

China's Gwadar and India's Chahbahar: an analysis of Sino-India geo-strategic and economic competition

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Introduction

Since 9/11, there is a growing Indo-Iranian naval cooperation in the Indian Ocean and the Arabian Sea. Pakistan and China are directly affected by this cooperation. In this regard, Pakistan and China are actively collaborating on the development of Gwadar port, since it has an immense significance for China to fulfill its economic and strategic objectives. China's interests in Gwadar Port are to strengthen its relationship with Pakistan, diversify and secure its crude oil import routes, and to extend its presence in the Indian Ocean and the Arabian Sea. On the other hand, India seeks to address its need to secure energy routes, and to counter the growing Chinese influence in the Arabian Sea, Persian Gulf, and the Indian Ocean. For this purpose, India brought Iran into an economic and strategic alliance. India spent huge amount on the Iranian Port of Chahbahar. Iran is already working on Chahbahar port in Sistan-Baluchistan, which will be easily accessible for Indian imports and exports through roads and rail links to Afghanistan and Central Asia. The development of Gwadar by China, and Chahbahar by India, resulted not only in open rivalry and competition between the two countries in the region, but also raised contention for the economic and natural resources of Central Asia.

The growing competition between China and India has an adverse impact on the Pak-Iran relations. The two ports, Pakistani Port Gwader, and the Iranian Port Chahbahar is the main cause of their geo-strategic and economic competition. China is mainly concerned over the growing Indian expansion in the Indian Ocean and the Arabian Sea. Moreover, the cordiality and warmth in Indo-US relations since the conclusion of US-India civilian nuclear cooperation on one hand, and cooperation between India and Iran in Afghanistan and Central Asia on the other hand, became a matter of grave concern for China's long-standing strategic and economic objectives in the region. India has dual objectives, to encircle Pakistan by establishing good relations with Iran and Afghanistan, and to counterweight China. It is the only power which can compete with Indian hegemony and supremacy in the region. Pakistan cannot outperform India alone, as Indian navy is many more times greater than Pakistan's.

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For this purpose, she needs active Chinese cooperation in the Port of Gwadar, since it is the only port, which can serve the best interests of both China and Pakistan in the region. The port will, therefore, enable China to keep a strict watch on India's growing influence in the Indian Ocean, the Arabian Sea, and Persian Gulf. Hence, the possibility of any future economic and military collaboration between India and the US in the region can be effectively dealt with. Another geographical advantage of the port is that it will reduce the distance for energy imports from Persian Gulf to China. Gwadar also holds a geo-strategic significance for China because of its proximity with the sea lane between the Middle East and China. It is vital for oil trade. As a gateway to the Indian Ocean, Gwadar will provide Beijing with a listening base from where the Chinese may exert surveillance on hyper-strategic sea links. The military activities of the Indian and American navies in the region can also be closely watched. Gwadar port will also provide a strong base for Chinese ships and submarines. Since Gwadar Port can fulfill its political, security and commercial objectives vis a vis India, China has spent a huge amount on its construction. Similarly, India has also spent money on the Iranian Port Chabahar which provides India an easy access to Central Asia through Afghanistan. The Port of Chabahar is located about 70 kilometers west of Gwadar. Direct access to the Arabian Sea would give India a strategic advantage, especially, from a key location of its navy. The national interests of both China and Pakistan converge and become compatible under the prevalent circumstances.

Moreover, Pak-China friendship is a great challenge for the Indian geo-strategic and economic objectives. India is trying its best to sabotage and undo it. Gwadar's competition for trade and transport will come from Chabahar, the new Indian-financed port in Iran. India's ultimate objective is to bypass Pakistan, and also cooperate with Iran on a highway system that leads from Chabahar port into Afghanistan and Central Asia. Chabahar's geo-strategic location plays an important role in connecting India to Afghanistan and Central Asia both militarily and economically. India sees Central Asia, Iran, and Afghanistan situated at the crossroads of overland trading routes as a potential consumer market for Indian products. Similarly, Iran wants to get India's cost effective source of high technology inputs.¹

Against this background, the paper discusses the paramount significance of the two Ports Gwadar and Chabahar to China and India respectively. The paper mainly focuses on the divergence and conflicting interests of China and India in the Arabian Sea, the Indian Ocean, Persian Gulf, Afghanistan and Central Asia. The paper, therefore, describes cooperation between Iran and India to create a North-South Corridor, and, more specifically, a trade between Central Asia and

the Iranian port of Chahbahar. An attempt is made to examine the implication of Sino-Indian rivalry on the bilateral friendly relations between Pakistan and Iran.

Significance of Gwadar Port in Pak-China Strategic and Trade Relations

Gwadar is a deep-sea port situated at Gwadar in the Balochistan province of Pakistan at the apex of the Arabian Sea, about 460 km west of Karachi, 75 km east of Pakistan's border with Iran and 400 km from the Strait of Hormuz.² Since 1783, it was under the suzerainty of the Government of Oman. Gwadar officially became part of Pakistan on 8 December, 1958. At the time, Gwadar was a small and underdeveloped fishing village with a few thousands population. The Government of Pakistan integrated Gwadar into Balochistan province on 1 July, 1977. In 1993, the Government formally proposed a plan to make Gwadar a major commercial city with a deep-sea port and to connect it with the other parts of the country through the construction of roads and railway networks. On 22nd March, 2002, the Government of Pakistan started working on the construction of Gwadar Port.

Gwadar Port was constructed in two phases with the technical and financial assistance of China. The construction of Gwadar Port started in March 2002 after the Chinese decided to provide \$198 million of \$ 248 million required for the first phase of the port. The first Phase involved the construction of three multipurpose ship berths. While, the development work on Phase II was formally estimated \$ 600 million, including the construction of nine additional berths, one bulk cargo terminal, one grain terminal, and two oil terminals. It was officially inaugurated by Sardar Nabil Ahmed Khan Gabol, the Federal Minister of Ports and Shipping, on December 21st, 2008.³

China has acknowledged the strategic significance of Gwadar no less than that of the Karakoram Highway. This will further strengthen the relations between Pakistan and China. China is also interested to turn Gwadar into an energy-transport hub by building an oil pipeline from Gwadar into China's Province of Xinjiang. The proposed pipeline will carry crude oil from Arab and African states. It is expected that the Gwadar Port would generate billions of dollars in revenues and create at least two million jobs for the uneducated youth of the country.⁴

Gwadar provides China a transit terminal for crude-oil imports from Iran and Africa to China's Xinjiang province. Gwadar's strategic advantage to China is due to its close proximity with the Strait of Hormuz. The presence of the US forces in the region poses not only a threat to Chinese navy but, also, to its

commercial interest. Gwadar provides China with a strong base where it can monitor US naval activity in the Persian Gulf, India in the Arabian Sea, and the future of US-Indian maritime cooperation in the Indian Ocean. China has already set up electronic posts at Gwadar for monitoring maritime traffic through the Strait of Hormuz and the Arabian Sea. The port of Gwadar is also a part of the China's 'String of Pearls Strategy'.⁵ The US presence in the Gulf and its control over the Malacca Strait⁶ challenges China's interests. She fears that in case of US-Chinese hostilities over Taiwan, the former can stop the supply of oil and energy resources to China.⁷

China is an emerging economic super power in the near future. Despite occupying a huge area of the World's land, it does not have any hot water port, which can be used throughout the year. The distance of Chinese industrial approach to Shanghai Port is approximately 16000 km and the sea travel takes 2-3 months. It consumes much time, costs heavy taxes and duties. As compared, Gwadar port is situated at a distance of 2500 km from China and is in operation throughout the year. In fact, the development of the Gwadar port is in the supreme interest of Chinese economy. In the words of Pakistan's Ambassador to China Masood Khan, "China has already built Gwadar port. We, of course, want to develop it further. We will welcome the similar role of China in future."⁸

Figure 1: Map Showing the Location of the Strait of Malacca



Source: http://www.google.com.pk/search?source=ig&hl=en&rlz=&q=Strait+of+Malacca&oq=Strait+of+Malacca&gs_l=igoogle.12...0.0.1.39.0.0.0.0.0.0.0.0...0.0...1ac.91h2CXPSEb0

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The total cost of projects has been estimated at \$2.2 billion. China wants to invest \$12 billion in multiple projects in Pakistan, including the country's largest oil refinery at Gwadar. The Gwadar oil refinery, which is being planned and designed, is expected to produce a daily oil output of 60,000 barrels. China is also planning to foster its active participation in Pakistan's long-term economic development by investing \$500 million in a joint venture investment company. Beijing is also investing billions of dollars in Western China, a grand five-year plan to develop it, and Gwadar is a necessary part of that five-year plan.⁹

Gwadar port has a great strategic advantage for Pakistan also. It provides Pakistan with strategic depth¹⁰ vis-a vis India in the Arabian Sea. A strong Indian navy and its presence in the Arabian Sea poses threat to Pakistan's security. Figure 1 shows a Statistical Comparison between India and Pakistan's Navies.

Table 1: Naval Comparison between India and Pakistan

A- Operational Warships

Warships	India	Pakistan
Carriers	1	0
Destroyers	8	0
Frigates (FFG)	9	6
Frigates (FF)	4	1
Missile Boats	20	11
Attack Subs	16	9

B- Air Launched Anti-Ship Missiles

Country	Platform	Quantity	Missiles	No of Carriers
India	Jaguar IM	10	Sea Eagle	1
India	Sea Harrier	14	Sea Eagle	2
India	Sea King	20	Sea Eagle	2
Pakistan	Mirage VPA3	9	Exocet (AS-39)	1
Pakistan	Sea King	6	Exocet (AS-39)	2
Pakistan	Atlantic	3	Exocet (AS-39)	2

C- Anti-Ship Missiles

India

Missiles	No of Missiles ready for fire	No of Platforms
SS-N-25	148	12
SS-N-27	29	4
SS-N-2D Styx	83	21
Sea Eagle	78	44
Brah Mos	2	1
Total	340	82

Pakistan

Missiles	No of Missiles ready for fire	No of Platforms
Harpoon (Block 1)	36	9
Exocet (SM-39)	12	3
Exocet (AS-39)	27	18
Sy-1	8	4
SY-2	16	4
C-802	12	3
Total	111	41

Source: www.abovetopsecret.com/thread21398/pg

Moreover, the development of Indo-Afghan and Indo-Iranian relations for the isolation and encirclement of Pakistan is a grave concern for Pakistan. In fact, the security of Pakistan, Iran and Afghanistan is interlinked and is indivisible. Pakistan has always tried to project itself as the only country in the region that can compete with India. This has been the cornerstone of Islamabad's long term strategic objectives. In the words of General Aslam Beg, "the security of Pakistan is adequately established, by developing relations with China, to counter India's hegemonic aspirations in the region."¹¹

Former Ambassador, Maqbool Ahmad Bhatti, is of the view that, "we have important assets in a campaign to counter India's predominant power through economic, cultural and ideological activism. We have regional linkages with West Asia, South and Central Asia and also maintain close and time-tested relations with China, in order to counter Indian influence in the region."¹²

But, due to its weak economy and limited resources Pakistan does not compete with the growing expansion of Indian naval force. For this purpose,

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Pakistan needs the active support and cooperation of China. Thus, Gwadar Port serves an ideal place from the point of view of Pak-China naval collaboration to check and monitor Indian expansionist designs in the Arabian Sea and Persian Gulf. Pak-Chinese strategic partnership is a remarkable development in this regard, by which China has committed to provide Pakistan military hardware including rushed deliveries of J-10B (known as FC-20s in Pakistani colors) and JF-17 fighters, J-11Bs, a Chinese version of the famed Sukhoi Su-27 Flanker fighter aircrafts. Pakistan also received a good number of Chinese naval assets including Type 054A based frigates and Air-Independent Propulsion (AIP) capable submarines. Recently, Pakistan has signed a \$600-million defence deal with China, which includes construction of four F-22P frigates for the Pakistani Navy, upgrading of the Gwadar and Karachi dockyard and transfer of technology for indigenous production of modern surface fleet.¹³

The rapid expansion of China's naval and military capabilities is a clear manifestation of its great power status. China's new naval strategy of "far sea defense" aimed for giving Beijing the ability to project its power in key oceanic areas, especially, in the Indian Ocean.¹⁴ Both Pakistan and China are working for providing linkages to Central Asia. Pakistan has offered to lay pipelines to China to procure gas and oil through Central Asia. Both the countries will soon undertake the upgradation of the Karakoram highway to convert it into an all-weather corridor to facilitate bilateral trade relations in future.¹⁵ In times of any major conflict, the significance of Gwadar cannot be underestimated. It is also argued, that the Gwadar Port would ultimately help the Central Asian States to actively participate for opening a new trade channels through Pakistan, which can also go a long way in strengthening Pakistan's position in the region vis-à-vis India.¹⁶

Lying in a close proximity, Gwadar Port provides a golden opportunity to Pakistan to intensify trade and commercial relations with the Central Asian Republics which contain the World's largest oil and gas resources."¹⁷ The construction of new Gwadar deep sea maritime port on Balochistan coast and its connected routes with Afghanistan actually reduce these distances by 500 km between Pakistan and Central Asia. As a result, it will further facilitate the transfer of Central Asia's vast energy resources into the world markets; thus, will provide Pakistan with significant profits in transit fees.¹⁸ The Gwadar Port, therefore, provides Central Asian States direct access to the warm waters through Afghanistan and Balochistan, as an alternate trade route to Europe. The port has also the potential to a possible alternative route to Dubai, which is becoming a hub for major economic activities in the region.¹⁹

Pakistan is keen to use this port for trade and energy corridor with China, Afghanistan, and Central Asia. Necessary infrastructure in this regard has already been achieved, like the Gwadar deep seaport, and the up-gradation of Karakorum Highway. China agreed to provide Pakistan \$350 million in aid to upgrade the Karakorum highway. Under the MoU signed between China and Pakistan, China is also to build a 90 km highway link connecting the Chinese side of the Karakorum highway to the Russian built highway network that already connects all the five Central Asian Republics. This regional highway network will directly link Gwadar to Xinjiang and the land locked Central Asian Republics.²⁰

On the other hand, close Pak-China cooperation in Central Asia will not only strengthen their economies but, will reduce the growing influence of India in the region. Since all the Central Asian states are land-locked, they have no access to sea; Gwadar Port will provide the shortest and more convenient route to the Central Asian states.

The quadrilateral trade and transit agreement, which was signed between Pakistan, China, Kazakhstan, and Kyrgyzstan, is in process since 2004. It can also be extended to Uzbekistan and Tajikistan as well. In energy sector, the Turkemanistan-Afghanistan-Pakistan (TAP) oil and gas pipeline is another project under consideration, and, will soon be materialized. Pakistan provides the natural link between these states to connect the Eurasian heartland with the Arabian Sea and South Asia. Pakistan and Uzbekistan have also been able to remove their misunderstandings with the help of China. The Uzbek President, Islam Karimov made his first official trip to Pakistan in May, 2006, after fourteen years. Nine agreements were signed during his visit regarding trade and economic cooperation, socio-cultural interactions, and countering terrorism. It is due to China's support that a significant rapprochement occurred between Pakistan and Uzbekistan.²¹ Uzbekistan is interested in gaining accesses to Pakistan's major ports of Karachi and Gwadar. The economic significance of the Central Asian States is due to its enormous gas and oil resources. Table 1 shows oil and gas reserves of the Central Asian states.

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and gas pipelines ranging from 1000 km to 3000 km long, in addition to its inland pipe network of 4200 km from Xingjian to Shanghai.²²

Table 1: Oil & Gas Reserves of Central Asia

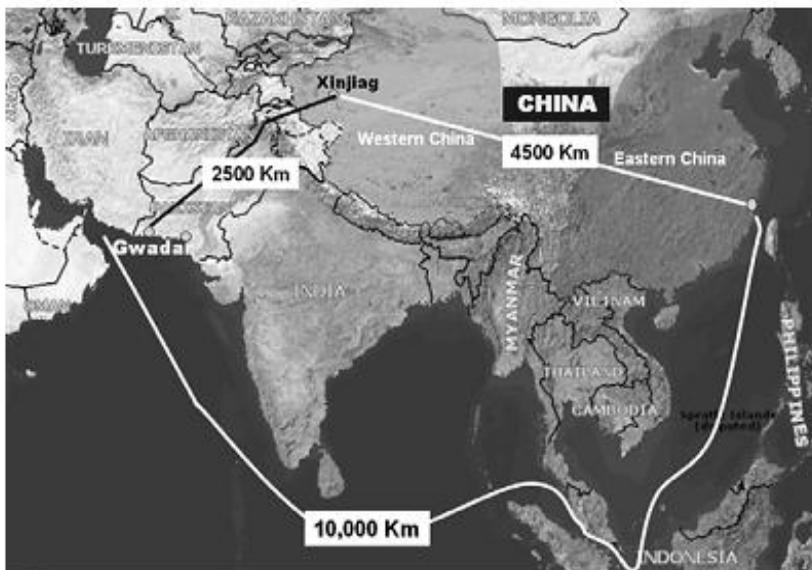
OIL						
Reserves (Billion Barrels)	Country	Proven Oil Reserves		Possible	Total	
		Low	High		Low	High
		Azerbaijan	7	7	32	39
	Kazakhstan	9	40	92	101	132
	Turkmenistan	0.55	1.7	38	38.55	39.7
	Uzbekistan	0.3	0.59	2	2.3	2.59
	Total	16.85	49.29	164	180.85	213.29
GAS						
Reserves (Trillion Cubic Feet)	Country	Proven Reserves	Possible Reserves	Total Reserves		
	Azerbaijan	30	35	65		
	Kazakhstan	65	88	153		
	Turkmenistan	71	159	230		
	Uzbekistan	66.2	35	101		
	Total	232.2	317	549		

Source: <http://209.85.165.104/search?q=cache:3S8CMM2FRqgJ:www.heritage.org/Research/RussianandEurasia?upload/bg1984.pdf+caspibalances.pdf&hl=en&ct=clnk&cd=1>

Accordingly, China is taking interest in turning Gwader into a transit terminal. In the long run a pipeline from Gwader could funnel crude imports to Eastern China through Xingjian. There is no denial of the fact that due to its location, Gwader deep sea port has the potential to become a gateway for Central Asia and Xingjian. Xingjian lies 2500 km from the Gwader Sea Port.²³ The

upgradation of Karakoram Highway would provide China a shortest possible access to the Middle East and other world markets through the Gwadar Port. According to the then President Musharaff, “the completion of Karakoram Highway will be the eighth wonder of the World”. He further added, “We are capable of creating 9th and 10th wonders in the form of railway and pipeline linkages between Pakistan and China.”²⁴

Figure 2: Map showing the location of Gas Pipeline from Gwadar to Xiajiang



Shortest Route from Western China to Gwadar

Source: http://www.search.ask.com/web?apn_dtidPipeline+from+Pakistani+Port+Gwadar+to+China%27s+Xiajiang+Map

In the recent academic writings, prospects are also discussed on the development of the Gwadar Sea-port and of its connection with the KKH to further boost economic activities in the region.²⁵

By extending its East-West Railway from Chinese border city of Kashgar to Peshawar, Beijing can feel no difficulty in receiving and providing cargo to Gwadar along the shortest route from Karachi to Peshawar. The rail network would also be used to supply oil from the Persian Gulf to Xingjian. In the northwest, it is building similar road links between the border cities of Torkham

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in Pakhtunkhawa and Jalalabad in Afghanistan respectively. Eventually, the Gwadar port will be easily accessible for Chinese imports and exports through overland links, stretching to and from Karakoram Highway in Pakistan's Northern Areas, bordering China's Muslim-majority province of Xingjian. In addition, the port will be complemented with a modern air defense unit, a garrison, and a first-rate international airport, capable of handling airbus service.²⁶ In 2006, a memorandum of understanding was signed between Pakistan and China to upgrade this road and connect Kashgar with Abbottabad. Both the countries have also proposed the construction of 3,000-kilometer rail line between Kashgar and Gwadar, on the eve of President Asif Ali Zardari's visit in July 2010 to China.²⁷

Figure 3: A proposed Rail-Link from Kashgar to Abbotabad



Source: en. Wikipedia.org/Khunjerab.org/wiki/Kunjeral_Railway

To connect Western China with Central Asia by land routes, Pakistan is working on the construction of road links from its border town of Chaman in Balochistan to Qandahar in Afghanistan. In the north-west, it is building a similar road link between Torkham in Khyber Pakhtunkhwa and Jalalabad in Afghanistan. It was also perceived that the Gwadar Port will be an integral part of China's international trade route in the near future. The existing Karakoram Highway already connects Western China to Pakistan. The further expansion of this highway and its linkages to Gwadar via proposed Ratodero-Khuzdar road will greatly reduce the distance from Gwadar to Western China. In addition, the port will be complemented with the first-rate international airport, capable of handling Air-Bus service between Pakistan and China.²⁸

The port will also help both China and Pakistan in promoting trade with the Gulf States possessing 63% of world's oil reserves. There is also an active plan for a quadrilateral freight railroad from Xinjiang through Tajikistan, Afghanistan to Pakistan where Gwadar Port would bring in Gulf energy supplies.

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Gulf region and Central Asian States contain one of the largest oil and gas resources of the world. Pakistan can only avail this opportunity with the help of active Chinese support. At present, Persian Gulf is badly exposed to world due to instability in the region. The Gwadar Port is likely to assume a more significant role in the wake of any conflict or the blockade of Gulf. Gwadar Port is, therefore, expected to act as a vital link to China, Afghanistan and the Central Asian Republics, throughout the year. The port also provides China a strategic foothold in the Arabian Sea and the Indian Ocean. In case of any hostile action from India and the USA, Gwadar port will enable China to monitor its energy shipments from the Persian Gulf. It is a safer alternative passage for its energy imports from Central Asia. Its presence on the Indian Ocean will further increase its strategic influence with major South Asian nations, particularly Bangladesh, Nepal, Pakistan, and Sri Lanka, which would prompt the Indians in turn to strengthen their Navies.³⁰

Significance of Chahbahar Port in Indo-Iran Strategic and Commercial Relations

Iranians are already working on Chahbahar port in Sistan-Baluchistan, which will be easily accessible for Indian imports and exports via road and rail links to Afghanistan and Central Asia. India is helping to build a 200 km long road that will connect Chahbahar with Afghanistan. The port will also help in promoting India's trade with the Gulf States. Chahbahar is Iran's southern city. Chahbahar is situated on the Makran Coast of the Sistan, the Iranian province of Balochistan and is officially declared as a Free Trade and Industrial Zone by the government. Due to its free trade zone status, the city has enhanced its significance in international trade. The Port is lying close to the Indian Ocean. For this purpose, Chahbahar is the focal

point of Iran for the development and expansion of transit routes among countries situated in the northern part of the Indian Ocean and Central Asia.³¹

The port has a potential to become an important international commercial port to transact trade and business among South Asia, South-East Asia, West Asia, and Central Asian markets. The government proposed plan to connect Chahbahar free trade area through Iran's main rail and road links to Central Asia and Afghanistan.³² This would increase the geo-strategic importance of the port as compared to Pakistani port Gwadar.

The government of Iran with active India's assistance is spending a multi-billion dollar railway project which was to be named "Iran's Eastern Corridor". It will connect the port to Central Asia, Afghanistan and Central Iran. This project includes the development of three road infrastructures i.e. Iranshahr-Fahraj, Iranshahre-Zahedan-Mashahd and Iranshahr-Zahedan-Milak roads connecting Chahbahar to Dubai in December 2010. India is making a plan to construct a 900-km long railway track that will connect Chahbahar port to the mineral-rich Hajigak region of Afghanistan. Moreover, the Port will give India an easy access to the oil and gas rich regions in Iran and in the Central Asian states. The

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ultimate desire of India, for the development of the port, is to compete and to counterweight the growing Chinese influence in Gwadar. In this regard, India, Iran and Afghanistan have signed an agreement to provide Indian goods a more easy and convenient access to Central Asia and Afghanistan, preferential trade, and tariff reductions at Port. Iran and India are jointly cooperating for the upgradation of Milak-Zaranj-Dilaram route from Iran to Nimroz province in Afghanistan and to connect with North-South corridor.

The port can serve as Gateway to India in Afghanistan, Central Asia and beyond.³³ With the development of Chahbahar Port and 200 km North-South Corridor,³⁴ trade and commercial relations among these countries will considerably improve in future.³⁵

India is very keen on cooperating with the regional countries to prevent Pakistan's effort to turn Gwadar into a regional hub for international trade. India is hence investing (heavily investing money) on the construction of roads that connect Chahbahar with Central Asia and Afghanistan. India's fast growing investment in the development of the infrastructure of Chahbahar port, could pose tough competition for Gwadar.³⁶ India is closely watching the construction of Gwadar Port in its backyard. In fact, on 2 July 2004, police has arrested Indian agents in Karachi who provided strategic and sensitive information to India's spy agency, including the map of Gwadar Port. In an interview with the *Janes Defense weekly*, Indian Naval Chief Admiral Madhavendra Singh stated that India was closely observing Chinese activity on the Makran coast, along which Gwadar is located. He also expressed concern about the Chinese Navy's close interaction with the neighbouring countries including Pakistan that could seriously endanger vital Indian shipping routes in the Gulf.³⁷

Figure 4: Map Showing the Location of Gawadar and Chahbahar



Source: www.pk.tribune.com./forums/posts.php?=-38750

India's new naval doctrine seeks to address India's ultimate need to secure energy routes, and to counter the Chinese influence in the Arabian Sea. In May, 2004, the doctrine called for developing a nuclear ballistic missile submarine as a part of India's envisioned triad of nuclear forces, the ability to launch land, air and sea-based nuclear weapons. It also emphasized developing a blue water fleet that can project power into Arabian Sea and beyond. The doctrine, particularly highlights China's nuclear missiles submarines and its ties with the Indian Ocean rim countries, especially with Pakistan.³⁸ India's drive for a truly blue-water navy centered on aircraft carriers, powerful anti-ship and offensive weapons systems, a large number of difficult-to-detect submarines, and a domestic capability to support its projection as a maritime great power and a counter to Chinese naval expansion into the Indian Ocean and the Arabian Sea is well under way.³⁹ Though Pakistan's naval capability alone, does not pose any challenge to India, the joint collaboration of Chinese and Pakistani naval forces would be a formidable force to challenge Indian influence in the Indian Ocean and Arabian Sea.⁴⁰

The notion that China aspires to naval domination of the Indian Ocean remains a bit far-fetched. However, China certainly desires to play a greater role in the region, to protect and press forward its geo-strategic and economic interests. But due to immense geographical location that India enjoys in the Indian Ocean, it will definitely pose problems for China in the region. Even the task of sea lines of communication (SLOC) protection also remains a challenge for the Chinese Navy. Tensions arose between the two countries when in January 2009, Indian Kilo class submarine and Chinese warships, were engaged in patrolling the pirate-infested waters on their way to the Gulf of Aden. Each tried its best to point out the weaknesses in the others' sonar system.⁴¹

Iran's response to Gwadar Port has been to construct its own Chahbahar Port and compete with Pakistan in capturing access route and energy related trade from Afghanistan and Central Asia. In its efforts, Iran has an upper hand over Pakistan due to its close relations with the Central Asian States, particularly with Afghanistan. Iran allows Afghanistan to use Chahbahar Port with low Port fees. It has been observed by Pakistani officials that Chahbahar Port would inflict a huge financial setback for Pakistan.⁴²

As a result of North-South agreement, India agreed to provide huge assistance for the further expansion and development of Chahbahar Port. In this regard India, Iran, and Afghanistan signed a MoU for the development of the transit and transport infrastructure.

India has already provided \$136 million for the construction of road from Chahbahar in Iran to Afghanistan's main road highway system. The 215 km long road from Zaranj to Delaram has already been completed in 2009. This is the part of a grand land road network in Afghanistan that forms a circular route connecting Herat and Kabul via Mazar-e-Sharif in the north and also Qandahar in the south, thereby, connecting Afghanistan to Uzbekistan.⁴³ This fits with Iran's focus on Central Asia, which lies to its north-east, a region that has seen increasing development as compared to its south and east, with Mashad emerging as the second largest city.⁴⁴ The plan is to connect Chahbahar to Afghanistan, Central Asia, and Russia; and, ultimately, reach St. Petersburg. Iran and India are also discussing a possibility of laying natural gas pipeline along the seabed of the Arabian Sea by-passing Pakistan. Pakistan's policy towards Central Asia neither fulfills its desire to get its influence in Afghanistan and beyond and to counter-weight India, nor the immense significance of this region from the point of view of Indian security.⁴⁵

Figure 5: Map Showing the location of 215 Km Zaranj and Delaram Road



Source: <http://www.defence.pk/forums/current-events-social-issues/49089-India-send-more-troops-afghanistan-7.html>

The pipeline proposed by India to replace the Iran-Pakistan-India gas pipeline, the negotiations for which have been delayed due to the strained relations between India and Pakistan. India has also planned to build a 900 km long railway track from Bamiyan province in Afghanistan to Chahbahar port. Indian Steel Consortium led by Steel Authority of India Ltd has bagged an exploration contract in the Hajigak coal fields located in the Bamiyan province 130 km west of Kabul.⁴⁶ To challenge Sino-Pak collaboration; India has brought Afghanistan and Iran into an economic and strategic alliance. It will allow India to gain access to Central Asian Markets, including Afghanistan, as India battles rival Pakistan over its influence in the region after the withdrawal of the coalition forces from Afghanistan by 2014.⁴⁷ At Present, India is in the imperative need of a shortest and more convenient transit route to transact its goods and commodities to Afghanistan and Central Asia more quickly. According to Blank, India's presence in Central Asia is likely to rise and probably come into political and economic rivalry with that of other major Asian players, especially China.⁴⁸

Conclusion

The growing competition between China and India in Gwader and the Iranian Port of Chabahar caught the regional and world attention. Gwadar Port has become a milestone in Pak-China economic and strategic cooperation. Pak-China growing coordination in the development of Gwadar port will end Pakistan's feeling of isolation that it has been facing since independence. Conceived as a gateway from China and Central Asia to the warm waters of the Arabian Sea, the port, despite many challenges and hurdles, has a potential to become the World's largest deep sea port. Gwadar offers a two way outlet to markets of east and west, north and south. Chinese huge technical and financial support for the construction of the port accomplished Pakistan's long standing geo-strategic and economic objectives in the Indian Ocean, Arabian Sea, and Persian Gulf. No doubt, the Port has opened the door for foreign investors, traders, and businessmen which will bring the era of economic progress and prosperity for both the countries. The port has a tremendous economic impetus to Pakistan for several reasons.

It is located about 250 miles from the Straits of Hormuz, the World's oil rich region. The strategic location of the port makes it as an important regional shipping hub, providing the landlocked Central Asian Republics, Afghanistan, and the Chinese Xingjian region an access to the Arabian Sea, and more important, it will reduce the distances of 500 km between Pakistan and Central Asia, which will greatly facilitate the transfer of Central Asia's vast energy resources to world markets through Pakistan with significant profits in transit fees. More significantly, Gwadar Port provides both Pakistan and China to strengthen its security vis-à-vis India. As it said that 'the security of Pakistan is adequately established by developing relations with China to counter India's hegemonic aspirations in the region'. Thus, Gwadar Port serves an ideal place from the point of view of Pak-China naval collaboration to check and monitor Indian expansionist designs in the Arabian Sea and Persian Gulf. The port will also help both China and Pakistan to promote trade with Gulf States possessing 63% of world's oil reserves. Gulf region and Central Asian States contain one of the largest oil and gas resources of the world. Pakistan can only avail this opportunity due active Chinese support. If the pipeline connecting the port to Western China is built, the shortest route of oil imports from Middle East to China can be realized. The port will also give a great boost to developing China's vast Western areas.⁴⁹ At present, Persian Gulf is badly exposed to world due to instability in the region, and, in case of blockade of Gulf in the wake of conflict, and the Gwadar port is likely to assume more significance.

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Despite its immense connotation in the context of Pak-Chinese relations, the port of Gwadar is facing challenges and competition with regard to newly developed Iranian Port Chahbahar by India. Geographically, Iran is in a more advantageous position than Pakistan in the Persian Gulf, Afghanistan, and Central Asia. Iran shares direct border with Central Asian countries, while, Pakistan has to pass through Wakhnan Corridor in Afghanistan to reach to the nearest state of Central Asia. Peace and stability in Afghanistan becomes imperative for Pakistan's future economic and trade relations with Central Asia.

Chahbahar is a part of the Indian grand design to apparently develop transportation infrastructure. It is however viewed with suspicion to sabotage Pakistan's future strategy of expanding its influence in Central Asia and beyond. Chahbahar provides India with an easy access to Afghanistan and Central Asia through Indian Ocean. India's ultimate desire is to connect Chahbahar with Central Asian countries through roads and a network of railway system to bypass Pakistan, and to reduce the dependency of Central Asian countries on the Pakistani port of Gwader. Iran is already enjoying close socio-cultural and economic relations with the Central Asian countries. Iran is working on several projects in Tajikistan including the Anzob tunnel, and constructed a bridge over the Amu Darya that connects Chahbahar with Khojent route. In addition, the construction of 218 km long Zaranj-Delaram highway that now links Afghanistan to the Iranian port of Chahbahar also connects Herat and Kabul via Mazar-e-Sharif in the north and Kandhar in the south- thereby providing easier access to Afghanistan and possibly even further, to Central Asia via Iran.

After 9/11, the emerging security alignment and changing parameters in the geo-strategic balance in the region have greatly upset Pakistan's ambition of obtaining the "strategic depth" in Afghanistan and Central Asia. Pakistan policy makers watch with great suspicion the opening of Indian consulates in Qandahar, Mazar-i- Sharif, Jalalabad, and Herat and its presence at Ayni in Tajikistan. Besides, Central Asian countries are land-locked. They depend on Iranian ports, especially, on Chahbahar for trade and commercial relations with the rest of the World. Moreover, Afghanistan is more friendly and close to India than Pakistan. In this regard, with its eco-strategic positioning in Iran, India gets a pivot opportunity to have an access to warm waters through this region. The creation of North-South Corridor is the best prospect for Iran to expand its transit corridor to India. The idea of North-South Corridor has multiple purposes and is, therefore, seen as an opening to bypass East-west Silk Road Project.

Thus, India gains more security, political, economic and strategic advantages depth from Iran, Afghanistan and Central Asia as compared to China. Lacking

direct access to Central Asia, India finds Iran as a useful gateway to the Central Asian Markets and natural resources. The Port of Chahbahar provides India with a convenient and possibly the cheapest route for the Central Asian goods. It is a cargo terminal to connect Central Asia and Afghanistan with the Indian International commercial port Mumbai. Hence, both Chahbahar and Mumbai are perhaps the best trans-shipping points. The countries of Central Asia are likely to benefit from both Chahbahar and Gwadar.

As for the competition between the two ports, it will not be a “winner take all” outcome but rather one port earning the greater share of trade. And the “winner” in this regard is likely to be Chahbahar, at least, in the near future. Iran is more stable than Pakistan. It has better relations with Afghanistan and the Central Asian states. But, Pakistan’s relations with the Central Asian States depend upon a complete peace and stability in Afghanistan since the proposed Gwadar route goes through Afghanistan. Political stability and friendly relations with Afghanistan are a prerequisite to make any substantial headway in the direction of Central Asia.⁵⁰ Bordering Azerbaijan and Turkmenistan, Iran has a natural geographical advantage by providing access to Sea for the Central Asian States. However, intensifying competition between China, and India in Arabian Sea and Central Asia, the growing US concerns about China's offensive capabilities, and China's "String of pearls" made the global and regional security environment more complex and sensitive. Perhaps the best way forward for the Gulf States is to carefully encourage a balance of power in the region where no state establishes its hegemony and domination, and where all actors have a high interest in maintaining such a status quo.

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- ¹ Juli A.MacDonald, ‘Rethinking India and Pakistan’s Regional Intend,’ *The National Bureau of Asian Research Analysis*, vol 14, no.4, 2009, pp.5-26.
- ² The World’s richest oil region. The Strait of Hormuz is a strait between the Gulf of Oman and the Persian Gulf. It is the only sea passage from the Persian Gulf to the open ocean and is one of the world's most strategically-important choke points. On the north coast is Iran, and on the south coast is the United Arab Emirates and Musandam, an exclave of Oman. At its narrowest, the strait is 21 nautical miles (39 km) wide. About 20% of the world's petroleum, and about 35% of the petroleum traded by sea, passes through the strait.
- ³ *Dawn*, December 21, 2008.
- ⁴ *Daily Times*, April 1, 2007.
- ⁵ The String of Pearls refers to the Chinese sea lines of communication which extend from the Chinese mainland to Port Sudan. The sea lines run through several major choke points such as the Strait of Mandeb, the Strait of Malacca, the Strait of

Hormuz and the Lombok Strait, as well as other strategic maritime centers in Pakistan, Sri Lanka, Bangladesh, the Maldives and Somalia. The term was used in an internal United States Department of Defense report titled "Energy Futures in Asia". The term describes the manifestation of China's rising geopolitical influence through efforts to increase access to ports and airfields. It put India at a military disadvantage, and that India's lack of a grand strategy lets China develop relationships with the other countries in the region.

⁶ It is a narrow, 805 km (500 mi) stretch of water between the Malay Peninsula (Peninsular Malaysia) and the Indonesian island of Sumatra. It is named after the Malacca Sultanate that ruled over the archipelago between 1414 and 1511. From an economic and strategic perspective, the Strait of Malacca is one of the most important shipping lanes in the world. The strait is the main shipping channel between the Indian Ocean and the Pacific Ocean, linking major Asian economies such as India, China, Japan and South Korea. Over 50,000 vessels pass through the strait per year, carrying about one-quarter of the world's traded goods.

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¹⁰ It is a term in military literature that broadly refers to the distances between the front lines or battle sectors and the combatants' industrial core areas, capital cities, heartlands, and other key centers of population or military production. The key precepts any military commander must consider when dealing with strategic depth are how vulnerable these assets are to a quick, preemptive attack or to a methodical offensive and whether a country can withdraw into its own territory, absorb an initial thrust, and allow the subsequent offensive to culminate short of its goal and far from its source of power.

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road route for moving freight from South Asia to Europe through Central Asia, the
Caucasus, and Russia. The route primarily involves moving goods from India via
ship to Iran. From Iran, the freight moves by ship across the Caspian Sea or by truck
or rail to Southern Russia. From there, the goods are transported by truck or rail
along the Volga River through Moscow to Northern Europe. In 2001, Russia, Iran,
and India signed an agreement to further develop the route. The Government of India
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