

# ISAS Brief

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## China's Gwadar Pearl The port acquisition and implications for India

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As several Asian nations, large and littoral, rise to counterbalance the Western powers, it is imperative for the global community to examine the geopolitics of the larger Asian region that has yet to find a sustainable framework for cooperation. When dissecting Asia's geopolitical landscape, perhaps the most recurrent theme is China's 'String of Pearls' strategy and its significance in the Sino-Indian strategic quandary. Since it was coined, nearly a decade ago, in a Booz Allen report for the Pentagon to describe the perceived encirclement of India in the Indian Ocean Region (IOR), the phrase has often been used to depict the precariousness of the competition between the two aspiring hegemonies, wherein almost every decision made by either country can be viewed as a potential threat by its counterpart.

Most recently, the 'String of Pearls' garnered renewed attention through Pakistan's official transfer of operational rights of the deep-sea Gwadar port in its Baluchistan province to the state-run China Overseas Port Holding Company. Dubbed as the crowning jewel in the string, Gwadar's geographic advantages – a mere 400 kilometres away from the Straits of Hormuz – certainly suggest the possibility of investing it with great strategic and military importance. In the light of the Chinese proposal to the United States Pacific Fleet Commander in 2009 that "the Indian Ocean should be recognised as a Chinese sphere of influence",<sup>2</sup> it is possible to understand the frayed nerves of Indian officials. Yet, it remains to be seen whether the 'String

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<sup>2</sup> *The Pakistan Thorn in China-India-U.S. Relations*, Harsh V. Pant

of Pearls’, and specifically the acquisition of Gwadar port, is a genuine strategic plan aimed at undermining India’s maritime security in the IOR. This also begs the question of veracity of the portrayal of India as a helpless victim in a maritime region that is after all, its traditional stronghold.

## **The Strategic Perspective**

If utilised for purely economic ends, Gwadar port would provide greater energy security in oil-shipping for China, posing little challenge to India’s dominance of the IOR. However, the visceral fear is that there is no clear distinction between economic and strategic motives, and that a gradual militarisation of the port could allow China to affirm a significant naval presence in the IOR. In the event of a conflict, the usage of the port and adjacent airstrip as a base for air, surface and sub-surface fleets, can enable China to interdict Indian tankers and obstruct the delivery of essential supplies.

In this respect, Pakistan is believed to have made known its intention to develop Gwadar with military projection capabilities – through repeated requests to China to build the port as a naval base. While the focus is on undertakings by the Pakistani Navy, it does not preclude the possible usage of the base by the Chinese People’s Liberation Army Navy (PLAN) forces. Furthermore, the long-standing Sino-Pakistani alliance has created a level of trust that can facilitate inter-operability between the two navies, particularly vis-à-vis India.

Indeed, Gwadar as a full-fledged Chinese offshore naval base is a daunting prophecy; but, to temper the reaction at this initial stage, it is also crucial to assess the likelihood of such a development, and the timeframe in which it might occur. At this juncture, it is useful to apply Alfred Thayer Mahan’s criteria for appraising the value of a prospective naval station. The criteria distil three factors, namely situation, meaning “the proximity to important sea lanes or chokepoints”; strength, meaning “its natural defences or capacity to be fortified”; and its resources, meaning its ability to supply itself from the port’s environs through land or maritime transport.<sup>3</sup>

There is little doubt about the highly strategic situation of Gwadar, due to its close proximity to the important Straits of Hormuz chokepoint, and its general location in the IOR which has a high density of the world’s oil-shipping traffic. Given China’s geographical location, Gwadar presents access to the Indian Ocean through Pakistan, and a favourable alternative for the China-bound tankers to offload Persian Gulf oil without having to navigate through East Asian waters.

Despite its definite situational advantages, Gwadar port leaves much to be desired in its strength and resources. It has no natural defences – the topography of the district is that of a narrow peninsula protruding from Pakistan’s southwest coast, making it an easy target for air or missile strikes; and while there is capacity for fortification, there has been little progress

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<sup>3</sup> *Gwadar and the “String of Pearls”*, James R. Holmes

thus far. The PLAN also has a relatively limited experience and expertise in offshore force projection, which needs to be improved before such expertise can be put to use at Gwadar.

Although external threats always weigh in heavily on strategic decision-making, Beijing may perhaps be interested in a secure and stable internal situation in both Pakistan and China. The threats to Gwadar are both from within and without. To supply the port with resources, there have been plans to connect the Karakoram Highway to Gwadar over land, as well as lay oil and gas pipelines linking the port to China's restive Xinjiang province. Yet, these are cast with many uncertainties as Baluchistan is troubled by insurgency and separatism. This has obstructed development in the past, when the Chinese withdrew grand plans for oil refineries, citing security reasons.

Development of the region is also further hindered by the cautious and "hard-nosed" business approach that Beijing has adopted. It had previously demonstrated reluctance to be engaged in Gwadar in order to avoid raising hackles in New Delhi and Washington as well as over concerns of stability in Baluchistan. Now that it has made the decision to acquire the Gwadar port, it remains unclear how far and how rapidly the Chinese would see its development through, given the current socio-political circumstances. While this is not evidence to conclude that Gwadar has no strategic value, its military potential is greatly constrained in the short-term.

## **The Economic Perspective**

In contrast to the 'String of Pearls' theory, China's narrative tends to paint its Indian Ocean policy in "broader economic and maritime security-related terms".<sup>4</sup> For an extensive period of time, India and the US have held sway over the most salient shipping lanes, posing a 'Malacca Strait' dilemma for China. Currently, shipping vessels carrying cargo bound for western China have to travel through a long and costly route in East Asian maritime territory, and then the goods are transported thousands of miles on land to their destination. This is especially so for oil tankers, which rely heavily on US-patrolled Malacca Strait routes from the Gulf. As such, the Chinese foresee using Gwadar as a docking point for their tankers, which would afford them greater control over their shipping activities and energy security.

On the strategic front, Beijing is likely to retain a largely economic outlook on the IOR rather than a military one. This is because of its need to meet rising energy demands, which are contingent on seaborne supplies from foreign nations. As with all other great powers in the region, there is a powerful incentive to maintain stability at sea to protect China's economic interests.

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<sup>4</sup> *China's String of Pearls and India's Enduring Tactical Advantage*, Iskander Rehman

## **What can India do?**

In response to China's access to the supposed pearls of Chittagong, Hambantota and Marao Atoll, India has no lack of options. New Delhi has already expressed interest in Iran's Chah Bahar port, and moving forward, can explore its connections with other countries like Maldives, Mauritius and Seychelles. Still, India should divorce itself from the innate sense of vulnerability that is at times misleading, because of America's and India's firm grasp over China's energy jugular. The reports of conflicting statements by India's External Affairs Minister and Defence Minister as to whether Gwadar is "a serious matter of concern" indicate general confusion in New Delhi. This is not only advantageous to Beijing, which can leverage on this lack of a clear direction to further its national interests rapidly, but also tends to exaggerate fears and therefore encourage unnecessary action. Instead, there is need to assess the true extent to which China's actions are a threat to India. To this end, it is important to keep in mind that, regardless of Beijing's growing ambitions, India will, in conflict situations, have the trump card of force concentration in the IOR.

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