

Gwadar Project – Strategic Setback for India

Lieutenant Commander Srinivas Maddula

Consider the following letter dated 17 December 1985, written by a reader of the *Los Angeles Times*:

If there is any credence to the rumour about United States' intentions of building a naval base at Pakistan's port Gwadar, (Dec. 1), then the matter will be of grave concern to India... The U.S. naval base at Gwadar, at the time of any future Indo-Pakistan war, could be used to spy on India so as to help Pakistan in the conflict. Or it could be used to dispatch the 7th Fleet at a moment's notice near India's waters to threaten that country as was done in the Bay of Bengal during India-Pakistan-Bangladesh War in 1970-71. Thus, such a base at Gwadar could strain already fragile relations between the United States and India.¹

If we substitute 'China' for 'United States' in the letter, it would seem that history repeats itself, with India as a common player. It is now the United States' turn to show concern about development of a port at Gwadar in Pakistan, being built with majority Chinese investment. Gwadar may not be a full-fledged Chinese naval base, says Ziad Haider, an analyst at the Henry Stimson Center think tank in Washington, "but it could facilitate a [Chinese] naval presence."² In a press conference, Pakistani President Pervez Musharraf said that by giving the contract for the construction of Gwadar to China, Pakistan would strengthen its trade with the Gulf and Central Asian countries. He added that the main objective of letting the Chinese develop the Gwadar Port was that "as and when needed the Chinese Navy would be in Gwadar to give a befitting reply to anyone".³ It would be prudent to assume that he refers to India, though he does not explicitly say so. The Gwadar project is a significant strategic setback for India and also a cause of concern for the United States, which is arguably the strongest power in the Indian Ocean. India is left with limited options to counter the move. Out of the available options, the current policy of engagement with China is most likely to succeed.

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Details of the Project

Gwadar, in Pakistan's western province of Baluchistan is just 200 miles from the Strait of Hormuz and 400 miles from Karachi, Pakistan's primary port. Construction of the deep-sea port is just one component of the Greater Gwadar Plan, which includes a road network, connecting Gwadar with Karachi, Pasni, Ormara and Turbat and finally with China through the Indus Highway.⁴ Pakistan, China, Kazakhstan, Kyrgyzstan and Uzbekistan have agreed to develop rail and roads from Central Asia and the Chinese province of Sinkiang to the Arabian Sea.⁵ In addition, an air defence unit, a garrison, an international airport, and oil pipelines connecting Pakistan with China and Central Asian countries are planned.⁶

Relevance to Pakistan

Pakistan is increasingly seeking China as a strategic ally. Some Pakistanis see the move as all the more important given the new emphasis Washington is placing on ties with India. Following Bush's last visit to India, Akram Zaki a Pakistani former secretary-general of foreign affairs, said that given a US tilt towards India, Pakistan should focus more attention on China, Central Asia and the Middle East. Pakistani General Aslam Beg said the US and its allies in Europe, Japan and India were now "lined up against China, Russia and the Muslims."⁷ The increasing polarisation of relations does not bode well for either India or the US.

With the project, Pakistan achieves strategic depth further to the south west from its major naval base in Karachi that has long been vulnerable to naval blockades by the Indian Navy. To diversify the site of its naval and commercial assets, Pakistan has already built the Jinnah Naval Base at Ormara, a port city located in Baluchistan. Gwadar continues the trend. The project is primarily touted as a commercial hub. But, with the port having been designated a 'Sensitive Defence Zone' by Musharraf, the project's military implications are obvious.⁸ The Gwadar complex would increase the capability of China to supply Pakistan by sea and by land during a conflict. New highways, railways, cargo terminals and freight handling facilities would expedite movement of military as well as civilian cargoes.

The economic and political gains of the project to Pakistan would be enormous. The location of the port close to the Gulf will establish Pakistan as the main corridor for trade between the

Central Asian republics and the outside world. The economic prosperity to the region would also help pacify the Baluchis who have led a secessionist movement in the area, complaining since long of neglect of the area's development by the central government.

Chinese Interests

Since 1993, China has been a net oil importer, highly dependent on Middle East oil. Eighty per cent of China's oil imports pass through the Arabian Sea and the Malacca Straits. To maintain her energy security, China is building alternative supply routes through Pakistan and Myanmar. China is also exploring additional trade routes and has already built a rail link from its southern provinces through Myanmar to the Bay of Bengal as a trade route independent of the Malacca Straits, which is vulnerable to blockade during conflict.⁹ China's search for energy and trade security dovetails with its long-term strategic effort to expand its regional influence. Analysts see Chinese-operated listening posts in Myanmar's Coco Islands, China's development of ports and associated infrastructure at Yangon and Kyaukpyu in Myanmar, Chinese aid to the Bangladeshi port of Chittagong and plans to improve Cambodia's Sihanoukville as part of an incremental effort to build a "string of pearls" presence on the Indian Ocean rim.¹⁰ Some analysts in Washington see a pattern in Beijing's naval build-up, combined with a foreign-port building spree and efforts to secure maritime oil-transport routes. An internal report circulated among pentagon officials late last year says Beijing, with its "string of pearls" strategy is building up naval power at maritime "chokepoints... to deter the potential disruption of energy supplies from potential threats, including the US Navy".¹¹

Haider says the port at Gwadar could monitor the US naval activity in the Gulf, Indian naval activity in the Arabian Sea and future US-Indian maritime cooperation in the Indian Ocean.¹² A recent report titled "Energy Futures in Asia," produced by Booz Allen Hamilton for the Pentagon, notes that China has already set up electronic eavesdropping posts at Gwadar, which are monitoring maritime traffic through the Strait of Hormuz and the Arabian Sea,¹³ which is certainly a matter of concern for, both, the US and India.

India considers the Indian Ocean as her strategic reserve. Chinese ports and bases flanking India in Pakistan and Myanmar

represent a challenge to India's command of the surrounding seas. Security of her energy routes would also be threatened by the extra regional presence if it turns hostile. The same reasons leading to military advantages of the project to Pakistan would make them equally disadvantageous to India in the event of a conflict between the two. The US also has reasons to be uncomfortable with Chinese presence at the mouth of a key waterway. The US "unipolar" hegemony in the Indian Ocean is facing a challenge. In addition to the risks of Chinese monitoring in the area, increased Chinese energy security would prove disadvantageous to India in the event of any conflict.

Baluchi Resistance

An impediment to the project is the secessionist movement by the Baluchis, who are a majority ethnic community in the region. The agitation was started in the 1970's and has increased in intensity since the project construction commenced. The Baluchis worry that the economic gains of the project will be siphoned off to the other provinces, the influx of non-Baluchis in the region seeking employment will displace Baluchis and dilute their culture, and the Pakistan Army will continue to consolidate its military presence in the region.¹⁴ Several insurgent attacks in Gwadar have targeted Chinese nationals working on the project.¹⁵ Pakistani analysts have realised the importance of pacification of the Baluchis, but government rhetoric is still taking the tougher stand. Considering the high stakes involved, the Government stance is likely to soften to win Baluchi support and to avoid further incidents. Also, the Baluchis would soon see economic benefits of the project and reconsider their policies of confrontation.

Indian Response

India can respond in four ways. First, by developing a similar port facility to replicate the economic gains of the Gwadar project. Second, by making an issue of Chinese military presence in the Arabian Sea and striving for the US and International pressure to maintain Gwadar strictly as a commercial hub. Third, by balancing Chinese military presence by a build up of the Indian Navy. Finally, by increasing engagement with China as part of an overall long-term strategic relationship. India has tried to reach out to the Persian Gulf by investing in the planned development of the Iranian port of

Chahbahar. Development of Chahbahar is not a project in the same league as that of Gwadar – India's investment in the port is significantly less than China's investment in Gwadar. The economic gains for Iran would be considerable, but very limited for India. India's real gain would be the enabling of a foothold for its naval forces in the proximity of the Gulf. But, recently, as a result of recommencement of Iran's uranium enrichment programme, the international community is considering economic sanctions and possible military action in response. Following Iran's non-compliance with the majority world opinion, Indian policy makers have begun to rethink relations with Iran objectively, which may affect the project.

With Chinese assurances of support to Pakistan and the primacy of Chinese interests in Gwadar, weaning China away from maintaining a military presence in the port would be difficult. One option that may be explored, but is unlikely to succeed is subtle arm-twisting. The US could be persuaded to pressurise Pakistan to reduce Chinese involvement in the project.¹⁶ China could be told that using the Gwadar port for its military would increase tensions and weaken the energy security that it ostensibly seeks. This option is not likely to succeed, as China would take measures to maintain her energy security.

Some analysts have mentioned about India's development of the Karwar port as a counter to Gwadar. It would be incorrect to compare the two projects. Gwadar is primarily a commercial hub with adjunct military capability. Karwar is strictly a naval base with no commercial pretensions and can never replicate the strategic significance of Chinese presence in the Indian Ocean.

India has decided on both the soft and hard approaches to deal with an outward reaching China. India has begun an ambitious naval programme seeking to maintain military prominence in the area.¹⁷ At the same time, increased engagement with China in a number of spheres, primarily economic, is in progress. Common Chinese and Indian quests for energy security has seen planned development and investment in oil fields and oil pipelines in Russia and Central Asian states. India's trade with China has grown by 30 per cent since 2003. India and China have joined the same multilateral forums – the WTO and ASEAN. India is now an observer in the SCO and China has observer status in SAARC.¹⁸ India and

China have also inked in a long-term strategic partnership recently and have made significant progress towards solving their long-standing border dispute.

Given the circumstances, India seems to be on the right track. We have to understand that Gwadar is a reality. Long-term engagement with China would, however, decrease military implications of the project. But, there is a possibility of engagement with China not yielding the desired results. Building up of the Indian Navy to retain a deterrence capability would be the next best step. Increased cooperation with the United States is also beneficial. A crucial part is warming of relations between India and the United States. Indians are starting to feel confident that the Bush administration and the Pentagon understand their security concerns and are prepared to support them. A series of joint naval and other military exercises have reinforced this confidence, despite repeated objections from the US Congress about the need to prevent an arms race in South Asia, to balance relations between India and Pakistan, to assure China that it is not being 'encircled' by a US - Indian alliance.¹⁹ While this relation reassures India in the event of engagement with China not providing the desired results, we should be careful not to lead such polarisation to sour relations with China.

The economic and political gains from the Gwadar project to Pakistan would be substantial. The Chinese chequebook diplomacy is reaching beyond her borders and becoming increasingly global. In the last decade, Beijing has made a concerted effort – a highly successful one at that – to control shipping lanes to secure her energy and trade security. Faced with the reality of Gwadar, India is left with limited options to counter the move. The choice of developing a similar port will not reverse the setback. Similarly, using international pressure to maintain Gwadar strictly as a commercial hub may not succeed. India is following a broader plan of engaging with China and at the same time reinforcing her Navy and developing relations with the United States to maintain a deterrent capability. The present Indian policy of engagement has a substantial chance of success. Sun Tzu had said: "Whoever occupies the battleground first and awaits the enemy will be at ease; whoever occupies the battleground afterwards and must race to the conflict will be fatigued."²⁰ India can only hope that

China has no plans for battle after establishing her military presence in the Indian Ocean.

Notes

1. Chaitanya H Dave, *Los Angeles Times*, 17 December 1985, p. 4. Also Rone Tempest, "Pakistani Peninsula Conjures Up Visions of Naval Base," *Los Angeles Times*, 01 December 1985, p. 17. Until a few years ago, it was the Soviet Union that was more often rumoured to have its eyes on Gwadar as a naval base—the fabled warm water port that has been an ambition since the days of Czarist Russia. The strategic importance of Gwadar has not been lost to the major powers.
2. Lin and Stephen Glain, Washington and Bureau reports, *Newsweek*. (International ed.), 28 March 2005, 34.
3. G Parthasarthy, "The Growing Sino-Pakistan Nexus: Military Dimensions are Alarming," *The Tribune*, 23 May 2001, <<http://www.hvk.org/articles/0501/90.html>> (02 April 2006).
4. "A look at Gwadar Deep-sea port, Strategic and Economic Dimensions," 23 October 2004, message board, <<http://www.strategypage.com/messageboards/messages/T2-6970.asp>> (02 April 2006).
5. "A look at Gwadar Deep-sea port, Strategic and Economic Dimensions," message board.
6. Rajeev Ranjan Chaturvedy, "Gwadar Port," Indian Pugwash Society, 14 February 2006, <http://www.ipcs.org/Pak_articles2.jsp?action=showView&kValue=1952&country=1016&status=article&mod=a&portal=pakistan> (01 April 2006).
7. Patrick Goodenough, "As India's Ties With US Advance, Pakistan Looks to China," 16 March 2006, <http://www.townhall.com/news/ext_wire.html?rowid=46768> (02 April 2006).
8. Tarique Niazi, "Gwadar: China's Naval Outpost on the Indian Ocean," The Jamestown Foundation, *China Brief*, 28 February 2005, <http://www.asianresearch.org/articles/2528.html>, (02 April 2006).

9. Martin Walker, "Walker's World: India's Strategic Fears," *Los Angeles Times*, 01 March 2006, <<http://www.wpheraid.com/storyview.php?StoryID=20060301-101520-8933r>>
10. "Crouching Tiger, Swimming Dragon," *New York Times* (Late Edition (East Coast)), 11, April 2005, pg. A.19.
11. McLin and Stephen Glain, Washington and Bureau reports, 34.
12. Patrick Goodenough, n.7.
13. Muazzam Gill, "Outside View: Sino-Pakistan Ties Thrive," UPI Outside View Commentator, <[http://www.upi.com/international/Intelligence/view](#)">php?StoryID=20060314-023911-9383r> 01 April 2006.
14. Ziad Haider, "Baluchis, Beijing, and Pakistan's Gwadar Port." *Politics and Diplomacy*.
15. Sudha Ramachandran, "China's Pearl Loses its Lustre," 01 April 2006. In total, according to official data, there were 1187 bomb blasts, 275 rocket attacks, eight attacks on gas pipelines, 36 attacks on electricity-transmission lines and 19 explosions on railway lines in 2005. At least 182 civilians and 26 security force personnel died in the province during 2005.
16. Sudha Ramachandran, n.15.
17. Martin Walker, n.9.
18. Yu Xintian, "China's Rise and its Impact on Asia," IPCS annual lecture, 15 February 2006, IPCS article No. 1946, <<http://www.ipcs.org>> (02 April 2006).
19. Martin Walker, n.9.
20. Mark Jenkins, "China's Quiet War," <http://www.thetrumpet.com/index.php?page=article&id=2079>> (01 April 2006).