



WHY DOES CHINA WANT TO GAIN INFLUENCE IN THE GWADAR PORT, PAKISTAN?

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BACK IN HISTORY



The relationship between China and Pakistan has always been defined by their leaders as “a friendship for every season; higher than mountains, stronger than oceans and sweeter than honey”. China and Pakistan’s relationship story goes back to the nineties. In 1974, the two countries decided to complete an important project, the “Karakoram Highway” (KKO)¹ also known as the “China-Pakistan Friendship

¹ Some of your questions related to CPEC, “CPEC China Pakistan Economic Corridor – M/o planning, development & special initiatives”, (<http://cpec.gov.pk/faqs>).



Highway", which connects the Pakistani provinces of *Punjab* and *Khyber Pakhtunkhwa* plus *Gilgit-Baltistan* with China's *Xinjiang Uyghur Autonomous Region*, following one of the many paths of the ancient Silk Road.

Following, in the twenty century, China has established a series of agreements with the Pakistani government in order to send nuclear warheads and hardware and ballistic missiles. Indeed, today, most Pakistani weapons and military equipment come from China.

A NEW BILATERAL AGREEMENT: CHINA AND PAKISTAN ECONOMIC CORRIDOR

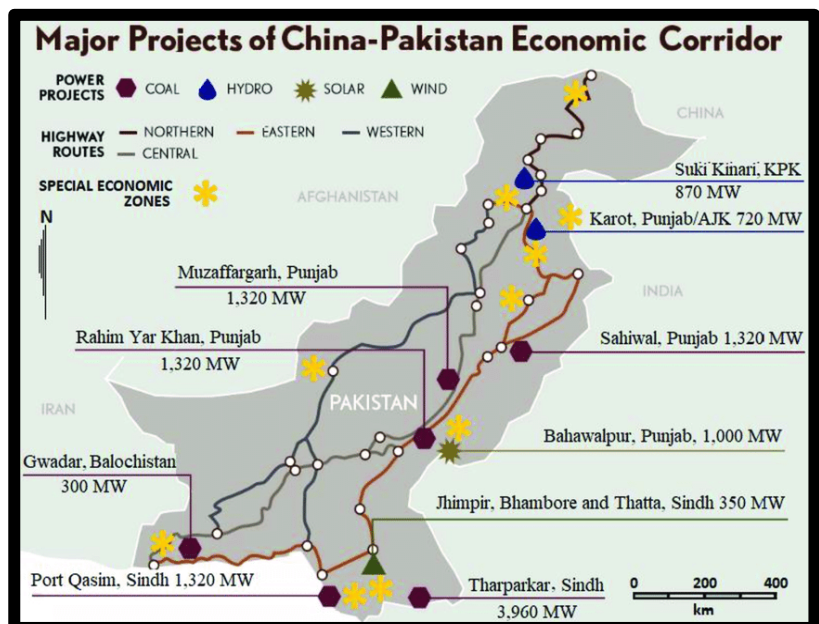
2013 was a turning point for the strategic relationship between the People's Republic of China (PRC) and the Islamic Republic of Pakistan (RIP). They agreed on a more concrete and serious project with the initialization of a new bilateral cooperation agreement named "*China and Pakistan Economic Corridor*" (CPEC)². It was more than ten years before the signing agreement of the construction of the CPEC that the two countries have considered the importance to create a real and efficient commercial corridor. The CPEC is one of the *Belt and Road Initiative's* largest and most advanced development programs. Through the latter, China, via Pakistan, is rapidly expanding its strategic influence in the northwestern Indian Ocean. In May 2013, Chinese Prime Minister Li Keqiang (李克强)³ visited Pakistan for a meeting with President Asif Ali Zardari and Prime Minister Mian Muhammed Nawaz Sharif in which he proposed the establishment of a long China-Pakistan economic corridor approximately 3000km, which would have connected *Kashgar* in *Xinjiang* to the ports of *Karachi* and *Gwadar* in southern Pakistan.

² Gurmeet Kanwal, *Pakistan's Gwadar Port, a New Naval Base in China's String of Pearls in the Indo- Pacific*, "Center for Strategic and International Studies", March 2018, p.2.

³ Ministry of Foreign Affairs of the People's Republic of China (https://www.fmprc.gov.cn/mfa_eng/)



The two sides issued a *“Joint Statement on Deepening Comprehensive Strategic Cooperation Between the People’s Republic of China and the Islamic Republic of Pakistan”*⁴. In July of the same year, Pakistani Prime Minister Mian Muhammed Nawaz Sharif visited China to meet with Chinese President Xi Jinping and Prime Minister Li Keqiang to sign the *“Common Vision for Deepening China-Pakistan Strategic Cooperative Partnership in the New Era”*. These two agreements have started expanded cooperation between the two countries, which has proved effective and has given positive results, especially in the energy, finance, infrastructure, and digitalization sectors. Then in July 2013, the two countries signed a *Memorandum of Understanding* on cooperation for the development of the long-term plan of the CPEC, which helped the military and cultural exchange to develop smoothly.



THE OBJECTIVES AND CONSTRUCTION PHASES OF THE CPEC

China has invested approximately fifty billion dollars in Pakistan developing their economic corridor, which includes the construction of roads, railways, oil pipelines, gas pipelines, and solar power plants, in addition to the goal of creating a deep-sea port in Gwadar and an adjacent airport. The first project ever to

⁴ It was agreed that China and Pakistan would continue to deepen cooperation in existing cooperation areas while exploring new avenues for practical and win-win cooperation.



receive funding from the Silk Road Fund was the electricity plant in Karot⁵, which is part of the CPEC.

Since the CPEC is essential both for China and Pakistan, the objectives declared for the CPEC are really clear, they aim to strengthen mutual assistance and deepen strategic cooperation; promote shared interests and achieve common development; strengthen close exchanges to build lasting friendship; stand united in the face of difficulties and tackle security challenges together. The CPEC is a long-term project that will last fifteen years, which aims to connect western China to the Indian Ocean, thus making it a de facto "two-ocean nation"⁶. China and Pakistan have decided to develop the economic project in three phases, and this has radiated its growth and development, making it the center of the Central and South Asian regions.

The first phase ran from 2015 to 2020 and focused on solving the major issues that are thought to hinder a possible socio-economic development of Pakistan. The second phase, which will develop between the years 2020 and 2025, will have to guarantee the construction of the CPEC. Finally, the third phase, which will occupy the five-year period from 2025 to 2030, will have as its objective the total realization of the CPEC in the territory of Pakistan respecting the pre-established timelines. If the project is completed, according to the two countries, economic growth in Central, and South Asia will be stimulated in a holistic game and South Asia will grow as an "influential international economic zone".

⁵ Karot is located in the province of Islamabad. (*Karot Hydropower Station, "CPEC China Pakistan Economic Corridor - M/o Planning, Development & Special Initiatives"*, (<http://cpec.gov.pk/project-details/16>).

⁶ Claude Rakisits, *China To Emerge As a Military Power In North Western Indian Ocean*, "WA Defence Review", July 2018, (<https://wadefencereview.com.au/china-to-emerge-as-a-military-power-in-north-western-indian-ocean/>).



WHY DOES CHINA INSIST ON BUILDING THE CPEC?

Beijing's attention to Gwadar's strategy⁷ intensified immediately after the US intervention in Afghanistan following the attack of 11 September 2001 and led the Chinese government to invest around two hundred million dollars for the first phase design. China has thus managed to secure access to a port of fundamental geopolitical importance that is thought to become a military base.

From the Chinese point of view, the realization of this project would make it possible to significantly reduce the distance from strategic fields in the Gulf region and to export and import goods without necessarily having to pass through the Strait of Malacca and the South China Sea. The PRC is paying attention to the strategic position of ports in Afro-Indian continents, thus, in addition to the construction in progress in Pakistan, China is building large ports in many countries of Asia and Africa, such as Sri Lanka, Myanmar, Qatar, Bangladesh, Lamu, and Kenya. Thanks to the new support points, China will gain greater access in the fields of maritime trade (which helps obtain more energy), oil, and natural gas from the Middle East to Africa. Chinese stocks, especially in the geopolitical sphere, are acquiring greater importance; in the maritime field, China will become more and more present, and it is not excluded that "in the future [it may become a power] also in the naval sector".

GWADAR SERVING AS AN ASSET TO CHINA

Most of Beijing's funding in the CPEC is directed to the port of Gwadar in the province of Baluchistan, the terminus of the infrastructure, developed as a commercial, industrial, and transportation hub. Chinese President Xi Jinping noted: "We should use the CPEC to guide our practical cooperation by

⁷ Ali S. Mahmud, *China's Belt and Road Vision - Geoeconomics and Geopolitics*, "Springer International Publishing", First Edition, 2020, p. 182



focusing on Gwadar port with energy, infrastructure development, and cooperation so that the fruits of its development reach both all people of Pakistan than the people of other countries in our region".



Gwadar was a principality in possession of the Sultan of Oman for nearly two hundred years including some 73 fishing villages⁸. Only in 1958 did it officially become the province of Baluchistan in Pakistan. As described previously, the

situation in Afghanistan after 9/11 pushed Beijing to invest around two hundred million dollars for the first phase design of the CPEC and has thus managed to secure access to a port of fundamental importance that is thought to become a military base.

Therefore, the port itself is a crucial element for the success of the CPEC because it fully includes relations between China and Pakistan while allowing the realization of the Chinese strategy. Both China and Pakistan see the development of Gwadar as a mutual benefit, especially as it is located 172 km from the port of Chabahar across the border with Iran. Now, both the ports of Gwadar and Chabahar have been developed into commercial maritime hubs by China and India respectively, triggering what is called "*The New Great Game in South Asia*"⁹. However, once fully

⁸ Gwadar had been donated to Oman by the Khan of Kalat in 1783. It was administered by a political agent of the Sultan of Oman until his independence in 1947. When the Khan of Kalat asked the Sultan of Oman to return Gwadar to Pakistan, he is said to have first offered the port to India. In 1958 alone, the port of Gwadar was sold to Pakistan for three million dollars. (<https://www.dailymail.in/politics/chabahar-gwadar-port-india-pakistan-china-ties-cpec-afghanistan/story/1/11256.html>)

⁹ The New Great Game refers to the geopolitical and geostrategic competition for influence, power, hegemony and profits predominantly between China and India in South, Southeast and Central Asia and the Indian Ocean region. (*Id.*)



operational, Gwadar will be able to handle around four hundred million tons of freight per year, double the maximum capacity for Chabahar. In addition, Gwadar is one of eleven officially completed "Special Economic Zones" and is also the only port in which China has legal authority.

Nonetheless, there are many doubts about China's use of Gwadar. Some scholars have found that large flows of Chinese investment aim to transform a small fishing town into a regional hub,



precipitating Indian and US suspicions that Gwadar might emerge as a "PLA Navy"¹⁰ base. Chinese finance distributed to Gwadar arrived atypically in the form of grants; in addition, the size, the speed of development of the port area, and together with the already growing initiatives rooted in China have given Chinese opponents the opportunity to challenge their projects more. Gwadar is the "project of the future" but, given its nature, it has already been used by the PRC for some of its important foreign policy purposes. China's interest in Gwadar, as well as in Pakistan's economic development in general, is not he just wants to have commercial returns or military uses; instead, it is a way of strategic investment in China's external and internal security. This massive economic footprint is also intended to innovate Pakistan. In this way, the Chinese government also had authority over the port, creating permissive conditions that could support the military use of the port and its surrounding infrastructure.

¹⁰ These burgeoning "foreign interests" are attracting more and more companies and PRC citizens to trade, invest, live and work in the nations of the Indian Ocean region. The PLA Navy (People's Liberation Army Navy) must "safeguard the security of China's foreign interests". (Ali S. Mahmud, *China's Belt and Road Vision - Geoeconomics and Geopolitics*, "Springer International Publishing", Prima Edizione, 2020, p. 201).



The CPEC is not just a program to promote China's economic growth, but it serves to expand its influence around the world. According to some scholars, the BRI serves the strategic and geopolitical interests of Beijing, rather than the economic ones of the "beneficiary countries"¹¹. Undoubtedly, the CPEC is thought to showcase China's rapid economic and military growth associated with its own international development projects.

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¹¹ Siegfried O. Wolf, *The Growing Security Dimension of the China-Pakistan Economic Corridor*, "ISPI online", March 10th 2020, p. 2.