



Exploiting our 'gold coast'

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For a country with two seaports serving a population of 150 million (not counting the hundreds of millions in countries beyond) it is vitally important to have alternatives. Population congestion and possible economic factors because of the emerging markets of Central Asia require that a sea-land dimension along a separate south-north axis be added for expansion; otherwise all facilities and opportunities are likely to be clogged. A bird's eye view of Pakistan's coast from Karachi westwards gives us in succession at least three possible ports capable of processing ocean-going vessels. While retaining Ormara for purely military use, what is required now is a sustained effort not only at Gwadar but also Pasni. The long coastline with stretches of virgin beaches and adjacent vast empty spaces hinterland require well-planned commercial exploitation. It is personally satisfying that recommendations made in my articles, "Economic exploitation of the coastal areas --- 1 and 2" (Jan 16 and Jan 23, 1990) and "Pakistan's gold coast" (April 10, 1999) are now being implemented, better late than never.

Once oil was discovered in quantity in the Gulf, it was only a matter of time before some major commercial centres with port facilities came up, both inside and outside the Gulf. Instead of anticipating the opportunity at the mouth of the Hormuz, Pakistan lost a golden opportunity because of a lack of bold and visionary planning. During peacetime the Gulf ports are commercially very viable, given geopolitical stress they become very vulnerable. If Central Asia is to be commercially served, most of the ports except for the Iranian ones are on the wrong side of the Gulf. For three major reasons, therefore, a port on the Pakistani coast on the Asian mainland in the vicinity of both the Gulf States and Iran becomes a viable proposition, viz. (1) outside the possible war zone (2) land access to the whole of Central, South Asia, China (3) sea access to the Gulf ports making it an ideal transit station, and (4) easy enhancement of existing communications infra-structure. Of particular commercial interest would be to have super tankers offtake oil from oil staging points served by smaller vessels from the Gulf.

If Gwadar had been developed as a major port at about the same time as Dubai, Dubai would never have enjoyed the commercial success it presently enjoys. Gwadar has many natural advantages that the Gulf ports lack. For trade and commerce, Gwadar (unlike Dubai) is a natural land access port to Asia, with emphasis on "land access". Anything on the southern side of the Gulf has to be ferried across, involving logistics, time and money. Moreover there is plenty of land available for expansion; the Gulf has this in short supply. A lateral road connects the coastline to the Iranian port of Chahbahar (and the Iranian road network), a road connection with the RCD highway gives it access to not only the whole of Central Asia but also the Sinkiang Province of China. A rail line connecting it to the Zahidan-Quetta existing rail line would add to its accessibility to Central Asia. Because of the Karakoram Highway, it would be more economically feasible for China to have land access to Kashgar etc. through Gwadar. Similarly Kyrgyzstan, Uzbekistan, Kazakhstan, Tajikistan and Turkmenistan can all be best served from Gwadar or Pasni. As one of the most strategic locations in the world, ports along this coastline, Gwadar (or Pasni) will be in a position to influence economic and military direction in the region.

To summarise some of the international advantages, viz. the port (1) can work as a services and transit point for Afghanistan and CIS countries (2) serve Sinkiang Province of China (which is 3000 km away from Chinese ports as compared to 1500 km from Gwadar or Pasni) (3) can facilitate US security and

strategic objectives particularly the proposed North-South pipeline from Central Asia, and conversely (4) gives Russia their age-old dream of a warm water access.

On the domestic front the ports will viz. (1) open new markets (2) more income for the people as a service industry and uplift standards for the whole population of Pakistan (3) become a globally synchronised trading hub and (4) concessions to neighbouring countries will contribute to geographical stability in the region. Great cities and towns can come up along the highways in the totally desolate areas of the country, these ports will serve not only commerce and industry but tourism as well. For the poverty-stricken rural backward areas along the route this will be a godsend. The vast undeveloped area can host many large inland fish and shrimp farms, coconut and date cultivations, even fruit farming under controlled conditions, etc.

The investment opportunities in the ports itself are tremendous viz. (1) warehouses and cold storages (2) cargo handling and trucking yards (3) development of commercial and residential areas, with hotels and motels, hospitals, colleges and schools (4) wide stretches of sun-swept beaches a possible tourist destination (5) shipyards and dry docks (6) marine fuel depots (7) large oil storages and farms as well as an oil refinery and (9) an export processing zone, on the lines of Dubai's Jebel Ali, etc.

Foreign port operators will certainly be interested in running Gwadar Port. One must be very careful in selecting the right port operator; the first consideration must be the protection of Pakistan's supreme national interest, which includes commercial security. We have to avoid an operator who may have conflict of commercial interest, a vested geopolitical interest (directly or indirectly) and even a possible hidden agenda. We should avoid any operator that is owned and controlled by a single country. Regretfully Dubai World Port (DWP), which has recently made a bid for running Gwadar Port, must be a non-starter for all these reasons. DWP has recently been in the news because of not being allowed to run US ports through its P&O subsidiary, US Congress cancelled the deal with the US citing "national security reasons". While I am very fond of Dubai, in the business sense Gwadar will eventually be competing with Dubai.

According to DWP's own projections the anticipated volume growth in the Gulf will surge to 162 million tons annually, three times more than the 54 million tons that DWP is presently handling. Hard-nosed businessmen (which is as it should be), will ask why should DWP give Gwadar any preference in face of DWP's existing assets? Take how tough the Eitselat negotiators were! At best Gwadar will be best used as a staging area for Dubai's land access to Asia. By controlling this deep-water port just outside the Gulf, DWP will ensure that future trade growth revenues will be achieved through their own assets. It is in their strategic commercial interest not to allow Gwadar to become a free-trade hub for regional and transit cargoes. Control of Gwadar Port is meant only to support DWP's own growth and give minimum preference to (and at the cost of) Pakistan's strategic and commercial interests.

Unless we make a drastic change along our coastline, at best our economic planners will be hoping for miracles. Bold steps must be taken to open up Pakistan's coast for economic exploitation in a careful and planned manner, otherwise we will be strangled by over-population as well as a slow-down of job creation. Visionary planning coupled with effective implementation is required, the number of jobs that will be created for the next 30-40 years is by itself staggering. On a safe assumption, we may even have to import manpower. Pakistan stands to become the hub of economic activity in the region. And we must guard against giving up control of our strategic assets to the competition. Pakistan's economic destiny lies along this seashore, do we have the vision and the courage to meet with this challenge?

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