



CPEC: GWADAR PORT BECOMES OPERATIONAL FOR CONTAINER VESSELS

By
Neelum Nigar
Research Fellow

China Pakistan Study Centre, ISSI

Edited by
Najam Rafique

March 27, 2018

(Views expressed in the brief are those of the author, and do not represent those of ISSI)



The Gwadar Port is now operational for handling commercial shipping. On March 7, 2018 China's state-owned shipping and logistics services supplier company, China Ocean Shipping Company (COSCO) dispatched the first ever commercial shipment from Pakistan's port city of Gwadar to UAE, marking the start of a new era of global trade for Pakistan.¹ The shipment carrying containers of seafood left for Dubai's Jebel Ali Port.

According to the details, a commercial cargo ship will leave for different countries from Gwadar every week, allowing the traders from Pakistan and Central Asia to sell their products across the globe. The service has been designed in a manner to ensure to and fro movement of goods between Gwadar and any country.

The beginning of commercial shipment activities of vessels at Gwadar Port is a significant development which would turn the Port into an epicentre of international business. It would also open new trade horizons for Pakistan along with generating enhanced economic activities for the people in the region.

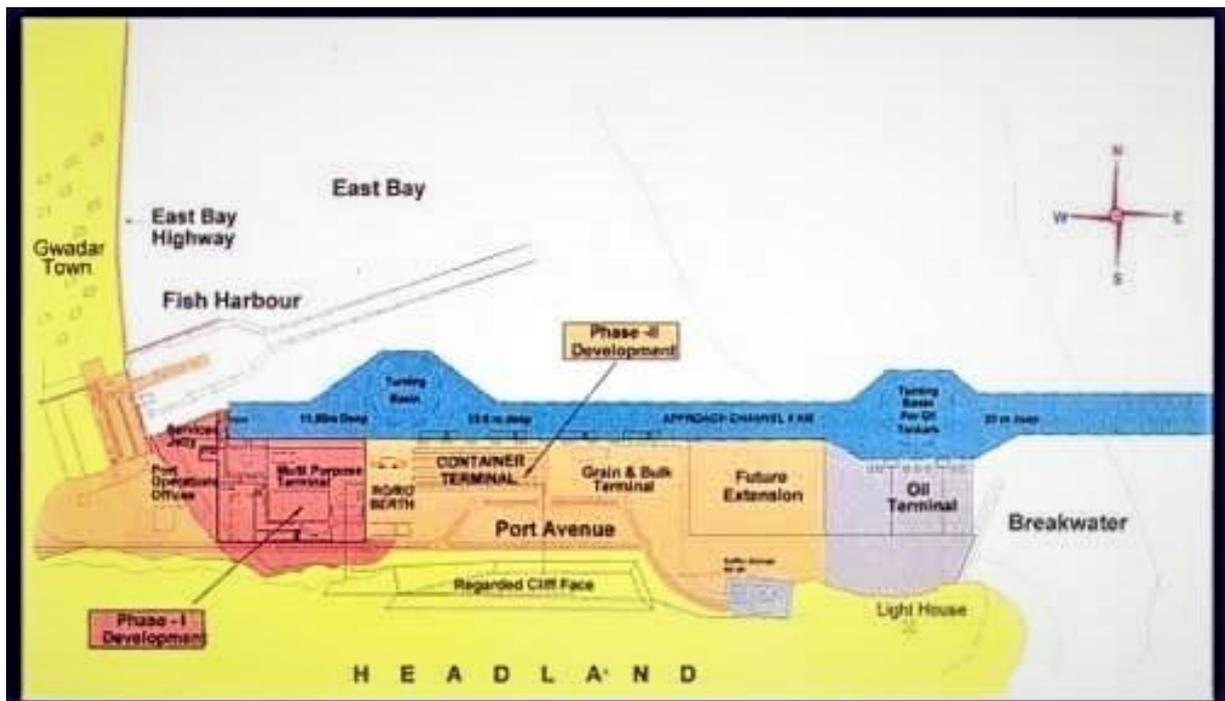
¹ "Gwadar port becomes operational with first container vessel", *The Nation*, March 08, 2018.
<https://nation.com.pk/08-Mar-2018/gwadar-port-becomes-operational-for-container-vessels>

An overview

Gwadar Port was inaugurated and started functioning in 2007. It is administratively managed by the Gwadar Port Authority. However, operationally it has been handed over to a Chinese company, China Overseas Port Holding Company (COPHC).

The port is currently in the second phase of construction as part of the planned improvement under the China-Pakistan Economic Corridor (CPEC). Under this plan, Gwadar Port will be expanded with the construction of nine new multipurpose berths on 3.2 km of seafront to the east of the existing multipurpose berths. It will also have cargo terminals in 12 km of land to the north and northwest of the site along the shoreline of the Demi Zirr bay.² In addition, the Gwadar Port dredging project will deepen approach channels to a depth of 14 meters from the current 12.5-meter depth that will enable docking of larger ships with a deadweight tonnage of up to 70,000 at the Port. Moreover, under the long-term plan, 150 berths will be built by 2045 with a capacity to handle 400 million tons of cargo per year.³

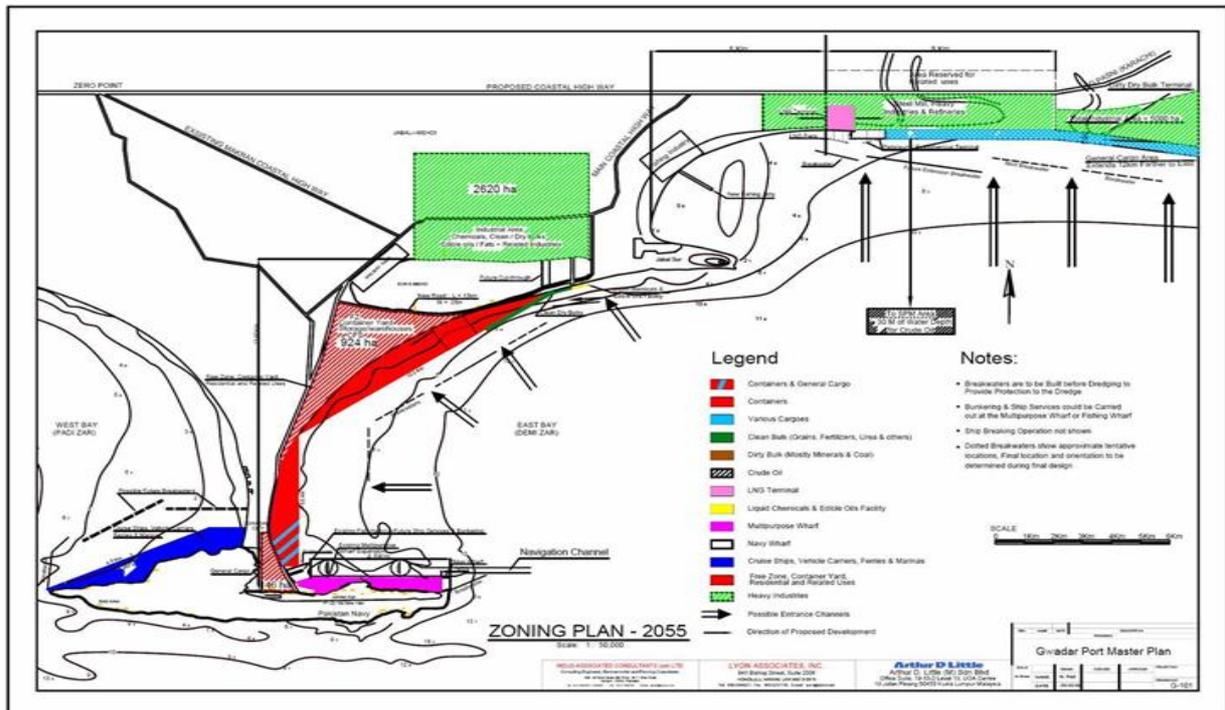
Gwadar Port - Expansion Plan



Source: Gwadar Port Authority

² "Gwadar Port: Logistics Capacity Assessment"
<http://dlca.logcluster.org/display/public/DLCA/2.1.3+Pakistan+Gwadar+Port;jsessionid=5F6C191D032FBE1DC92EC26CF7895A36>

³ Ministry of Port and Shipping, Gwadar Port Authority.



Source: Gwadar Port Authority

Port's Performance

It is estimated that to date, the port has handled over one million ton of cargo which mainly includes construction material for other CPEC projects. Initially, the port handled government imports of wheat grain (2008) and fertilizers (2008 -2014).⁴ Later on, after it was handed over to COPHC, it started handling project cargo for its own infrastructure development and expansion projects. During 2017, the port received 145 TEUs (20 feet containers - Project Cargo), but so far, the port is underutilized for commercial import and export since its development.

However, with the beginning of weekly feeder service by COSCO shipping line to the port at Jabel Ali, the commercial shipping service from Gwadar is expected to pick up pace. Moreover, with the completion of few development projects by 2019, the port is expected to start functioning at its full capacity.

⁴ "Making Gwadar functional", *Dawn*, December 22, 2008. <https://www.dawn.com/news/434892>

The current berthing specification of the port is as under:

General Cargo Handling Berths

General Cargo – Imports	Berths
Imports – Bagged Cargo	02
Exports – Bagged Cargo	02
Imports – Steel Goods	02
Imports & Exports – Ro-Ro	01
Imports – Vehicles	None
Others Imports	

Source: Data Compiled from Gwadar Port: Logistics Capacity Assessment

TEU= Twenty Foot Equivalent units, which is used to measure a ship's cargo carrying capacity

Container Facilities

Container Facilities	20ft (TEUs)	40ft (FEUs)
	Container facilities	Yes
Daily off-take capacity	250 TEUs Approx.	200 FEUs Approx.
Container Freight Stations (CFS)	Yes	Yes
Number of CFS	None	None
Capacity of CFS	None	None
Refrigerated Container Stations	Yes	Yes
Number of Stations (connection points)	400 Points	

Source: Data Compiled from Gwadar Port: Logistics Capacity Assessment

Berthing Specifications

Port Specification			
Total Berths:	Quantity	Length (m)	Draft (m)
Conventional Berths	03 General Purpose	200 m Each	12.5
Container Berths	01/03	200 m	12.5
Bulk Oil Jetties	None		
Cased Oil Jetties	None		
Bulk Cement Berths	The Same berth are used		

Source: Data Compiled from Gwadar Port: Logistics Capacity Assessment

Conclusion

The initiation of commercial activities at the Gwadar Port is important for the overall development and expansion of the port. This will support the development of Free Economic Zone planned in the area, encourage further investment and improve the logistic facilities at the port. Moreover, with enhanced logistic facilities through shipping services from the port, it gives an impetus to the Government's proposed plan to start ferry service from Karachi to Gwadar and Chabahar in Iran.⁵ The ferry services can also be extended to ports in UAE. This will enable enhanced inter-connectivity between the ports in Karachi- Gwadar, UAE and Chabahar, extending economic benefits, and generating commercial and tourist activities. Furthermore, with enhanced cooperation in the shipping sector, it can be ensured that in the time ahead, the ports in Gwadar, UAE and Chabahar will complement each other in the region.

⁵ "Ferry Service planned for Karachi commuters", *Dawn*, October 16, 2016.
<https://www.dawn.com/news/1292985>