

# Developing Gwadar Port in Contemporary Blue Economy

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## Abstract

*Gwadar Port was inaugurated on 20 March 2007 and on 31 October 2016, the first CPEC convoy consisting of 95 trucks reached Gwadar Port from China. On 17 April 2020 Afghan Transit Trade started through Gwadar port. Presently Gwadar Port is functioning with three berths however it will be operating with 150 berths by 2045. As a Transshipment Port Gwadar will not only be supporting the Persian Gulf Region ports but also the ports around the Horn of Africa and Bay of Bengal. It is appreciated that geo-political and military developments in Indo-Pacific Region will further add to the influence of Gwadar Port in Blue Diplomacy; however, the regional and extra-regional competition in Indo-Pacific Region combined with expanding Eurasian Trade links implies to develop Gwadar Port into a regional transshipment hub between Singapore and Rotterdam in an early time frame.*

**Keywords:** Gwadar; influencing; indo-pacific; CPEC; transshipment and port.

**JEL Classification:** Z 000

## 1. Introduction

Gwadar is a port that will be commercially competing directly with Dubai Port World (DPW) and indirectly with Port Singapore Authority (PSA). Ports of DPW have the capacity to handle a ship carrying up to 8000 TEUs; comparatively, Gwadar Port which by adopting Special Port Agreement has the facility to accommodate MSC Gulsun; Very Large Container Ship (VLCS) with the capacity to carry more than 23,000 TEUs and Gerald R. Ford Class aircraft carriers with the draft of 16 M and 12 M respectively. By the end of phase-3, Gwadar port will have enough depth to accommodate Hellsport Fairfax (Ultra Large Crude Carrier (ULCC), with the capacity to carry 3.15 million barrels of oil having a draft of 24.5 M. Success of a port depends upon various facets; a few of the most dominating are mentioned below:

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- The volume of sea-based traffic to include imports and exports.
- Port handling rules and regulations and availability of facilities like refueling etc.
- Swift port operation and minimum competitive charges.
- Port depth, harbor size and mean tide.
- Geo-political value of the port.

### **1.1      *Research Question***

What measures should be taken to quickly develop Gwadar Port and how it will be able to influence the Blue Diplomacy; particularly encompassing the facets mentioned below:

- Since the completion of the first phase of Gwadar Port in 2007 very few commercial ships have made a port call at Gwadar. Even as part of the much needed Afghanistan Trade only one ship has been unloaded in the third week of Jan 2020 and since then no ship has made a port call from even other regional countries in CPEC environments (Adnan, 2020).
- Due to not being utilized for commercial purposes, Gwadar is not influencing the Blue Diplomacy as per its potential as it is ascertained that Beijing will fully utilize it after creating the architecture required to pragmatically exploit commercial and military capabilities of ports including Gwadar Port (Wan, 2021).

### **1.2      *Theories***

Considering the facets of regional and extra-regional interests in Gwadar, Its comparative geopolitical maneuver space, its comparison with Chabahar, and Jask Ports and its position in Blue Economy and Diplomacy the subject is meddling between the Power, Realism and Neo-Liberalism. However, keeping in view its ultimate utilization and predominant Chinese role, it is ascertained that the theory of Neo-Liberalism will remain more influential.

### **1.3      *Opportunities and facilities***

In the ever-emerging scenario of global interdependence and economic competition to be commercially viable a port needs to be offering the following attractive opportunities and facilities.

- Social parameters and environments, SHO, Patwari and Mullah Culture offend the international community hence Gwadar should be kept free from these.
- Within Pakistan's geographical boundaries Gwadar port shall be made to operate as said a state within a state with complete business and administrative authority for contemporary competition.

- Availability of contemporary port facilities including lodging facilities, hotels and restaurants with internationally branded cuisine and formal food; for economic and commercial viability of the port.
- Luxuries are available to businessmen for relaxation and enjoyment as per contemporary standards and cultures. Dubai is a living example of growing fortune for over 60 international brands, with freedom and no religious restrictions and checks.
- Availability of infrastructure for international brands, their stuffing and de-stuffing, further dispatches to various destinations alongside warehousing facilities, charges that too in the least possible times.
- Until and unless it is more lucrative, comparatively cheaper, has more accommodating space for maximum ships and availability of all arrangements for ships with lesser charges, it will be difficult for Gwadar Port to compete with existing ports and emerge as a better one.
- It should be traffic friendly where ships do not have to wait in the deep sea for their turn; with special protocol agreements for larger ships.
- Commercial viability /availability of facilities, the system to deal with seaborne traffic should be made more attractive. It must be rendered that Gwadar Port will be in direct conflict with DPW rather it will be at cost of Dubai Port.
- Transshipment facilities include proximity to other less deep and small ports, hinterland development, availability of modern and contemporary warehousing facilities, availability of ferry services for further transshipment operations and refueling arrangements readily available like Port Singapore Authority will enhance port operators.
- Conduct/attitude of port operators; China being the most important port operator shall have to ensure Pakistan's interest and the interest of other port users. Port friendly environment shall fetch maximum advantages.
- Gwadar Port should initially be operated by hiring competent/skilled professionals and developing domestic successors to take over port operations smoothly and gradually.
- One of the port attractions is its size which implies to number of births, ships that can dock on it, number of TEUs housing capacity. Shanghai Port handles almost 40 million TEUs per annum and own 6.3 million containers; in term of volume, it handled one billion tons of cargo during 2017 and 2018.
- Port should be developed on Inter Modal approach; where it has oil piers to store oil, barges to fuel the ships, container terminals, bulk cargo terminal and breakbulk cargo terminals from where cargo can be transferred through various modes of transportation efficiently and smoothly.
- Speed implies the efficiency of port handling; involving the unloading and reloading of the maximum ship in minimum time. Chinese Qingdao Port can handle 39.74 TEUs in an hour; saving of each hour amounts to \$ U.S 1644.
- In the contemporary era a port should be smart enough to operate with advanced technology; thereby enhancing the quality and ensuring ever-improving competitive professionalism. China has developed and has employed 5 G Technology at Qingdao Port

for all the port operations primarily including, unloading of TEUs, stacking of TEUs, Loading of TEUs, Automated Cranes, and Unmanned Terminal Tractors.

- A contemporary port needs a developed hinterland that can work as a depth for the port. The well-developed hinterland includes communication infrastructure, International standard airport, hydrocarbon pipeline not only for its transportation but also to refuel the port calling ships, shipyards and close proximity of cities or towns.
- Ports are a hub for transportation for out and inbound cargo; imports and export are dependent primarily on raw material and finished products. Distance between a port and industry is a significant facet to save time and money, hence it is imperative to have industry closer to the port. Approaches like developing special economic zones and industrial zones at ports have proved to be a prudent trend. Vibrant port industrial zones like DMCC are housing 13,000 companies, employ 92,500 people and have 900 outlets (Prichard, 2017). Busan-Jinhae-Free Economic Zone holds 40 percent of the country's mechatronics and machinery companies (Prichard, 2017). However, in the case of Pakistan, the priority one Special Economic Zone as part of CPEC has been selected at Rashakai instead of Gwadar. The distance between Gwadar and Rashakai is 2118 km, entailing a distance of about 36 hours. Alberta, Rotterdam, Tangier and Jubail are other examples of port industrial parks.
- International Banking and International Insurance facilities for port and shipping are vital; about 200 ships sink every year and approximately 400 fall victim of piracy.
- A special attractive package for global fortune to divert from Jabel Ali port to Gwadar shall further facilitate the import-export traffic volume which shall enhance the manpower consumption manifold into packaging and repacking.

#### 1.4 Analysis

Table 1

*Renowned Port Operating Countries (Lloyd's, 2018)*

Company	Country	TEUs Handled	Ranking
Port Singapore International	Singapore	60.3 Million	1
Hutchison Hong Kong	Hong Kong	46.7 Million	2
COSO Shipping	China	46.1 Million	3
DP World	Dubai	44.2 Million	4
APM Terminal	Netherlands	42.8 Million	5

### 1.4.1 Security Environments

The vital and dictating facet to render the port operable or otherwise is Port Security including the following:

- Security of Port Operations.
- Security provision for all the staging agreements.
- Security of inland routes connecting ports with respective destinations within geopolitical boundaries.
- A single blast at the port can render the port a total failure for times to come.
- Army echelons / naval forces etc. should not be kept at the port site as it can scare and make the port operations and business community tense. Only Gwadar Port security echelons should be employed in port or Special Economic Zone (SEZ).
- Rail/road connectivity and route security.
- It is agreed that CPEC is a game-changer however it will be pertinent to say that for whom; China or Pakistan.
- The Arabian Sea may likely become a future battleground between China and U.S.
- Security echelons have to ensure that no foreign/Indian supported Baluchies uprising takes place, involvement of foreign elements have to be kept under check/surveillance constantly.

Table 2

*Regional Port Comparison*

Port	Depth (M)	Location	Trade (TEUs)	Turnaround Time
Gwadar	18.2	Arabian Sea	-	-
Karachi	12.2	Arabian Sea	02,198,468	20 for 3000 container
Jabel Ali (Dubai)	11 to 12.2	Persian Gulf	14,954,000	1 to 2 days
Bandar Abbas	14	Persian Gulf	02,021,542	-
Chabahar	11.5	Gulf of Oman	-	-
Fujairah	15.2	Gulf of Oman	1000,000	(2030) 1 to 2 days
Kandla	9.5 to 13	Indian Gujrat	110.09 MT	2.08 days
Mumbai	9.1 to 10.5	India	5,133,274	2.08 days
Colombo	15	Sri Lanka	7,000,000	3 to 4 days
Singapore	15.7	Malacca	36,599,300	1.24 days
Salalah	18	Arabian Sea	3,385,000	2 to 4 days.

## 2. Comparison of Gwadar Port with Chabahar Port

- Chabahar has a capacity of 8.6 MT whereas Gwadar has a Capacity of 400 MT.
- Gwadar port has the depth to accommodate ships carrying more than 20,000 containers whereas Chabahar Port can house a ship carrying 5000 containers.

- Gwadar port as compared to Chabahar is part of a large protected harbor. Gwadar Port's eastern side (Demi Zar) is open and its western bay (Padi Zar) is having a width of 18 Km. On the contrary, Chabahar is port is restricted to be a part of 14 Km wide Chabahar Bay.
- Gwadar Port being part of a 13 km long Isthmus with a width of 13 Km is having an open approach channel.
- Gwadar Port is closer to Kabul as compared to Chabahar Port by 168 km and 8 hours away.
- Chabahar Port is 72 km more closely to the Strait of Hurmuz as compared to Gwadar Port.
- Communication Infrastructure from Gwadar to Kabul is better developed than Chabahar to Kabul with various alternates and is continuously being improved as part of CPEC.
- Chabahar Port will be run by India Global Port Limited which will be its first experience running an overseas port on the contrary Gwadar Port would be run by one of the experienced Chinese companies.
- Route to Kabul from Chabahar passes through Zaranj, Delaram and Kandahar; southern Afghanistan, dominated by Taliban's who have no love for Indian especially after revoking cation of article 370 and 35 A in Kashmir. The situation in Balochistan has improved a lot; the facets like U.S-United Emirates of Afghanistan/ Taliban Peace Agreement, Chinese Projects of Social development in Afghanistan, diminishing Indian Interest in Afghanistan, Fencing between Pakistan and Afghanistan, improving Pakistan - Iran relations, Operation Rad-ul-Fasad by Pakistan Army and opportunities in the shape of CPEC are further improving the security situation.
- India had made an agreement to spend \$ U.S 100 million in Chabahar port in 2002 which has not yet been materialized. Later on 23 May 2016, India and Iran agreed to ink a deal to equip and operate multi-purpose terminals at Shahid Beheshti port in Chabahar with the capital investment worth \$ U.S 85.21 million and annual expenses of \$ 22.95 million on a 10-year lease (Manoj, 2019). The delays by India to invest in Chabahar Port are due to Indian policy to keep the U.S alongside as it had unilaterally imposed sanctions on Iran in 2018. However, In the case of Gwadar Port, it would be operated by China; a time-tested friend with Veto Power. Beijing is also spending billions of U.S dollars on CPEC Projects in Pakistan.

### 3. Contemporary Blue Diplomacy

- Although Chabahar is part of the 7200 km long International North-South Transport Corridor (INSTC) (Kandla to Saint Petersburg) since 2002 however it still has terrain, financial and geopolitical issues.

- Gwadar is about 500 km and 24 hours closer to the world's largest Khorgos Dry Port; between China and Kazakhstan than Chabahar Port.
- As per Afghan Pakistan Trade Agreement 2010, trade through Gwadar Port Afghanistan was permitted on 17 Apr 2020 (Shahid, 2020). LINE A MESSINA carrying 16000 tons of Afghan cargo arrived at Gwadar on 29 May 2020 (Yamin, 2020).
- Apart from terrain, financial and geopolitical issues, the security of INSTC in Afghanistan and Iran due to regional and extra-regional concerns will disquiet Chabahar Port development in the future.
- The majority of Ashgabat Agreement (Multimodal Transport Agreement) members are looking forward to joining CPEC and BRI hence further diminishing the value of INSTC; hence prioritizing Gwadar over Chabahar.
- Iranian, Supreme Leader Ayatollah Ali Khamenei announced that "Iran will not cooperate with America over the regional crisis; their aims in the region are 180 degrees opposed to Iran's. (Robbins, 2016) Furthermore recently on 17 May 2020 Iran's Deputy Foreign Minister Abbas Araqchi has passed on a message to the ambassador on Sunday warning against any U.S. threat against the Iranian flotilla of five oil tankers supplying oil to Venezuela" (Reuters, 2019). In such a scenario it will be difficult for India to maintain a balance between U.S and Iran, hence Indian investment in Chabahar is likely to remain a fallacy.
- "Iran once again, by all means, has expressed his willingness to join CPEC to promote bilateral or trilateral diplomatic relations with Pakistan mainly in the field of economy. Iran accused US sanctions which affected the economic progression" Iranian Ambassador Seyed Mohammed Ali Hosseini" (CRI, 2020).
- Relations between Iran and Pakistan are improving and Iran is supporting the Pakistani core issue of Kashmir. On 26 June 2017; the Iranian Supreme Leader said that "wounds inflicted upon the Islamic Ummah", called upon the Muslim world to support the Kashmiris and not condone atrocities committed by 'oppressors' attacking them" (Django, 2017). Later on July 3, 2017, Ayatollah told the Iranian judiciary to express support for the Kashmir cause, by developing supportive legal positions for the Kashmiris. Iranian foreign ministry also spoke its concern over the recent killings of Kashmiri civilians by Indian armed forces in Kashmir (Django, 2017).
- On 27 May 2016 Iranian ambassador to Pakistan, Mehdi Hoonerdost, at the Institute of Strategic Studies Islamabad expressed that Chabahar Port and Gwadar Port are not rivals but sister ports (Haider, 2016). The Prime Minister's Advisor on Foreign Affairs Mr. Sartaj Aziz had said that Pakistan would connect Gwadar with Chabahar through road and rail links (Express Tribune, 2017).
- Since July 2015 agreement, Tehran is trying its best to be part of the mainstream transnational arena by rushing up trade with a view to push its blocked economic wheel back on track (Fazil, 2016). Iran is not likely to allow the Indian Central Asian dream to come true at the cost of its interests (Ahsen, 2019).

- Iran and Pakistan have decided to complete of Iran –Pakistan Gas Pipeline by 2024 as part of the Third Amendment Agreement inked in Turkey (Singh, 2020).
- Beijing Tehran emerging rapprochement revealing an upcoming twenty-five years plan for multipurpose cooperation will further enhance the regional and Indo-Pacific peace; despite any possible Indian sabotaging efforts.
- China is pursuing its “String of Pearls Policy” in Indo-Pacific Region to secure its sea lines of communication (SLOCs); the policy is also being viewed as to balance the U.S domination of the Indo-Pacific Region. Apart from the Horn of Africa, China is extending its naval influence in the Gulf of Oman and Maldives. China is not only strengthening its military base in Djibouti but is also developing a base at Faydhoo Island in the Maldives (Singh, 2020). Through this “String of Pearls Policy” apart from securing the SLOCs, this will reduce the distance from about 14,000 km in the sea to the following:
  - From Gwadar to Kashgar the distance will be 2500 km for road, rail transport and hydrocarbon pipelines.
  - From Sittwe to Kunming 800 for hydrocarbon pipelines.
  - From Gwadar to Chabahar 290 km.
  - From Gwadar to Jask Port 470 Km.



Figure 1: String of Pearls Strategy

- On 28 Jan 2018 China adopted 'Arctic Policy' as per which China and Russia are already adopting Polar Silk Route to further diminish the U.S influence in Indo-Pacific Region and have securer navigation. China is already transporting LNG from the Russian Yamal Gas Field and plans to transport gas from Gydon Peninsula and Gas from Payakha Oil Field (Wrong, 2018).
- In 2018 India has adopted the 'Necklace of Diamond Policy' to garland China against its 'String of Pearls Strategy'. India plans to encircle China by developing relations and bases in Magnolia, Chabahar, Duque, Seychelles, Sabang, Changi, Vietnam, and Japan (Hindol, 2018).



Figure 2: (Indian Necklace of Diamond Policy)

Source: [https://uk.images.search.yahoo.com/yhs/search;\\_ylt=AwrJ3s8GDihfN9sABacc3olQ;\\_yluHRvbg](https://uk.images.search.yahoo.com/yhs/search;_ylt=AwrJ3s8GDihfN9sABacc3olQ;_yluHRvbg)

- The U.S is trying its best to deny Beijing to lease Tulagi Island in the Solomon Islands. The U.S is trying its best to cancel the lease or to deny the freedom to Beijing to move ahead with its agreement as the U.S considers that Beijing is supplanting it in Indo-Pacific Region. Tulagi Island is located within the second and (Allan, 2018) third Island Chain (Reuters, 2019). Apart from being of a strategic value; historically Tulagi Island has been a Japanese Naval base.
- With a view to secure its Diplo-economic interests, Beijing is strengthening its foothold in the South China Sea by building bases on various islands including Cuarteron, Fiery Cross, Gaven, Hughes, Johnson, Mischief and Subi reefs. Intending to further secure its position Beijing has planned Air Defence Identification Zone for South China Sea covering Pratas, Paracel and Spratly islands (Chan, 2020).



Figure 3: (South China Sea Scenario)

Source: [https://uk.images.search.yahoo.com/yhs/search;\\_ylt=AwrJ7Y4bDihfdJoAAbCe3oIQ;\\_yluHRvbg](https://uk.images.search.yahoo.com/yhs/search;_ylt=AwrJ7Y4bDihfdJoAAbCe3oIQ;_yluHRvbg)

- With a view to continuing the “Great Power Competition” since 2017; the U.S first time in 2018 formulated the “Indo-Pacific Strategy” as part of the national security plan. It aimed at protecting U.S supremacy in global and regional affairs by taking into account the political and economic issues apart from security. To implement the strategy, the U.S has enlisted 375,000 personals in Indo-Pacific Command which includes 60 percent of its navy, 55 percent of the army and two-third of its marines with an additional 85,000 forward-deployed soldiers. In 2020 U.S adopted various procedures to contain Beijing on account of Covid -19, Hong Kong, Taiwan and has moved three of its aircraft carrier strike groups in the western Pacific around Xisha and Nansha islands which were expelled by Beijing (Xuanzum, 2020).
- China and Iran have concluded a Military Deal for 25 Years; the China-Iran strategic partnership is built upon a previous agreement signed in 2016. China will invest \$ U.S 280 billion to develop Iran’s oil, gas and petrochemicals sectors and \$ U.S 120 billion. These amounts will be front-loaded into the first five-year period of new of the deal. The investment will include electrification of 900 km long Tehran- Mashhad Railway Line, Upgradation of network up till Tabriz and development of High-Speed Tehran-Qom- Isphan Train. China will buy all hydrocarbon products at a minimum guaranteed discount

phan Train. China will buy all hydrocarbon products at a minimum guaranteed discount of 32 percent with the right of delayed payment up to two years; significantly Beijing will be able to make payments in soft currencies accrued from Africa and Former Soviet States (Rasmussen, 2010).

- Iran has canceled the deal with India to construct a rail line from Chabahar Port to Zaranj in Afghanistan via Zahedan (Haider, 2020).
- In the 19th century, US Naval Strategist Admiral Alfred Mahan emphasized the need for Sea Power and the US started extending its military power onto the sea by controlling the sea lanes through domination of bottlenecks like the straits of Malacca, Hormuz, Aden, Suez and Panama Canals mainly during and after WW-II era thus influencing the global Diplo-economic domains. However Chinese objectives to emerge as a modern economic power by 2028 (Jinping, 2020) and to be a top tier military power by 2050 (Military Strategy, 2021) to lead a competition between China and U.S which started a trade tension between China and US since 2018. The U.S apart from Freedom of Navigation Operations in the South China Sea initiated a few moves. On the diplomatic front, U.S adopted the “Better Utilization Investment Leading to Development” (BUILD) act in 2018 not only to pursue its national interests but also to provide an alternative to the Chinese Belt and Road Initiative (Ramay, 2020). In the economic domain, it institutionalized U.S International Development Finance Cooperation (USID-FC) in 2019 to reinvigorate U.S investments (Ramay, 2020). In Nov 2019 Washington and Canberra established “Blue Dot Network” to attract capital for infrastructure building. Lately, on June 21 U.S and G-7 launched a “Build Back Better World” (B3W) infrastructure partnership to reduce 40 trillion USD infrastructural gaps in developing countries by 2035. In case of military moves Quadrilateral Security Dialogue (QUAD) involving Australia, India, Japan and U.S were formed in 2017 to check Chinese Naval expansion. Apart from this Maritime QUAD U.S also initiated a land-based central and South Asia Quadrilateral Bloc (CASA - QUAD) in the Chinese Xing Jang Region (Maria, 2021). Lately, on 15 Sep 21 U.S announced AUKUS Alliance with Australia and UK for the provision of nuclear-powered submarines to Australia to be most likely used against China. Considering the emerging Chinese Diplo-economic strength and depleting U.S Diplo-economic influence it appears that such U.S geopolitical moves are aiming to attract Chinese attention for some deal.

#### 4. Relevant Conclusions

- A separate Gwadar Company should operate the port having all facilities like visa-issuing/ renewal and other business documentary affairs. All like facilities should be least time-consuming problem-free and under one roof. No one should be visiting Islamabad for any problem. Gwadar Port Authority (GPA) should be entitled to resolve all business and legal problems on the spot.

- It is a famous proverb that “No one wants to see the son of neighbor stronger than one’s own son” hence there is a need to develop Gwadar Port in an early time frame at least as compared to DPW and Chabahar Port.
- Considering regional and extra-regional interests and concerns in the Arabian and South China Sea and the emergence of naval bases in the Indo-Pacific Region it is imperative to protect the Gwadar Port by having a multinational military presence in Jiwani or Pasni.
- A cantonment in the vicinity to take care of security concerns shall be preferred but not in very close proximity to ensure the minimum presence of soldiers in the port area which would be detrimental to the port users.
- Keeping in view being part of initiatives like BRI and CPEC and stake of other players and states in the region it is imperious that Pakistan should safeguard its diplomatic, economic, exploration, and military securities in its Exclusive Economic Zone by instituting an Air Defence Identification Zone and founding an Island military base for its futuristic policies. It is significant to note that many nations including the U.S, South Korea, Japan and China have already established such air defense identification zones over the adjacent waters in the Pacific and the Atlantic Ocean and are establishing military bases on atolls or islands (Yaser, 2020).
- Since seventh, eighteenth, nineteenth-century Germany is continuing diplomatic ties with China, Afghanistan and Central Asian Republics respectively. Principal facets of German involvement have been diplomatic, economic and social development. Germans have demonstrated their worth by effectively handling the difficulties hence rising to the status of a resilient nation. Currently, Germany is the principal European economic power and is averring to augment its trade and diplomatic ties with Beijing in Indo-Pacific Region. It will be prudent to extend its approach to Indo-Pacific Region through Wakhan Corridor to Gwadar. This route will improve German Diplo-economic influence in Indo-Pacific Region (Yaser, 2019).
- Siliguri Corridor being part of Indian West Bengal is a diplomatic maneuver place located between Nepal, Bhutan, Bangladesh, Seven Sister States and Chumbi Hills in Eastern Himalayas Region. Being centrally situated the land-locked Siliguri has an economic and political value for Beijing. Notwithstanding its geopolitical implications, it could not develop much. During 2002 Bhutan, Nepal and Bangladesh deliberated a plan to formulate a free-trade corridor nonetheless no such agreement could be concluded however with Beijing’s involvement an accord can be concluded for regional peace and development and to diminish the issues like terrorism and smuggling.
- Considering the availability of superior communication infrastructure available between Gwadar and Kabul as compared to Chabahar and Kabul, U.S diplo-military concerns with Iran, people-to-people affinity between Afghanistan and Pakistan and Gwadar’s port capability to be transshipment port it appears that Gwadar Port will be the priority over Chabahar Port.

- Although Chabahar is part of INSTC however apart from its terrain, financial and geo-political limitations it is about 500 km or 24 hours more distance to the world's largest Khorgos Dry Port; between China and Europe through Kazakhstan than Gwadar Port. Hence Gwadar will be a priority for Europe and Central Asia.
- Unloading of Afghan Cargo by a ship at Gwadar Port on 20 May 2020 has further galvanized the Pakistan Afghan Trade Agreement hence Afghanistan Government will prefer Gwadar over Chabahar Port.
- Mainstream members of the Ashgabat Agreement are willing to join CPEC and BRI hence further diminishing the value of INSTC; hence prioritizing Gwadar over Chabahar.
- An improvement in the relation between Beijing and Tehran and the conclusion of 25 years agreement among both will diminish the effects of U.S sanctions on Iran which in turn will strengthen Chabahar Port to be fed by Gwadar Transshipment Port.
- Improvement of ties Diplo-economic ties between Tehran and Islamabad and exclusion of India from projects in Chabahar by Tehran will add to economic coherence between Gwadar and Chabahar ports.
- Gwadar being part of BRI, and being closer to African Peninsula will be a primary Diplo-economic link between Africa, Asia and Europe.
- Gwadar Port being part of BRI and due to its Diplo-military strategic value as a primary pearl among a string of pearls strategy will add to Beijing's influence in the Pacific Sea and will invigorate Chinese Arctic Policy.

## 5. Critical Analysis of Pakistan's Blue Economy

Eighty percent of global trade volume and 70 percent by value is being carried out through sea and is increasing significantly; out of which Asian ports loaded and unloaded 41 percent and 62 percent respectively in 2020. Sea trade is not only preferred due to its flexibility but also being the cheapest mode of transportation. Transportation through the sea is 10, 45 and 163 times cheaper than rail, road, and air respectively. In the case of Pakistan, 95 percent of its trade is carried out by the sea. However despite its huge dependence on sea trade, possession of 1050 km long coast, and 29, 0058 sq. km of Exclusive Economic Zone in the Indian Ocean through which 70 percent of global oil is traded Pakistan has not been able to pragmatically make use of these potentials to an advantageous and sustainable socio-economic scenario. Unfortunately, it is significant to note that since 1971 Pakistan shipping fleet has reduced sharply from 71 to 11; ships out of which six are oil and five are bulk carriers; which transport only 5 percent of Pakistan's trade worth 0.25 billion USD thus compelling Pakistan to spend 5 to 6 billion USD of its valued foreign exchange as freight charges annually to foreign ships; who may increase the freight cost or may not be available during war or other crisis. Hence it is imperative for Pakistan to not only reduce this independence but also to enhance in Blue Economy for Diplo-economic sustainability and strength in an emerging

era of global interdependence. As Pakistan has been blessed with a long coast, five major rivers and the world's largest canal network hence all should also be integrated into Blue Economic Policy for at least fishing, transportation and hydropower generation. Danube, Mekong, Morava, Magna and Padma rivers are points in the case. Like Bangladesh who transported 27.80 lac tons of cargo through inland waterways in the financial year 2019 to 2020, Pakistan can also make use of its 10,370 km long Inland waterways for transportation. As far as sea trade is concerned apart from increasing the number of ships there is a need to enhance port handling capacity from 37 to 217 million tons per annum within five years by transforming Gwadar into a SMART Automated port. It is estimated that by 2050, 50 percent of global oil and gas needs will be met through offshore resources, for which Pakistan needs to continuously enhance its offshore exploration and drilling by partnering with countries like China, Germany, Iran, Russia and Turkey. Along with oil and gas, other seabed resources like copper, zinc, nickel, gold, silver and phosphorus should also be explored. Despite having five large rivers, the world's largest canal network and Exclusive Economic Zone Pakistan's fishing export is only worth 451 million USD out of 270 billion USD of the global fishing trade. Regrettably, despite being blessed with a 1050 km long coast with a diversity of flora and fauna, the share of Pakistan in coastal tourism was only worth 50,000 USD as compared to the global share of 2.9 trillion USD in the year 2020. Although the capacity of the Pakistan shipbuilding industry is improving with the help of the Pakistan Navy however on the contrary ship breaking industry is diminishing; in 1980 Gadani Ship Breaking Yard was the largest facility in the world with 30,000 employees however since 2020 it has come down to the third place with 6,000 employees after Indian Alang and Bangladeshi Chittagong ship-breaking yards. Apart from improving the above mention facets, now that once Pakistan is part of Belt Road Initiative it should also concentrate on the earliest development of Gwadar Shipyard which is located at the mouth of the hydrocarbon-rich Persian gulf through which Ultra Large Crude Carriers and Large Container Carriers pass hence provision of an advance and a contemporary repair facility at Gwadar Shipyard will not only be economically beneficial for Pakistan but will also add stake of global shipping companies in Gwadar. In order to make the Blue Economy more pragmatic and to complete the trade cycle it will be vital to priorities the development of Special Economic Zones closer to ports and to establish Gomalay Midway Transit Transshipment Hub 20 km north of Gilgit from where containers and other load brought from the south will be shifted to transport from other countries. Moreover, there is also a need to evolve an integrated policy for a sustainable Blue Economy by strengthening the concept of public-private partnership.

## 6. Conclusion

Gwadar Deep Seaport is a Geo-Strategic Manoeuvre Place in the contemporary and vibrant Indo-Pacific Region. Gwadar Port will play a vital role in Blue Diplomacy by influencing the facets like economy, geopolitics and military. Geographically it is situated at the

confluence of Eurasian and Australian Intercontinental plates in proximity with the African Peninsula. Gwadar Port is turning into a mosaic of various cultures by linking billions of people from Europe, Russia, Asia, China, Africa and Australia for trade and development. Gwadar Deep Sea Port is located at the mouth of hydrocarbon-rich Hormuz Strait; the most vital chokepoint in Indo-Pacific Region. Strategically, being part of String of Pearls Gwadar will influence the Extra Regional Players for Blue Diplomacy. This book covers the demography of Gwadar and its linkages and concerns with Afghanistan, Central Asian Republics, China Pakistan Economic Corridor, Wakhana Corridor, Extra Regional Forces and Germany. Considering the facets like the location of Gwadar Port it will emerge as a Regional Trans-shipment Port.

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