

# **Balochistan as an Energy Corridor: China, United States and Pakistan in Focus**



**By**

**Sitwat Waqar**

**Supervised by Adam Saud**

**Department of Humanities & Social Sciences**

**Bahria University**

**Islamabad, Pakistan**

**December 2013**

*A thesis submitted in partial fulfillment of the requirements for the  
degree of*

***Bachelor's in Social Sciences***

***Department of Humanities & Social Sciences  
Bahria University Islamabad, Pakistan.***

## **ACKNOWLEDGMENTS**

First and foremost, I must thank Allah for giving me the strength and ability to complete this work.

I would then like to express my deepest gratitude to my supervisor, Mr. Adam Saud, for his continuous guidance, immense knowledge and valuable feedback throughout the duration of my research and the writing of this thesis. Without his advice and help, I could not have done it.

I am also deeply indebted to the relentless support and prayers of my mother and father who have always been an encouragement in my life. I owe special thanks to my kind father whose interest in my research was an enormous inspiration and motivation and with whom I held innumerable discussions to understand many aspects of my chosen topic.

I also wish to especially acknowledge Brig. (R) Shaukat Qadir, a Risk and Security analyst, for his valuable suggestions as well as Professor Dr. Tahir Amin of Quaid-e-Azam University who provided me with extremely beneficial research material.

In the end, I cannot overlook the moral support of my siblings and friends who continue to inspire and motivate me in achieving my goals.

**Sitwat Waqar** \_\_\_\_\_

## **ABSTRACT**

This research attempts to study the geo-strategic significance of Balochistan, located at the juncture of the Middle East, Central and South East Asia, as an energy corridor for Pakistan, China, United States and other regional powers. With its geostrategic location and the deep sea port of Gwadar located only 180 nautical miles away from the Strait of Hormuz, Balochistan not only provides world powers a transit route to the landlocked and energy-rich Central Asian states but also serves as a gateway to the Middle Eastern and African energy reserves and markets for China. With the independence of the five Central Asian states in 1991, its significance as an energy outlet has increased even more in the arena of geopolitics. Since this research aims to focus particularly on Pakistan, China and the United States, the implications of Gwadar port development are explored for each of these states in detail, while also briefly, for India, Iran and Russia. Among the main research objectives of the study is to explore the implications of China's recent takeover of the Gwadar Port for the United States' prospects of funneling out the Central Asian energy supply to the Indian Ocean, as has been part of its stated policy towards the Central Asian States. The implications of the US prolonged presence in Afghanistan, India's increased involvement in Afghanistan, Iran's development of its Chahbahar port, and the insurgency in Balochistan on the future of the Gwadar port are some of the aspects analytically examined in this research using theoretical frameworks within the domain of International Relations.

# CONTENTS

<b>ACKNOWLEDGEMENTS</b> .....	<b>i</b>
-------------------------------	----------

<b>ABSTRACT</b> .....	<b>ii</b>
-----------------------	-----------

## **CHAPTER ONE. INTRODUCTION**

<b>1.1 INTRODUCTION</b> .....	<b>2</b>
<b>1.2 PURPOSE STATEMENT</b> .....	<b>5</b>
<b>1.3 RESEARCH AIMS &amp; OBJECTIVES</b> .....	<b>5</b>
<b>1.4 LITERATURE REVIEW</b> .....	<b>6</b>
<b>1.4.1 BALUCHISTAN’S GEO-STRATEGIC SIGNIFICANCE IN THE CONTEXT OF WORLD POWERS’ STRUGGLE</b> .....	<b>6</b>
<b>1.4.2 US INTERESTS IN BALOCHISTAN AS A GATEWAY TO CENTRAL ASIAN ENERGY RESERVES</b> .....	<b>10</b>
<b>1.4.3 CHINESE INTERESTS IN BALOCHISTAN</b> .....	<b>12</b>
<b>1.4.4 DO THE AMERICAN AND CHINESE INTERESTS IN BALOCHISTAN CLASH?</b> .....	<b>13</b>
<b>1.5 RESEARCH QUESTION</b> .....	<b>15</b>
<b>1.6 SUB QUESTIONS</b> .....	<b>15</b>
<b>1.7 HYPOTHESIS</b> .....	<b>16</b>
<b>1.8 SIGNIFICANCE</b> .....	<b>16</b>
<b>1.9 RESEARCH METHODOLOGY</b> .....	<b>16</b>
<b>1.10 THEORETICAL FRAMEWORK</b> .....	<b>17</b>

## **CHAPTER TWO. REGIONAL IMPLICATIONS OF CHINA’S CONTROL OF GWADAR**

<b>2.1 CHINA’S INTERESTS IN BALOCHISTAN AS AN ENERGY CORRIDOR</b> .....	<b>21</b>
<b>2.2 CHINA’S DEVELOPMENT OF GWADAR PORT</b> .....	<b>23</b>
<b>2.3 GWADAR AS CHINA’S WESTERMOST PORT IN ITS “STRING OF PEARLS” STRATEGY</b> .....	<b>27</b>
<b>2.4 GWADAR PORT ACTIVITY FOR THE PEOPLE OF BALOCHISTAN</b> .....	<b>30</b>

## **CHAPTER THREE. UNITED STATES AND THE NEW GREAT GAME**

<b>3.1 THE US INTERESTS IN BALOCHISTAN</b> .....	<b>34</b>
<b>3.2 US POLICY OF CONTAINMENT TOWARDS CHINA</b> .....	<b>38</b>
<b>3.3 US MILITARY PRESENCE IN THE SOUTH AND CENTRAL ASIAN REGION</b> .....	<b>42</b>

**CHAPTER FOUR.                    PAKISTAN’S ENERGY CORRIDOR VIS-À-VIS OTHER  
STAKEHOLDERS**

**4.1    SIGNIFICANCE OF GWADAR PORT DEVELOPMENT FOR PAKISTAN ..... 46**  
**4.2    BALOCHISTAN'S HISTORY AND CHALLENGES FOR PAKISTAN ..... 48**  
**4.3    PAKISTAN’S EFFORTS FOR ENHANCED REGIONAL ECONOMIC INTEGRATION AND TRADE ..... 51**  
**4.4    INDIAN POLICY TOWARDS BALOCHISTAN’S POTENTIAL AS AN ENERGY CORRIDOR ..... 53**  
**4.5    IRANIAN STANCE ON GWADAR PORT DEVELOPMENT ..... 54**  
**4.6    RUSSIAN INTERESTS..... 56**  
**4.7    CONCLUDING REMARKS ..... 58**

**CHAPTER FIVE.                    AN OVERVIEW**

**5.1    ANALYSIS ..... 60**  
**5.2    RECOMMENDATIONS..... 64**

**BIBLIOGRAPHY. .... 66**