

Gwadar Port: Notes for UPSC Exam

This article will give an in-depth analysis of how the Gwadar Port will have strategic implications with regards to India's national security and interests.

Candidates appearing for their IAS Exams, this year will find this to be of immense use.

Background of Gwadar Port

Gwadar Port is a warm water port located in Pakistan's Balochistan Province. It is a deep sea port located on the Arabian Sea in Gwadar. This port is deemed as a link between China's One Belt One Road project and its Maritime Silk Road Project. It features majorly in the CPEC (China-Pakistan Economic Corridor). The port is situated about 533km from the city of Karachi and about 120km from the Iran border. It is also 380km NE of the nearest point in Oman over the Arabian Sea. The port is placed at the Persian Gulf mouth, outside the Hormuz Strait, close to the important shipping routes to and from the Gulf of Persia. The port is managed by a Chinese government company.

The government of China in August 2015 announced that the previously announced concessionary loans for several projects in Gwadar totalling \$757 million would be converted to 0% interest loans for which Pakistan will only be required to repay the principal value. The projects which are now to be financed by the 0% interest loans include: the construction of the \$140 million East Bay Expressway project, installation of breakwaters in Gwadar which will cost \$130 million, a \$360 million coal power plant in Gwadar, a \$27 million project to dredge berths in Gwadar harbour, and a \$100 million 300-bed hospital in Gwadar.

Geopolitical Impact of Gwadar Port on India

The Straits of Malacca provide China with its shortest maritime trade-route access to Europe, Africa, and the Middle East. At least 80% of its Middle Eastern and African energy imports also pass through the Straits of Malacca. As the world's biggest oil importer, energy security is a key concern for China while current sea routes used to import Middle Eastern and African oil are frequently patrolled by the United States Navy. The sea-route via the Straits of Malacca is roughly 12,000 kilometres (7,500 mi), while the distance from Gwadar Port to Xinjiang province is approximately 3,000 kilometres (1,900 mi), and another 3,500 kilometres (2,200 mi) from Xinjiang to China's eastern coast.

In the event that China were to face hostile actions from a state or non-state actor, energy imports through the Straits of Malacca could be halted, which in turn would paralyse the Chinese economy in a scenario that is frequently referred to as the "Malacca Dilemma"

In addition to China's potential weaknesses from the U.S. Navy, potential vulnerabilities could stem from a decline in India-China relations. The Indian Navy has recently increased maritime surveillance of the Straits of Malacca region from its base on Great Nicobar Island. India has expressed fears of a Chinese "String of Pearls" encircling it. Were conflict to erupt, India could potentially impede Chinese imports through the straits. Indian maritime surveillance in the Andaman Sea could possibly enhance Chinese interest in Pakistan's Gwadar Port.

How has India responded to the construction of Gwadar Port?

In May 2016, Indian Prime Minister Narendra Modi and his Iranian counterpart President Hassan Rouhani signed a series of twelve agreements in Tehran in a boon to India–Iran relations.

By these agreements, India Ports Global Pvt. Limited will refurbish a 640-meter long container handling facility, and reconstruct a 600-meter long berth at the Port of Chabahar, as well as modernise ancillary infrastructure at the berths. Improvements at the port are intended to allow Indian goods to be exported to Iran, with the possibility of onward connections to Afghanistan and Central Asia. Few sections of the Indian media described it as "a counter to the China-Pakistan Economic Corridor," despite the total value of the projects having been noted to be significantly less than that of the US\$46 billion CPEC project, with the Chabahar Port being evaluated at worth about \$500 million.