



Pak-China Economic Corridor: Geo-Strategic Importance of Pakistan

by

Muhammad Bilal

Once completed, Gwader will become the world's largest deep sea port in the world. This article explains the importance of Gwader port and its geo strategic position in strengthening Pakistan economically as well as regionally. China's development of Gwader port serves interests of both Pakistan and China. Geo-strategically Pakistan is the only state which provides China safe and easy access for its trade. US on the other hand is backing India economically and militarily to counter China from emerging as the world's strongest economy.

Author wrote this paper while doing internship at PRIME Institute in 2014.

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The geographical significance of a country plays a pivotal role in the world politics for that country. It marks that how critically beneficial or non-beneficial is the country to the other countries in social, economic and political respects. Pakistan is located at a very strategically important place on the globe. It is located at the juncture of energy proficient to energy deficient countries. On one side it connects with the Persian Gulf and on the other gives access of the warm water to land locked countries. The geo-strategic importance of Pakistan is also evident from the fact that it is surrounded by world's emerging economic giants; i.e. India and China, and the countries rich in natural resources; i.e. Afghanistan and Iran.

Pakistan has world's fifth largest reserves of Gold in Baluchistan, second largest reserves of Salt and sixth largest reserves of Coal in Punjab. At the same time, there is a huge bulk of young population which is believed to be dynamic feature makes Pakistan the fifth most populous country of the world. Its proximity with the resource rich countries is another factor which makes Pakistan to procure pinnacle revenue and cash this opportunity to the highest. Pakistan can generate almost \$500 million as a transit fee through its Torkham and Chaman borders against transit trade with the neighboring countries.¹ Stephen Cohen describes the geo-strategic importance of Pakistan in his book as,

¹ Shanzeh Iqbal, "Geo Strategic Importance of Pakistan and Our Obligations", The Pakistan Spectator: A Candid Blog, May 19th, 2014

“While history has been unkind to Pakistan, its geography has been its greatest benefit. It has resource rich area in the north-west, people rich in north-east.”

The world politics took a shift after the soviet disintegration which made the world unipolar, but the attacks on world trade center marked an austere shift. Pakistan served in the war against terrorism with US as its front row ally. US has its two basic goals to achieve in this region, First is security from the terror of Afghan Mujahidin and Iran going nuclear, secondly the economic security from the flourishing China which is grasping the world economy every day. US is setting its corporate lines with India to stop China creating its supremacy in the region. Realizing the geo-strategic importance of Pakistan for trade and security, for many years both US and China have been trying to create their influence in the country.

Boards with Iran, which is world’s fourth prime oil producing country and the second largest in the natural gas reserves, also place Pakistan at a domineering position. China is at the top of the list in the oil carriers from Iran as it has no border with it. Pakistan is one of the most secure routes for China to import oil from Iran. Pakistan and Iran have engaged an agreement of gas pipeline (from Iran to Pakistan) to overcome the energy crunch and fulfill the daily life necessities.

Pakistan is a strategically very significant abode for China as it links China to the Southern Asian region, Middle East and Central Asia. The Gwadar port was purchased by Pakistani Government after the geological survey conducted by US authorities in 1958 at a cost of \$3 million. Before that it was under the Omani rule. The construction of Gwadar Port started under President General Pervez Musharraf’s regime. It was divided in two phases, amongst them phase-I is now operational and phase-II is still under construction. The contract was given to a Chinese firm by the Pakistani government and construction of phase-I started in March 2002 which completed in

December 2006 and became operational in 2007. China takes this port strategically more important to it because when this port will be operational, it will make a stress-free and the benign way to access the Iranian oil and its exports to the international markets.

China is growing rapidly as the world's supreme economy through its trade and exports all around the world. It is covering almost all the regions of the world as its trade markets. Pakistan being the ally of China for the South Asian region has started to work as a passage by having a common gateway at Kashghar termed as "*Economic Corridor*" to Gwadar. The purpose of this corridor is to achieve the economic and political goals through trade and development. This economic corridor tangibly expands to almost 2700km starting from Kashghar to Gwadar through Khunjrab. It will be associated through rails and roads all over its route and will certainly strengthen the Pak-China relationship through economic and political developments.

India being the biggest opponent in South Asia and the country with the most hostile borders has covertly rejected this development between the countries, as it cannot see China leading the South Asian region through Pakistan.

Pakistan being the center ally to China and the second largest trading partner can gain a heavy profit without much effort. Pakistan can easily earn millions of dollars through this corridor and can make the unstable economy much more stable thus finding a way out of the crises. Successive governments in Pakistan were not much successful in handling and reducing the energy crisis. The energy crisis which our nation is facing nowadays has made the economy unstable and created hurdles in foreign investments. The reluctance of foreign investors is shackling the economy and the government is taking more loans to return the preceding loans.

As far as Gawdar port is concerned, India on its part has voiced anxieties on this project by saying that China wants to create its supremacy in the South-Asian region by

accessing the warm water through Pakistan. According to the news, China has overhauled the US in terms of its Purchasing Power Parity (PPP). US has its PPP at \$17.4 trillion while China's PPP is \$17.6 trillion which is almost 16.48% of the world's GDP². This clearly depicts how progressively China is emerging as an Economic hulk on the globe. India in the same way is creating good relations with Iran by helping to construct the Chahbahar Port and making good relations with Afghanistan too to encircle Pakistan and also to counter the supremacy of China in the region.

The port of Gwader serves the interest of both the countries, China and Pakistan. It provides China an easy access to the Arabian Sea to fulfill its energy resources. The propinquity of Gwader port with the sea lane and the Silk Road towards Kashgar also makes Pakistan geo-strategically valuable for China as it cuts more than 10,000km of its route to trade and import oil through sea. Gwader port being the nearest port to the Strait of Hormuz makes it strategically more significant to China for its defense against the US and India. The presence of the US forces poses a threat not only to the Chinese defense but also to their trade with the rest of the world. To overcome this pressure, Chinese government is working hard to build the Gwader port to put an eye on the US's naval activities in the Persian Gulf and Indian's in the Arabian Sea. The Strait of Malacca has also its own significance as it is being controlled by the US authorities which make it strategically vulnerable to China for its trade. Being the 3rd largest country by area on the globe and 2nd in the Asia³, China does not have any hot water port which it can use for its trade throughout the year to multiply its economy. For this China is looking very keenly to operationalize the Gwader port to full extent which will help in its trade and economy throughout the year.

² Farooq Yousaf, "Is the New silky Road really an Economic Corridor for China and Pakistan?", The Express Tribune, October 26th, 2014

³ http://en.wikipedia.org/wiki/List_of_countries_and_dependencies_by_area

Meanwhile India is also responding to the construction of the Gwader Port by pumping in huge resources in Chahbahar Port to compete with Pakistan and China. India on the simple way wants to gain access to the routes of trade to rich energy resources countries of Central Asia, Afghanistan and Iran. Iran in this effort has an edge over Pakistan regarding the relationship with Afghanistan, as it offers Afghanistan to use the port for transit and trade with a very low port fee. India has brought Afghanistan and Iran into its economic and strategic coalition to counter the China-Pak bonds which will in-turn allow India an access to the Central Asian markets including Afghanistan. The inclusion of Afghanistan into this loop is owing to the fact that India desires to create its influence in this region after the pulling out of the US and NATO forces from Afghanistan by 2014-15.

Once completed, Gwader will be ranked as the world's largest deep sea port⁴, as a part of this port is still under construction at the district Lasbela. The Pakistani authorities showed their serious concerns to the Chinese government to build a naval base at Gwader for its strategic stability and security.⁵ The Gwader naval base will act as a milestone in the security paradigm for Pakistan which in turn will transform the Pakistan navy into a full fledged operating force at the border. India on the other side is practicing its naval activities with the US forces in the Arabian Sea just to create their hegemony at the sea level. "Gwader has proven its geostrategic importance to Pakistan on many occasions; the instability in the Persian Gulf as a result of the Iran-Iraq war, in the Gulf War and the Soviet disintegration, proved the geostrategic importance of Pakistan in the globe. Gwader as the alternate to the Persian Gulf ports to capture the transit trade of the Central Asian Republics and the trans-shipment trade in the region

⁴ Sabena Siddiqui, "Gawadar: China's String of Pearls!", Opinion Maker, March 14, 2014

⁵ Farhan Bokhari, "Pakistan turns to China for Naval Base", Financial Times, May 22, 2011

has proved the Geo-economic significance of Pakistan in the region and on the globe as well.”⁶

History shows that Russia had exhibited its curiosity to attain a warm water seaport and to counter the growing supremacy of US in the region and on the globe as well. They wanted to have a port which will help them directly counter the intrusion of any state to capture or create threat to Russia. For this the two main ports of this South Asian region, the Gwader port and the Chahbahar port of Iran were the vitals ones. During the Cold war there was news in the public that Soviet Union has its eyes on the Gwader sea port for its naval base to counter any security threat for the mainland. Pakistan acted as a pivotal strategic point for both the super powers of that time and became a subject of interest for the Central Asian Republics (CARs) too after the Soviet disintegration. The newly born CAR's were totally land locked states, and for their trade through sea they have to go through Afghanistan or Pakistan.

China being the nuclear neighbor of Pakistan is flourishing and emerging as the economic and military super power of the world. In the recent century it is considered as the only super power to confront the uni-polarity of US both in economic and military terms across the globe. US on the other hand is supporting India by strengthening it with military gears and giving economic liberty and trade just to have a left arm support in case of any hostility with China. To neutralize this effect, China on the other hand is strengthening its ties with Pakistan to be pitted against the notion of greater India. China meanwhile is also looking for an easy and safe approach to access the Central Asian and Gulf states for its rapidly thriving trade. Geo-strategically Pakistan is the only state which gives China an easy and safe sanctuary for its trade with the Central Asian, Gulf and European states.

⁶ <http://www.globalsecurity.org/military/world/pakistan/pns-gwadar.htm>

Kashmir is still a disputed territory between India and Pakistan, as both the states are claiming it to be part of their country. There is also a third un-clear player in this dispute, People's Republic of China, which in 1962 clashed with Indian militaries which China won promptly and apprehended the region called Aksai Chin. The Line of Control (LOC) between Pakistan and China was also demarcated after the dispute. The *Line of Actual Control* is the line drawn between China and India which separates both the republics in the region.⁷ Most of the people are negligent of this fact in this region that China is also a party over the Kashmir issue claiming its some part as their own. So, any long-lasting and ample settlement cannot take place without the active contribution of China over the Kashmir dispute.

Pakistan being the gateway provides China an association with the Central Asia, Gulf and the European region for its trade and safe utilization of supply and demands of the market. It is said that a country with a healthier and proficient chain of logistics and transport is directly associated with the strong trade expansion and attraction for the investment which in turn will reduce the poverty level. As expressed previously, Pakistan being the opening for the trade has become the strategic center of attention for trade for the rest of the world.

Despite being economically not much strong the country is still accorded high importance on the global affairs and international arena mainly due to its nuclear capability and strategic location for trade and peace around the world.

Conclusion:

Aiding as a facilitator of revolution and affluence in the South Asian region, the China-Pakistan economic corridor will connect the China's West with the Pakistan's South to bring the economic and political stability. The recent visit of PM Nawaz Sharif to China

⁷ http://en.wikipedia.org/wiki/Kashmir_conflict#Sino-Indian_War

will serve as a milestone in the Sino-Pak friendship in which both the leaders of the states have signed 19 MoU's and agreements , mostly which are based on the development projects and increase in the power generation in Pakistan.

On one hand, China wants a stable Afghanistan after the withdrawal of US-led NATO forces from Afghanistan, so through this corridor China can improve access to and relations with Afghanistan. The economic corridor will help to transport the resources like oil and gas, thus contributing to better economic activities and outcomes for both countries. Having an uncertain future of Pakistan due to the economic turmoil and lack of security within the state, the internal state violence and instability can shudder the Chinese investors. On the other hand, stability within Pakistan can apprehend the economic welfares by stabilizing the relations with India, and will help both the countries, China and Pakistan, in economic, military and security terms. China will have an easy access to the Persian Gulf and the Arabian Sea for its trade and will also be able to put an eye over the military executions of India in the sea.