

# Gwadar and Chabahar: Competition or Cooperation

Mir Sherbaz Khetran\*

## Abstract

*Gwadar and Chabahar ports have gained tremendous significance as both leverage their geo-strategic location to the two rising powers in Asia, China and India. Gwadar port is being managed by China under the China – Pakistan Economic Corridor (CPEC), whereas the development of Chabahar port is funded by India under the tripartite Preferential Trade Agreement (PTA) with Iran and Afghanistan, signed on May 23, 2016. Both are located at the international energy trading route and provide connectivity to Central Asia, the Middle East, Africa and Europe. The nature of the capitalist system and basic economic cost has the potential to put both ports in competition with each other. However, Iran and Pakistan deny any kind of such competition; rather both States aspire to build on cooperation and linkages between these two ports. Undoubtedly, China is an emerging power; however, the US is committed on containing China and fighting for resources in Asia. This paper will look into the argument and arrangements that will either lead to cooperation or competition between the two ports. Moreover, in light of different economic theories, the paper will project different scenarios.*

**Keywords:** Gwadar, Chabahar, Cooperation, Competition, Energy Resources, CPEC, Geo-politics, Arabian Sea.

## Introduction

International trade and the shipping industry are considered vital factors for a country's economy. The extent of their importance can be gauged from the fact that Karachi port contributes 50 per cent to the Gross Domestic Product (GDP) of Pakistan and similarly, other major port in the world are engines of growth. Apart from trans-shipment and cargo, these ports are an example of urban lifestyle, with the cosmopolitan composition of their dwellers. The economic activity generated at these ports trickles down to the entire country, especially the adjoining areas, which reap the benefits. Most

---

\* The author is Research Fellow at the Institute of Strategic Studies Islamabad.

importantly, the transformation in the Asian economies has shifted world's focus towards Asia, which has a larger consumer market and has an enormous growth potential. In this context, major world powers are recalibrating their Asian strategies and pivoting their growth impetus on Asia, where South Asia has a pivotal role to play.

The development of Gwadar port on the coastline of Makran, in Balochistan, is a blessing for the people of the province and its benefits will be far-reaching. However, around 70 km to its west, Chabahar port in Iran is considered a potential competitor to Gwadar port. Some salient features of both these ports present a somewhat different story. Firstly, Gwadar is a deep-sea port, unlike Chabahar. It has more capacity for dealing with dry-cargo and serves as an ideal location for trans-shipment facilities as it is located close to Sea Lines of Communications (SLOC). Secondly, Gwadar is an all weather port. On the other hand, Chabahar has less potential compared to Gwadar in dealing with cargo and is close to the Port of Bandar Abbas, which is already functional. Gwadar port is more suitable for transporting energy to and from the Gulf countries and its outreach is much more than Chabahar.

Gwadar port has more capacity to dock larger ships. The infrastructure available in Gwadar is more advance to handle liquid and container cargo. It helps Pakistan to connect with four important and resource rich regions of the world: South Asia, China, Central Asia and Iran. Another distinguishing feature of these ports is the policy framework under which they are to function. Gwadar port is leased to China Overseas Port Holding Corporation (COPHC) for 40 years, whereas Chabahar is only developed with the Indian assistance but its control and operational reins will remain in the hands of Iran. There is a perception that Gwadar is targeted towards the Middle East and Africa, whereas Chabahar has its market in Afghanistan and Central Asia.<sup>1</sup>

The geo-strategic importance of both these ports is their most significant feature. Both ports are located at the crossroads of energy-trading route through which 70 per cent of the world's oil shipment passes. Moreover, Gwadar and Chabahar are outposts to rich mineral resources in Balochistan and Iran. Also, these ports have a strategic significance in terms of

---

<sup>1</sup> Hafeez Jamali, "The Anxiety of Development: Megaprojects and the Politics of Place in Gwadar, Pakistan," *Cross Roads Asia* (January 2013): 6.

providing surveillance on activities in the Arabian Gulf and the Indian Ocean. The Indian Ocean has already become a theater for geopolitical competition because of the abundant natural resources it holds. It is also likely that the Arabian Gulf will witness another 'Great Game' since both India and China are suspicious of each other's motives.<sup>2</sup> The importance of naval power is likely to increase in order not only to defend maritime boundaries but also to undertake active commerce in a competitive environment.<sup>3</sup>

In this context, this study has been undertaken to answer primary questions: Will the development of Gwadar and Chabahar ports lead to more competition or cooperation among the key state actors involved in developing these projects? In either case, what will be the geopolitical implications? This research question has been explored by answering following mentioned sub-questions:

- i. Is the involvement of India in Chabahar and Afghanistan meant to bypass Pakistan to access the Central Asian resources and market a competition or cooperation?
- ii. Will the Arabian Gulf politics and the projection of maritime power by India lead to a conflicting path with other major regional powers?
- iii. Why did India back out of the Iran-Pakistan-India (IPI) gas pipeline?
- iv. Is India looking beyond the South Asian Association for Regional Cooperation (SAARC) for its energy security? What advantages are there for Pakistan in relation to leasing Gwadar to China?

However, the existing literature can be segmented into themes of geopolitics and regional politics. First, the strategic significance of these ports is highlighted.<sup>4</sup> Secondly, the energy politics and security issue are

---

<sup>2</sup> Ibid.

<sup>3</sup> Azhar Ahmad, "Gwadar Port: Potentials and Prospects," Report, Pakistan Institute for Conflict and Security Studies, Islamabad.

<sup>4</sup> H. Y. Malik, "Strategic Importance of Gwadar Port," *Journal of Political Studies* (August 2012).

debated in light of these ports and other possible routes for accessing untapped resources of the Central Asia. For example, M. Baloch looks at this dimension of the ports.<sup>5</sup> Thirdly, the experts also discuss the role of foreign policy and international relations between active players of the region and great powers.<sup>6</sup> Fourthly, the role of regional and multilateral organisations is discussed in fostering economic and defence ties by experts like R. Zeb.<sup>7</sup>

## **Beginning of the Asian Century**

South Asia is one of the most dynamic regions in the world but it is also one of the least economically integrated. Intra-regional trade accounts for just five per cent of total trade, compared with 25 per cent in the Association of Southeast Nations (ASEAN). With shared history and culture, South Asia has a huge potential for economic integration but issues of national identity and internal rifts have caused political tensions and mistrust between the countries; and as a result, intra-regional integration is limited. By building common interests across borders, regional integration could enhance stability in this volatile region, which is home to 570 million or 44 per cent of the world's poor, there is a dire need that the regional countries should cooperate on urgent basis and shared climate change-related challenges.<sup>8</sup>

The momentum for regional connectivity and integration seems to be on rise. In recent years, Pakistan-India trade has grown 26 per cent, reaching to a landmark of US\$2.4 billion.<sup>9</sup> Similarly, since 2009, India has been investing heavily in Sri Lanka and signed trade agreements with Bangladesh. China under the rubric of Belt and Road Initiative (BRI) is investing more than US\$57 billion in the CPEC, connecting Gwadar with Kashgar with the help of a large network of rail, road and

---

<sup>5</sup> M. Baloch, "Iran and India's Cooperation in Central Asia," *China and Eurasia Forum Quarterly* (June 2014).

<sup>6</sup> Zahid Ali Khan, "China's Gwadar and India's Chahbahar: an Analysis of Sino-India Geo-strategic and Economic Competition," *Strategic Studies*, [http://issi.org.pk/wp-content/uploads/2014/06/1379479541\\_87064200.pdf](http://issi.org.pk/wp-content/uploads/2014/06/1379479541_87064200.pdf)

<sup>7</sup> R. Zeb, "Pakistan and the Shanghai Cooperation Organisation," *China and Eurasia Forum Quarterly* 4. No 4 (2006).

<sup>8</sup> "South Asia Remains Among Least Economically Integrated Region in the World," *Indian Express*, September 7, 2017.

<sup>9</sup> "Trade between India and Pakistan Surges 21% to \$2.4 Billion," *Express Tribune*, May 14, 2013.

information and communication technologies (ICTs).<sup>10</sup> Pakistan with a population of over 197 million sharing borders with Afghanistan (2430 Km), China (523 Km), India (2912 Km) and Iran (909 Km) is the hub of regional connectivity. With all its geo-strategic advantages, Pakistan is at the cusp of a transformation.

Gwadar and Chabahar present multiple opportunities for connectivity across the region. If geo-politics is isolated from geo-economics, then both ports could provide an impetus for growth for the entire region. The US with other western countries has formed the Trans Pacific Partnership (TPP) including Japan, India and Australia as its key actors in the region.<sup>11</sup> On the other hand, China has initiated its BRI policy, of which the CPEC is the flagship project and Gwadar is the linchpin. After the civil nuclear deal in 2008 with India, the US is spearheading India for safeguarding its national interests in the region. On the other hand, the US apprehensions about Iran's nuclear programme have been diluted after the deal, which is a window of opportunity for Iran to end its international isolation.

In the given context, Gwadar and Chabahar are currently aligned in two competing camps. Although Iran and Pakistan have cordial relations, geopolitics has periodically caused some implications for them and these relations are complex. However, if one compares the world powers and their plans for Asia and especially South Asia one can see some stark differences. Firstly, the western approach is of a zero-sum game, whereas the eastern approach championed by China is of win-win situation. Secondly, there is a public perception in Pakistan that China has a policy of non-interference in the domestic affairs of other countries, unlike the US, which has been an unreliable partner for Pakistan.

Also, given this positive perception about China, despite reservations from certain economists,<sup>12</sup> it is believed that the nature of the BRI is different from the TPP. The BRI is much more than trade or partnerships, it

---

<sup>10</sup> Mir Sherbaz Khetrn, "CPEC and Balochistan," *Pakistan Observer*, July 5, 2017.

<sup>11</sup> Ian F. Fergusson, Mark A. McMinimy and Brock R. Williams, "The Trans-Pacific Partnership (TPP) Negotiations and Issues for Congress," Congressional Research Service, March 20, 2015, <http://usnzouncil.org/wp-content/uploads/2015/04/CRS-Report-TPP-Negotiations-and-Issues-for-Congress.pdf>

<sup>12</sup> Khurram Hussain, "CPEC Plan Details Still Awaited," *Dawn*, December 21, 2017.

focuses on regional connectivity and cultural partnerships, rather than the short-lived, interest-based alliances of the West.<sup>13</sup> Compared with the PTA between India, Afghanistan and Iran – the magnitude of the CPEC is larger than trilateral trade agreement. Moreover, both are oriented towards different markets and cannot be compared on equal terms.

Iran is a sovereign country and has a history of strained relations with the West and the US in the past. It will not let Chabahar be used for others' objectives, especially if they are counter-productive to its relations with Pakistan or China.<sup>14</sup> Similarly, Pakistan will not pursue an aggressive competition with Chabahar. The geo-strategic alliances indicate that the focus has been shifted towards Asia, which will have far-reaching implications for the South Asian region.

### **Regional Connectivity and Geo-politics of Natural Resources**

Regionalism has been given new importance and meaning in the changing global scenarios. New alliances and partnerships among nation-states are being carved in the common interest and for combating mutual threats like climate change and violent extremism. Pakistan under vision 2025<sup>15</sup> is cognizant of these changing realities and has made strenuous effort to upgrade its connectivity and integration. The regional scenario in South Asia in congruence with the US's policy of 'Asia Pivot' and China's BRI, provides Pakistan with an opportunity to maximise its utility in socio-economic endeavours.

In the given context, the CPEC has been termed as a game-changing project. The Central Asia South Asia power project, CASA 1000 provides the solution to energy starved countries in the region, including Pakistan.<sup>16</sup> IP gas pipeline and Turkmenistan-Afghanistan-Pakistan-Iran (TAPI) are dreams of Pakistan's energy aspirations. The Shanghai Cooperation

---

<sup>13</sup> Author's personal analysis based on numerous conversations with policymakers and researchers in Pakistan.

<sup>14</sup> Mateen Haider, "Chabahar not a Rival to Gwadar, Iranian Envoys Tells Pakistan," *Dawn*, May27, 2016.

<sup>15</sup> Ministry of Planning, Development and Reforms, Government of Pakistan has announced the strategy called Pakistan Vision 2025. The vision comprises a roadmap and implementation strategy for Pakistan in the next one decade.

<sup>16</sup> M. Aftab, "Central Asia-South Asia Energy, Trade Corridor gets Started," *Khaleej Times*, September 28, 2015.

Organisation (SCO) acknowledges the growing significance of Pakistan in the region and beyond. Pakistan has reinvigorated its foreign policy towards Central Asia and Central Europe, for which Gwadar is a spring board.

The new ‘Great Game’ or geo-politics of the Central Asian region revolves around a number of factors. Firstly, the landlocked Central Asian Republics (CARs) require land and sea routes for connectivity. Moreover, they are surrounded by four nuclear powers and their influence cannot be ignored. The presence of North Atlantic Treaty Organisation (NATO) forces in Afghanistan and growing friction between Russia and the US, the United Kingdom and some other countries in Europe is a source of instability for the region. The socio-political instability and security situation in Afghanistan, with the long-term presence of the US forces in the country, is evidence of their footprint in the region. The fight over resources, slow infrastructural progress due to rivalries among littoral states and many more continue to provide geo-political momentum in the region. These factors are important denominations for determining the course of geo-politics in Central Asia.

The ports of Gwadar and Chabahar offer an outlet to the CARs for exporting their energy. Moreover, Pakistan and Iran have historic cultural ties with the CARs and their good office in international community can be leveraged to reduce their dependence on Russia. However, Afghanistan is an important link in this equation. It has a central role in a reconstituted Eurasian trading network, which is well documented in the 2008 National Development Strategy.<sup>17</sup> Afghanistan is the key to the regional peace and there is a need for convergence of interests for all actors if they want to restore peace. A modern ‘silk route,’ with an outlet at Gwadar, will help the US achieve its goals in Afghanistan by providing an impetus to growth, and creating an independent, sustainable revenue system. An all-inclusive growth and people friendly development work can help in alleviating grievances and eliminating violent extremism.

Afghanistan, therefore, geographically is crucial to land connectivity routes, which are not possible without restoring peace in the country. If Gwadar is to connect to the CARs, it has to pass through Afghanistan, which is currently in turmoil. However, Chabahar and Iran are connected

---

<sup>17</sup> Thomas M. Sanderson and David A. Gordon, “Afghanistan: Building the Missing Link in the Modern Silk Road,” *Washington Quarterly* (2010), 33-47.

by land with the CARs and this gives an edge to Chabahar over Gwadar. However, Iran is not insulated from the spill over effect of terrorism and security problem in Afghanistan.

## **Geo-politics of South Asia**

The world is now moving towards complex interdependence and cooperation, which will eventually result in competition for energy resources. Therefore, the resource factor is at the core of geo-politics in South Asia, which is energy deficient and requires energy to meet its growing needs.

On the one hand, South Asia can act as a large market for energy trade, provide connectivity to the landlocked CARs and address their other challenges. On the other hand, it can also be a source of tension and instability, which will make the region more volatile. Therefore, South Asia can act both as a stabiliser and as a disrupter to international efforts for cooperation in sharing energy resources. Both China and the US want peace in the region and would capitalise on cooperation, rather than competition, which might cause instability.

In a regional context, India and Pakistan are two major powers and, for any regional progress, it is imperative to improve their bilateral relations. At present, both countries are experiencing a low in their relations, not helped by occasional cease-fire violations across the line of control dividing the disputed state of Jammu and Kashmir. Pakistan is strategically allied with China and is hosting its flagship project of BRI, the CPEC. Amidst this security situation, Afghanistan is the most crucial part of the geopolitical puzzle of the energy pipelines. At the recent SCO Summit in Tashkent, Afghan President, Ashraf Ghani, told his counterparts that “our greatest common project is the revival of the Silk Roads,” whose main gateway is Afghanistan, connecting Central and South Asia and the Middle East. The smooth implementation of TAPI and CASA-100 are contingent upon the security situation in Afghanistan. The Afghan Quadrilateral Peace Dialogue is an initiative by Pakistan, China, the US and Afghanistan for bringing peace to the country and the region.

However, unfortunately, there is no progress on this front rather the situation has deteriorated after the death of Afghan Taliban leader, Mullah



Mansoor. China's approach to Afghanistan is driven either by opportunistic free riding on the US and NATO efforts or its security concerns in Xinjiang province.<sup>18</sup>

Other major developments in the region include the civil-nuclear deal between India and the US in 2008, which has tipped off the strategic balance in the region. Pakistan now is also demanding fair treatment in terms of its membership to the multilateral nuclear regimes, i.e., Nuclear Supplier Group (NSG). If not, this could start an arms race in the region and can trigger dispute, which can jeopardise international efforts for cooperative governance and energy pipelines. More importantly, the Asian order includes outside powers as an integral feature,<sup>19</sup> and they cannot be unfair and selective in their approach.

As a result of the US-Iran nuclear deal, Iran was willing to enhance its regional and geo-political role and influence. Iran signed the agreement on Chabahar with India, making it feasible for India to bypass Pakistan for its energy supply and the recent backing out of India from IP shows their intention of pursuing bilateral agreements, rather than multilateral projects like TAPI and IP gas pipeline.<sup>20</sup>

### **Pakistan Factor in Indo-Iran Relations**

Iran and Pakistan share cordial but complex bilateral relations. Despite sharing a common religion, bilateral relations have changed after 1979 mainly due to Pakistan's close relations with Saudi Arabia and the sectarian schism between the two has encompassed the Middle East in a Cold War like situation.<sup>21</sup> On the other hand, there is a convergence of the Indo-Iranian interest in Afghanistan, which is aimed at containing Pakistan's influence in Afghanistan and furthering their interests.<sup>22</sup> The recent warmth

---

<sup>18</sup> Michael Clarke, "China's Strategy in 'Greater Central Asia': Is Afghanistan the Missing Link?," *Asian Affairs: An American Review* (2012): 1-19.

<sup>19</sup> Henry Kissinger, *World Order* (USA: Penguin Group, 2014).

<sup>20</sup> Anjali Sahay and Jalil Roshandel, "The Iran-Pakistan-India Natural Gas Pipeline: Implications and Challenges for Regional Security," *Strategic Analysis* 34, no 1 (2010), 74-92.

<sup>21</sup> Khaled Ahmed, *Sectarian War: Pakistan's Sunni-Shia Violence and its Links to the Middle East* (Oxford University press, 2011): 109-11.

<sup>22</sup> Djan Sauerborn, "Afghanistan in India's Regional Calculus and Pakistan's Detrimental Impact," *International Relations*, February 7, 2015.

between India and Iran has been evident since the early 1990s, when Iran shifted its policy on the disputed state of Jammu and Kashmir, i.e., Iran has since been largely silent regarding human rights abuses in Kashmir while previously it has been a partner of Pakistan in asserting the right of self-determination of the Kashmiri people. India's emphasis on energy relations with Iran has brought both countries closer, especially in Afghanistan, as it provides land access for energy trade from the CARs. Iran also wanted to secure influence in Afghanistan for transporting energy pipelines but its alliance with Pakistan was short-lived, especially after Pakistan's support for the Taliban government in Afghanistan.

Iran also supported Pakistan's nuclear programme and blamed India for instigating an arms race in the region. However, the convergence of interests in Afghanistan led Iran to revisit its policy and alliance with India. As a result, Iran signed the Indo-Iran Strategic Agreement in 2001, which mainly focused on military and economic cooperation and most importantly supported the plans for a North- South Corridor. Similarly, the Indo-Iran Defence Agreement, signed in 2003, confirmed India's commitment to develop Chabahar port and a road-rail network linking Iran and Afghanistan up to the CARs.

On March 24, 2016, the arrest of a serving Indian army spy, Kulbhushan Yadev, in Balochistan,<sup>23</sup> travelling from Iran, raises several questions on the degree of closeness and coordination in Indo-Iran relations. He confessed sabotaging Gwadar, which shows that India is using Iranian soil for covert warfare against Pakistan, as it fears competition to its stakes in Chabahar. For India, Iran is a significant strategic backyard to counter Pakistan.<sup>24</sup>

However, in the 2000s, the growing Indo-US-Saudi ties led to a strong reaction from Iran, with correspondingly improved relations between Iran and Pakistan. Still, the nature of relations has been complex, with India standing by Iran during sanctions, at the same time as making in-roads into Muslim Gulf countries, with the result that New Delhi is on a diplomatic balancing act. After all, India has multiple economic interests in the UAE

---

<sup>23</sup> Syed Ali Shah, "RAW Officer Arrested in Balochistan," *Dawn*, March 24, 2016.

<sup>24</sup> Mir Sherbaz Khetrin, "Indian Interference in Balochistan: Analysing the Evidence and Implications for Pakistan," *Strategic Studies* 37, no. 3 (Autumn 2017).

and thus, pragmatism is its approach in foreign policy towards these countries.

## **Cooperation or Competition**

The Modi government has given special attention to its South Asian neighbours, which is manifested from his official trips to all regional countries. However, with regards to China and Pakistan, cooperation or competition depends upon the nature of events and the political situation.

In terms of the Indian Ocean politics and its growing significance, a shift in the Indian policy is evident from its transition from a land-centric to a naval power. India's emerging economic influence and attractiveness as a big market has given birth to its aspirations of becoming an Asian power. Consequently, India has been seeking the role of a security provider in the Indian Ocean due to a number of driving factors. These include its geo-strategic location and growing piracy in the region. Moreover, the incidents like the 2008 Mumbai attack also causes India to try to take the lead when it comes to security and terrorism. Moreover India's emergency operations in lieu of natural disasters are already in place and finally, there is the concern with external factors and their involvement in the Indian Ocean, i.e., of China and the US. All of this is why India seeks a leadership role since it sees such a role to be in its advantage. The policy paradigm emerging because of these factors is focused possibly more on competition and less on cooperation. China and India agree to the bilateral maritime cooperation dialogue in the Indian Ocean. However, China's strategic approach towards South Asia is focused on the regional connectivity, strengthening the role of a stabilising force and a security provider. It has an inherent competitive, interventionist policy, which puts Gwadar and Chabahar at loggerheads. Despite this, China along with Iran agrees to a greater role played by India in Afghanistan. Hence, the nature of event and situation are ultimate drivers of cooperation or competition.

On May 27, 2016, the Ambassador of Iran to Pakistan, Mehdi Hoonerdost, while addressing a public gathering at the Institute of Strategic Studies Islamabad (ISSI) said that Chabahar and Gwadar are not rival but sister ports.<sup>25</sup> Similarly, the former Advisor to Prime Minister on Foreign

---

<sup>25</sup> Haider, "Chabahar not a Rival to Gwadar."

Affairs, Sartaj Aziz, said that Pakistan wants to connect Gwadar with Chabahar through road and rail link.<sup>26</sup> Both Iran and Pakistan have shared their desire of jointly benefiting from the CPEC. So both authorities have hinted at cooperation, instead of rivalry and competition. Both these statements are contextualised in the bilateral framework of relations, but if analysed in a geo-political context, one witnesses a somewhat different situation, where an Indian spy entering Pakistan border from Iran was caught. To reiterate, he confessed that he was assigned to sabotage Gwadar and had stationed himself at Chabahar, and this shows clearly the strategic considerations of other countries regarding Pakistan's port.<sup>27</sup>

Some of these rules of engagement have already been decided, as Iran offers India the power to project its aspirations for an emerging regional power. In the realm of commercial activities, it provides oil and gas to meet growing energy demands of India in-addition to construction of an LNG terminal by India in Iran. Moreover, the realisation of North-South Corridor will provide access to the CARs and beyond, as a market for its goods and inflow to energy resources down the corridor. In 2001, the Tehran Declaration laid the basis for the Indo-Iran Strategic Dialogue, while New Delhi Declaration in 2003, cemented the commitment of cooperation in Afghanistan. In 2003 and 2006, the joint naval exercise in the Arabian Gulf further strengthened the relationship in fields of defence and military cooperation. India has also developed intelligence outposts in Iran, and the Chabahar port is an important post for monitoring activity in the ocean and on land.

Oil and other resources are a major import for China and it needs to ensure "security of supply" through political and military power. From a theoretical point of view, India not only wants to ensure 'defensive realism,' which is power for self-preservation but it is also dragged into aggressive behaviour in international politics or 'offensive realism.' It want to project supremacy, against Pakistan and China, to enhance and maximise its share of world power and eventually dominate the system. According to offensive realism, India is trying to hegemonies Pakistan through its military and economic power with the help of global powers. For this purpose, India has

---

<sup>26</sup> "Pakistan Considering to Link Gwadar with Chabahar," *Express Tribune*, September 25, 2017.

<sup>27</sup> "Transcript of RAW Agent Kulbhushan's Confessional Statement," *Dawn*, March 30, 2016.

revisited its Blue Water Naval Doctrine,<sup>28</sup> signed Defence Cooperation Agreements with US, in order to counter China's perceived offensive realism, which could lead to "reordering of balance of power in the Indian Ocean."<sup>29</sup>

## Conclusion

A final important point is the leasing of Gwadar port to China. Are there any advantages to Pakistan for this policy? This is a complicated and significant question. But it has been suggested that Pakistan does not have the requisite ability, capacity and financial and technical capability to undertake such a project at this stage. It is thus hoped that by the time the period of lease ends in 40 years, Pakistan has developed indigenous know-how and learnt from the structures and operations already ongoing and is thus, able to gain full advantage of the port.

According to this study, both ports will compete with each other. In the short term, both ports would be developed and prepared for such possible competition in the future. Cooperation will help them in the short to medium term but such cooperation is difficult to establish between regional players, who are at odds with each other. For any such cooperation, Pakistan and Iran will have to strengthen their bilateral relations, insulating them from extraneous factors.

---

<sup>28</sup> David Scott, "India's Drive for a Blue Water Navy," *Journal of Military and Strategic Studies* 10, no. 2 (winter 2007-8).

<sup>29</sup> C. Christine Fair, "India and Iran: New Delhi's Balancing Act," *Washington Quarterly* 30: no. 3, 145-159, DOI: 10.1162/wash.2007.30.3.145.