

Pak-China Relations and Significance of Balochistan

International Relations

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Abstract

The paper analyses the brief history of Pak-China relations who are currently seen as close allies in the region. It also focuses the significance of Balochistan the largest province of Pakistan, for growth and development of Pak-China friendship. In addition this article explores how the natural resources and Geo-strategic aspect of Balochistan can generate huge advantages for Pakistan and China. It also evaluates the role of Balochistan in consolidating Pak-China potential in playing a vital role in regional and international politics. The article examines various mega projects initiated by Pak-China in Balochistan which will not only make the entire region as a hub for commercial interests but through them Pakistan and China will also explore mutual strategic advantages.

Key Words: Balochistan's geo-strategic importance, Gwadar port, Gas pipeline via Balochistan, Pak-China economic corridor, Saindak project.

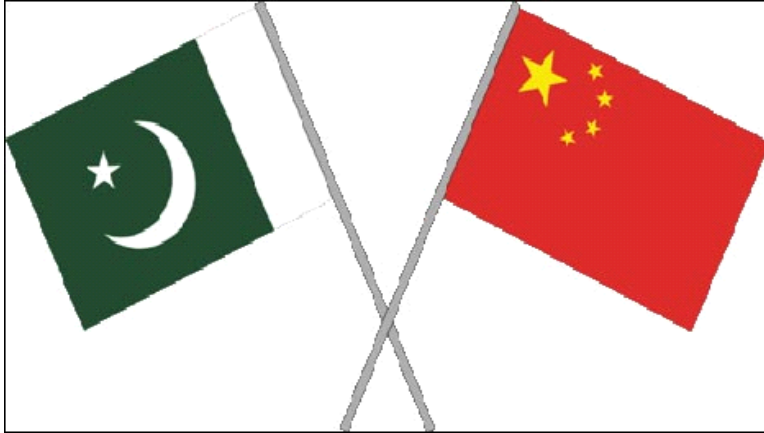
A Brief Overview of Pak-China Relations

Pakistan-China friendship has a magnificent history, it has bright future as well and this relationship has potential to act as a stabilizing force in international politics. Both countries established their diplomatic relationship in May 1951, since then the two countries "have developed an all-season friendship that is based on equality, brotherhood and overall cooperation. In past years, the two countries have carried out multi-dimensional cooperation in various fields. Despite the unstable international situation, the China-Pakistan friendship has remained strong and vibrant." (Ali, December 6, 2014)

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The period between 1957 and 1969 witnessed an important phase in the history of Sino-Pakistan relations. During this period, historic changes took place in bilateral relations, which changed the lukewarm attitude of Pakistan. This opened a new chapter in the relationship and, in the 1970s, steady developments were made to strengthen friendly cooperation between the two governments and their people. Since 1990, drastic changes have taken place on the international horizon but China and Pakistan have further developed their relationship. (Salman Ali: December 6, 2014).



“Pak-China friendship celebrations start.” January 02, 2011, *The Nations*.

The two countries not only collaborated in diplomatic arena but their cooperation with each other extended in economic, cultural, defence and security sectors as well. The land mark of their friendship is the emergence of Pakistan as a nuclear and missile power in the world. The bilateral relations between the two countries have flourished in such a way that their friendship is seen as deeper than ocean and higher than mountain and they recognized themselves as Iron Brothers.

Significance of Balochistan in Pak-China Relationship

Balochistan is the South-western province of Pakistan. The significance of Balochistan lies in its combination of location, resources and the people. Balochistan is the largest province of Pakistan constituting approximately 44% in terms of landmass of the country. It has mostly stony desert and sharp mountainous area holding around 347,190 Sq Km area. In August 1947 the Chief Commissioner's Province of Balochistan immediately became part of Pakistan, followed by the princely states of Makran, Kharan, LasBela. With the formation of one unit in October 1955 the Chief Commissioner's Province of Balochistan, all princely states and all the remaining provinces were being merged to form the province of West Pakistan. Later, Balochistan, for the first time, got provincial status after the breakup of One Unit on 1 July 1970.

It is a sparsely populated land representing approximately 5% of Pakistan's total population. It has borders with Afghanistan and Iran, it also has border with warm water of Arabian Sea on its south. The capital city is Quetta, situated in a valley near the border with Afghanistan, with a road to Kandahar in the northwest. It is rich in mineral and renewable resources. Unfortunately the province's resource potential has not been thoroughly measured or untapped due to pressures from within and out Pakistan.

Balochistan due to its geo-strategic location is one of major routes to get access to the natural resources of Afghanistan and Central Asian states. Because of its natural resources and its geo-strategic location Balochistan is seen as the bright future of Pakistan.

Pak-China relations and Saindak project

Saindak Copper-Gold Mine is located near Saindak town in Chagai District of Balochistan. The discovery of copper deposits at Saindak was made in the 1970s in collaboration with a Chinese engineering firm. The SCGP (Saindak copper-gold Project) was set up by Saindak Metals Ltd, a company fully owned by the government of Pakistan. (Muhammad, October 27, 2013)

The Saindak project was based on estimated ore reserves of 412 million tonnes containing on average 0.5 gram of gold per tonne and 1.5 grams of silver per tonne. According to official estimates, the project has the capacity to produce 15,800 tonnes of blister copper annually, containing 1.5 tonnes of gold and 2.8 tonnes of silver. The reported production results, however, have generally remained on average more than 2,000 tonnes per month, which means that more than production of 24,000 tonnes per year has been taking place. (Fazl-e-Haider:October5,2015).

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“Ore from Saindak,” Posted on December 6, 2005 in *Taftan Plantak* . Available at http://offroadpakistan.com/pictures/taftan_plantak_2005/ore_from_saindak.html. Accessed on 6.7.2015.

The project was then shut down in February 1996 because of a lack of working capital. President General Pervez Musharraf revived the mine and the operation was leased to the Chinese company Metallurgical Construction Corp (MCC) for 10 years in September 2002. Pakistan and China signed a formal contract worth \$350 million for development of Saindak copper/gold project. Under the lease agreement, MCC was to run the project on an annual rent of \$500,000 plus a 50% share of copper sales to the Pakistani government. (Fazl-e-Haider, October 5 2015) Since then the Saindak copper-gold project in the Pakistani province of Balochistan has been run by a Chinese contractor on a 10-year lease with an extension of five years.

Pak-China relations and Significance of Gwadar deep Sea Port

One of the Land Marks of Pak-China relations is the construction of Gwadar deep sea port in Balochistan. The port was developed by the Government of Pakistan and the Government of China at a cost of USD \$248 million and inaugurated by the President of Pakistan on 20 March 2007.

One of the most important factors that influence the development of human society is its geographical environment and the most significant element of the environment is the sea because it occupies 73 percent of the surface of the earth. Fortunately, Pakistan has 1100 km of sea frontage. (Fawad Hassan: 2014) Near about 36000 ships pass through the Strait of Hormuz each year and Pakistan’s 95% trade weighing approximately 40 million tons takes place through Karachi and Qasim Ports. It is expected that in year 2015, the trade can rise up to 91 million tons, hence increasing the shipping activities” (Hassan, 2014)

After years of careful study and planning, the Pakistani government selected Gwadar as the most suitable alternative port apart from Karachi and Bin Qasim Port. The port became functional on 15th of March 2008, as the first commercial vessel named “Pos Glory” was called on the port. The port has number of potentials as it will increase the strategic depth because it is 460 km away from Indo Pak border. (Hassan, 2014) It will help Pakistan to check the sea lines communications passing through the strait of Homruz. The future naval base of Pakistan and China can check the US fifth naval fleet in the Indian Ocean and can also monitor the activities of Indian Navy, therefore establishing Pak-China Naval nexus. (Hassan, 2014) Thus the port will not help Pak-China to fulfill their commercial interests but strategic and defence interests as well.

The Land locked Central Asian states have huge amount of natural resource while Balochistan via Gwadar deep sea port offers them short and easy outlet which provides an opportunity to International actors to fulfill their energy requirements. When fully operational, Gwadar will promote the economic development of Pakistan and become a gateway for Central Asian countries, including Afghanistan, Uzbekistan, linking Sri Lanka, Iran and Xinjiang to undertake marine transport. (China gets operation rights at Gwadar port for 40 years: April 15, 2015)

China has been granted operation rights for 40 years at a port in Gwadar, a strategic deep-water seaport in Pakistan. Oil from the Middle East could be offloaded at Gwadar and transported to China through the corridor, cutting the current 12,000 km journey to 2,395 km. China is expected to invest \$1.62 billion in the Gwadar project for further development, including construction of an eastern expressway linking the harbor and coastline, an international airport, breakwater and nine other projects expected to be complete in three to five years (China gets operation rights at Gwadar port for 40 years: April 15, 2015)



“USAID launches second green energy project in Gwadar,” March 30, 2014, *The Nation*.

The economic corridor idea is at its peak which aims in connecting Gwadar to China's Xinjiang via roads, railways and pipelines to transport oil and gas. It will act as a bridge for the new Maritime Silk Route that envisages linking 3 billion people in Asia, Africa and Europe, part of a trans-Eurasian project. (China gets operation rights at Gwadar port for 40 years: April 15, 2015) Gwadar Port also compliments China's 'String of Pearls' strategy offering maritime access points to Chinese navy within the area of Indian Ocean. India feels most threatened by Gwadar agreement between China and Pakistan, (Yasmeen Aftab Ali: May 11, 2015).

Pak-China & Gas Pipelines Projects via Balochistan

It is so obvious that Balochistan is playing a vital role in the transportation of natural resources. One of vital project is IPI (Iran-Pakistan-India) gas pipeline project that is 2700 kilometer long-which will pass through Balochistan, having the capacity to transport 2.8 billion cubic feet gas daily from Iran to the state of India and Pakistan to sustain the energy requirements where ever it is required. The projects is under a continuous discussion since mid-1900's however because of USA pressure India stepped back from this project but because of energy requirement within it periphery Pakistan tried to modify the project and gave indication to Iran that pipeline project can be constructed from Iran to Pakistan if India is unwilling to participate however USA threatened with sanctions if Pakistan carried the project thus because of USA pressure Pakistan also became hesitant to initiate this project. However Pakistan regularly tried to convince China to finance the project so that not

only Pakistan will fulfill its energy requirements but it may become a supportive card for the progress and development of Gwadar port as well.

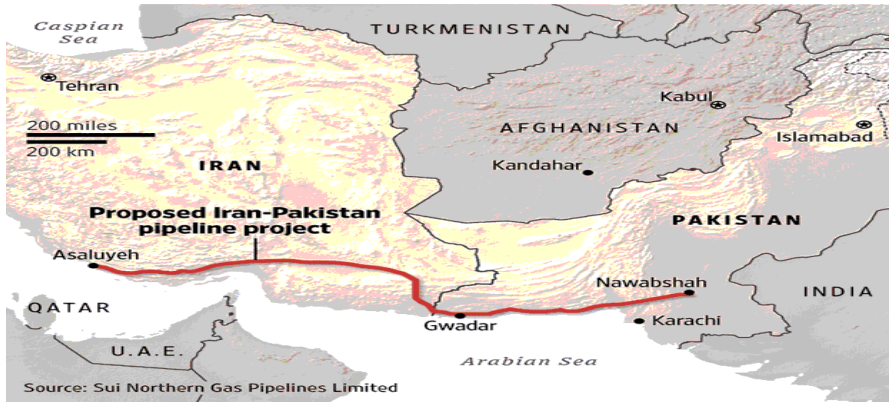


PHOTO: “Wall Street Journal.” See in “China to build Pakistan-Iran gas pipeline,” April 10, 2015. Available at <http://luxurygates.pk/2015/04/china-to-build-pakistan-iran-gas-pipeline/>. Accessed on 6.7.2015.

Where most countries are unwilling to invest in Pakistan given the current situation, any deal could mark China’s commitment towards the development of infrastructure in ally Pakistan. The Pakistan discuss about the Chinese energy giant China National Petroleum Corporation to build a pipeline of about 700 km which will start from the Gwadar sea port and will be end in NawabShah of Sindh. The estimated cost is \$1.5 billion to \$1.8 billion for the pipeline, or \$2 billion if an optional LNG terminal at Gwadar is included in the scheme. According to the deal, 85% of the financing will be provided by a Chinese loan, with Pakistan coming up with the rest. It is, however (China to build Pakistan-Iran gas pipeline, report: April 9, 2015)

It is, however, Pakistan’s responsibility to complete the remaining 80 kilometers from Gwadar to the Iranian border. The pipeline will take approximately two years to build, after which it will supply Pakistan with enough gas to fuel 4,500 megawatts of electricity generation – which sums up to the country’s entire current electricity deficit (China to build Pakistan-Iran gas pipeline, report: April 9, 2015) Although China shown interest in this project but any further development in this regard may depends on how consensus develop between Iran and west on Iranian nuclear issue.

Pak-China Economic Corridor Development and Significance of Balochistan

With the Chinese President Xi Jinping in Pakistan in May 2015, Pakistan and China signed 51 Memorandums of Understanding (MoUs) and agreements related to various areas including the Pakistan China Economic Corridor

The recent \$45 billion Pakistan-China Economic Corridor development has strategic connotations which will provide a huge boost in transforming Pakistan's economic landscape by linking south, central and western Asia. Development of the economic corridor and the Gwadar port as an energy hub by China are mutually beneficial projects. It will provide China access to the Straits of Hormuz, the Persian Gulf, the Arabian Sea and the Indian Ocean. (Masood, 2015)

China-Pakistan Economic Corridor is the project of highways, railways and pipelines for the transportation of oil, gas and trades which will pass through Balochistan. This corridor will prove itself as the economic gateway for China to the Middle East and Africa. Kashgar, China will be the starting point of the highway and its destination will be Gwadar, Pakistan (Benefits of China-Pakistan Economic Corridor: Apr 19, 2015)

As 40% of the world's oil is extracted from the Gulf region and for its transportation, Persian Gulf is being used. So China wants to be the part of this trade, by using Gwadar Port. Beside this, China will look after the activities of India and America in the Indus Ocean. In exchange, China will make Gwadar, an economic hub of Pakistan and also of the whole region. China is also upgrading the Karakoram highway, which was built in 1979. (Benefits of China-Pakistan Economic Corridor: Apr 19, 2015) China also agreed to support Pakistan in civil nuclear energy, space and maritime Hi-technology, security and counter-terrorism. The two sides agreed to upgrade facilities of the second phase of Gwadar port, upgradation of the Karakoram highway, construction of series of motor ways projects and a series of energy projects for tackling energy crisis of Pakistan.

Conclusion

Pakistan China relationship is based on mutual interests, equality and respect. Both countries explore mutual advantages out of this relationship. A Pak-China relation is time tested and it has not changed with changing regional and global scenarios. The 21st century increased the significance of Pak-China relationship as because of the development of Gwadar deep sea port has got the potential to alter the regional and international politics in any way.

Currently, Balochistan plays a vital role in increasing the scope of Pak-China relationship. The two countries started various mega projects in Balochistan which both countries derive some benefits. As Balochistan constitutes about 43% of Pakistan's territory, it is sparsely populated and under develop Province of the country. Obviously initiation of mega projects by Pak-China in this region along with construction of roads, railways, industrial zones, oil terminals and further development of Gwadar as a flourishing port will assure stability and progress in the region. Balochistan became very important for

Pak-China as it's seen as trump card for economic development of the two countries. It also will provide both countries to play dynamic role in Indian Ocean and counter the threats and challenges from their adversaries in better way.

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