalises-Naval-station-in-Balochistan>(accessed May 25,2017).

⁹¹ Babar Khan Bozdar, CPEC ,domestic challenges and growing opportunities, *Foreign policy News* 16 (December 2016) : 12-20.

⁹² Sadia Kazmi, CPEC and issue of Maritime Security, *Pakistan Today* 12(November 2016): 15-18.

system is installed and on the other side Laser camera is installed for automatic number plate reader. For the development purpose government of Pakistan has given authority of Gwadar port to Chinese company. Indeed both countries invested billion of dollar for better security purpose and for upcoming challenges. After economical boost of CPEC some other states specially Central Asian States also become the part of this project then port need to be more advance as well as its required more upgraded equipment. For Future requirements, Pakistan Navy's aim is to transfer operational assets related to naval from Karachi Naval base to Ormara which is the newly built Naval base which is located between Karachi and Gwadar port.

At that moment different kinds of attacking fleet are included in Pakistan Navy like Amazon class that is type of British Navy ship that's also called Type-21 and now this attack fleet is upgraded in the form of tonnage 20200. Almost four light frigates from China (F-22P) are also included in the attack fleet of Pakistan. In order to replace 21s Pakistan Navy warriors surface around five to six will be added in Navy fleet. Apart from that fleet surface Pakistan Navy comprises missile of high speed, training ships, boats, mine craft as well as some destroyers. Navy services have been implemented for beneath water safeguard. The main functions includes like battle group operation, commencing peaceful engagement, precision strikes, Special operation, intelligence management and especially to control and safeguard Pakistan Sea border. Nowadays on Gwadar port ships have started arriving and bringing cargo with different equipments for the purpose of construction.

Currently Pakistan Navy having submarines of five fleet including two Agosta of 7B and three Agosta of 9B. In this year Pakistan Navy increase the number of Agosta. The basic element of Pakistan Navy operation is six squads of aviation fleet. These wings include aircraft ATR and Fokker category, P3C Orion and some helicopter related to the unit of Z9EC, Alouette and sea king.⁹³

Special Security Division

Special Security Division was set up to secure the land route. Special Security Division is responsible for protection of Chinese workers and all projects under CPEC. Division consist of 9,000 Soldiers of Pakistan Army and military force personnel included 6,000. All these personnel are responsible to safeguard the project and national security. For the security of CPEC almost 1.3 billion are allocated.

⁹³Maqbool Malik, Government steps up security for Gwadar port City, *The Nation*, March 2, 2016.

Task Force-88

Different Challenges to Pakistan security comes from India. India looks at Gwadar port project as foothold of China in Arabian Sea and threats for Malacca. The Indian submarine intrude into Pakistan water when shipping activities began at Gwadar on November 2016 so its fear about CPEC project that traffic of submarine will encounter terrorism related to Maritime trafficking, human smuggle, cargo insecurity and some other non-traditional dispute. For both conventional and Non-conventional threats Pakistan Navy modified Task force-88 (TF-88) for sea lanes and Gwadar port security. It is very essential to establish special maritime force for the functional of China Pakistan Economic Corridor specially and to protect maritime activities at Gwadar. TF-88 would consist of Fast attack aircraft, drones, ships and assets related to vigilance.⁹⁴

Fourth Pak-China Naval Exercise

The Fourth Pak-China joint naval exercise was held by Navy of Pakistan, China Navy and People Liberation army in November 2016. Although both Navies did joint exercise three times which includes at harbour and sea phase, these exercises were quite successful. The main objective of Fourth joint Naval exercise was to promote security of maritime and to promote CPEC project. In order to participate in Exercise Handan and Changxingdao ships transferred to Karachi. The exercise related to wide series of maritime operation of helicopter, aircraft, naval ships, maritime patrol and combine exercise of Air and Navy defence and drill of special services group related to communication and tackle foreign threat circumstance. This exercise will be helpful to fulfil both countries desire to enhance tactical capabilities. PLA is also regularly participating in AMAN series of exercise.

Levies Force

The Civil administration and security agencies law and order situation in the Province was heading towards improvement. Levies force also play a very important role for the restoration of peace in the province of Balochistan like they play a good role to maintain peace and order

⁹⁴Saleem Shahid, Special force set up to guard Gwadar port's sea lanes, *Dawn*, December 12, 2016.

in the area of Makran, Turbat, Panjgur and Khuzdar. Government also utilized all resources to improve the performance of Levis Force.⁹⁵

⁹⁵Shazia Hasan, Navies of Pakistan and China begin their fourth joint exercise, *Dawn*, November 18, 2016.

Conclusion

Pakistan's strategic importance and natural Resources provide best opportunity to promote mutual benefit between China and Pakistan. The Research highlighted the importance of communication and transport infrastructure to accelerated economic activities and gain economic progress by Gwadar project. The direct and indirect profit of Gwadar port under CPEC provide shortest route to Sea that increase bilateral trade with regional countries and enhance the full potential of CPEC as a Game Changer. The four geographically important regions requirement will be fulfilled due to Gwadar port project.

Gwadar was not under attention of government till 1971 East Pakistan war. During war of 1971, Indian Naval forces blocked route of Navy which adversely impact on Economic trade progress and development of region. For the development and safeguard of country Pakistan government pay attention for another naval base which is having a lot of distance from neighbouring country India. Gwadar being situated from distance of 460 kilometre, far from neighbouring country India that reduces Pakistan's insecurity. The location of Gwadar port will also play a vital role to fire back from modified nuclear capable cruise missile. From the last twenty years the development of port was stop after full encouragement and assistance of China that port construction and development work is carry on in a good progress. Gwadar is a factor to promote harmony among different countries. Few gas pipeline project plan and proposal are ready done and some projects are in process of implementation. Many countries like Iran, Pakistan, Afghanistan, Tajikistan and China are the stakeholders of this gas pipeline project.

After the development of Gwadar port, a tough competition is ahead for regional port like Chabahar and Bandar Abbas ports of Iran and Salalah port of Oman. Generally Gwadar port provide many advantages to regional Countries but particular China will get a lot of benefits because along Eastern Part China western part will also get benefits as a result Pakistan economy significance will also enhance. Gwadar port provides an access to regional market for landlocked resource rich countries like Central Asian and Afghanistan. On the other hand, the successful implementation of Gwadar port provides China shortest route to central Asian states for importing oil and other natural resources.

Strait of Hormuz is strategic choke point in Indian Ocean. Strait of Hormuz is the point that links the Persian Gulf and Indian Ocean so that's why it has more important in the world than any other energy route on this choke point 17 billion barrels of crude oil supply. Strait of Hormuz is only 400 km away from Gwadar port and Persian Gulf is also located at the door step of Gwadar port.

Gwadar port is an initiative of strategically importance symbol, its aim is to enhance the influence and access of Chinese in the Arabian Sea. Gwadar port has a potential to revolutionize the regional cooperation in the field of socio-economic development like shipping, railway, road, transport, trade, communication and industry. Gwadar port is fit to accommodate defender ship and submarines for defence of Arabian Sea and protection of energy pipeline.

After the completion of Gwadar port project. It is expected that Pakistan will not further consider among countries of third World but indeed Pakistan will consider tiger of international cultural politics. Military and economic power depends upon oil. The SLOCs link the entire world. Gwadar will also become very helpful in strategic and military term because Gwadar and Persian Gulf having a little difference and SLOC will easily observe. Here it provides an opportunity for Pakistan to monitor the Indian Naval activities.

The firm stand of military try to eliminate all evil intentions of extremism and terrorism is for successful implementation of Gwadar port project. Pakistan should create a creative engagement with other neighbouring countries like Iran, Afghanistan to accommodate their economic and commercial interest with CPEC. In CPEC the role of Balochistan is very prominent because most of military and strategic plans are affiliated with Balochistan. It is essential that government of Pakistan should encourage local dissidents in discussion and conference and make effective diplomatic campaign to hold off any kind of attempts by foreign government.

Recommendation

The primary aim of Foreign policy of Pakistan is to promote cordinal relationship with neighbouring countries. Pakistan faced conflict situation on eastern and western border. Pakistan government must be taken advancement to promote cooperation among neighbouring countries. Pakistan needs to reassure the confidence of India and Afghanistan about the Gwadar port project and drive away thought of nation about the use of military by another foreign power. As far as United State and China are concerned, United State needs to show strategic understanding. China also needs to demonstrate irrevocable commitment while entering into a limited security regime.

Protection of Baloch People

Government of Pakistan needs to understand the genuine concern of those people who are living in Balochistan and always do protest for their rights. In this regard Government should be taken people of Balochistan in to confident while providing them job opportunities as well as provide them sense of ownership and responsibility of work in the development of the project. Maximum job opportunities provide to Baloch people. In this regard state of the art technical training institution will be operationalized very soon. No domicile of Balochistan should be issued to outsider so that demographic balance of area is not disturbed.

Non-Military Use of Port for Foreign Power

The United State and some other regional players consider that China's role to adjust military advancement on Gwadar port makes project doubtful. Pakistan will face different complication because of China military presence for large period of time. For all foreign power Pakistan need to adopt Non-military policy on the project of Gwadar port in order to encourage revival of Pakistan economy. However, for Advance port facilities, the international player support must be encouraged.

Security of Investors

Frequent killing of foreign investor and targeting of Gwadar port project must not be ignored. Concrete step should be taken to improve law and order situation. For Sustainable process of Economic growth good Law and order situation is pre-requisite. Government of Pakistan required to address the Balochistan security situation. The policy related to security relies on Navy of Pakistan, Coast Guard and all agencies related to law and order. The incident like killing of innocent people and workers as well as harassment of investors must be brought to an end.

Setting Up Shipyard at Gwadar

Although Government of Pakistan has decided to set up Shipyard at Gwadar city but still the project planning is on paper in order to fulfil all future requirement of Gwadar port, Government of Pakistan focus to enhance level of merchant fleet. In order to fulfil the objective proper budget should be fixed to purchase ship or built with the assistance of other Country in Pakistan. There is a need to expedite the project by public and private ownership.

Establishment of Marine Ministry

A separate ministry of Marine Affairs should be formed in order to explore Marine Resources as well as to coordinate National efforts on Gwadar port project and after the operation of Gwadar port ministry should be responsible for all concern related to marine.

Communication Infrastructure

The overland connectivity is essential for Gwadar port. Gwadar land's link with Xinjiang is very important but the process to connect Gwadar with Central Asia, Iran as well as Afghanistan also requires to be completed soon. There is need to complete East Bay Express way project in short time period. Government firstly need to start the work by linking South towards North through establishment of road after that Gwadar must be linked with district Chagai in short time period as well as CARS should be connected by the way of Afghanistan by minimum time duration.

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