

China and India sail into choppy waters in New Great Game

This shadow play is a heady vortex, churning with power projections, spheres of influence, security and commerce

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Looking out at the port of Chabahar. Photo: Reuters / Raheb Homavandi

The New Silk Roads, known as the Belt and Road Initiative (BRI), will weave and interconnect six major economic corridors. At 12,000 kilometers, the Eurasia Land Bridge Economic Corridor is a rail network from eastern China to western Europe via Kazakhstan, Russia and Belarus.

Then there is the China-Mongolia-Russia Economic Corridor, while the China-Central Asia-West Asia Economic Corridor runs from Xinjiang to Istanbul. Nine new road links in the Greater Mekong help make up the China-Indochina Peninsula Economic Corridor.

The Bangladesh-China-India-Myanmar Corridor, which includes an oil pipeline from the Bay of Bengal to Yunnan province, is also at the heart of the Silk Roads project, as is the China-Pakistan Economic Corridor or CPEC. This spreads out from Xinjiang to Gwadar and includes fiber-optic links, economic zones, new highways and port investment.

Finally, there is the Maritime Silk Road, lapping from the shores of southeast China toward the Indian Ocean and the Horn of Africa before rolling on to Venice in Italy and Rotterdam in The Netherlands. At the heart are ports and logistic infrastructure.

Still, much has been made of the fact that Islamabad has been excluded from the \$14 billion CPEC [deal](#) to build the Diamer-Bhasha Dam. Media claims at the time suggested that Chinese financing terms were not in Pakistan's interests. The media there also reported that Beijing's demand to use the renminbi in the Gwadar Free Zone would compromise the nation's "economic sovereignty."

But then, the \$57 billion CPEC initiative is actually a many-headed hydra, featuring a long-term plan to build on an initial 2014 program of 33 infrastructure projects by 2030. Of those on the original list, 21 are energy-related, 16 concern power generation and transmission, while eight are related to the development of Gwadar port. Another four involve transport projects.

Rough deal

Construction has already begun on 18 of these programs. Yet there could still be problems ahead. "No matter how good the Sino-Pakistan relationship is, it is unavoidable that differences will occur in a program of this scope," said Du Youkang, head of Pakistan research at Fudan University. "We are talking about dozens of billion-dollar projects and hundreds of smaller projects."

Again, there is a feeling that Pakistan may be getting a really [rough deal](#) from Beijing. Geopolitically, from China's point of view, CPEC, and especially the development of Gwadar, is essential to its trade and maritime strategy. In one swoop, it bypasses the South China Sea, the Strait of Malacca and the Bay of Bengal.

"Instead of potentially risking disruption by the US and its allied Indo-Japanese navies, China could use CPEC's terminal port of Gwadar as its base of trading operations for greatly shortening its Sea Lines of Communication (SLOC) with Africa," a GlobalResearch report revealed.

Potentially, this is why CPEC could clash with AAGC, or the Asia-Africa Growth Corridor, an economic cooperation agreement between the governments of India and Japan. In the end, it comes down to the robust competition between India and China from the Gulf of Oman to the Arabian Sea, a prime stretch of the Indo-Pacific region. Of course, it is all about an ongoing port rivalry between Gwadar in Pakistani Balochistan and Chabahar in Iranian Balochistan as they are barely 80km apart.

The Chabahar Agreement signed between Indian Prime Minister Narendra Modi and Iranian President Hassan Rouhani last May is, in fact, India's response to CPEC. India will invest \$500 million to expand and operate Chabahar along with other projects, including an LNG plant.

Strategic corridor

India has already finalized plans to build a 900km railway from Chabahar to Bamiyan in Afghanistan and is already building a 220km road in Nimruz, which will be extended to Chabahar. That will make Chabahar port an essential economic and strategic corridor, linking India to Afghanistan and Central Asia. As I [reported](#) for Asia Times back in 2009, this is all about Balochistan as a key hub in the New Great Game in Eurasia.

It actually links the Middle East, Central Asia and South Asia, and has a 1,600km coastline from the Strait of Hormuz to Karachi. It simply could not be more strategic with its natural resources of oil, natural gas, uranium, coal, gold and iron ore.

Unlike Bandar Abbas, Chabahar is Iran's only deepwater port, just as Gwadar, and provides crucial access to the Indian Ocean. This implies a geopolitical "win-win" for Iran, along with Indian investment, which has boosted Tehran's presence in Central Asia and South Asia, as well as in the Arabian Sea and Indian Ocean.

India is right behind China in oil imports from Iran. So, apart from increasing Indian trade, Chabahar will add to the country's energy security through oil imports, not only from Iran, but also from the Middle East and potentially the Caspian Sea.

Door of perception

The door is open for an India and Iran political, economic, trade and investment partnership, which could evolve into a strategic alliance. India, as we know is part of the part of the BRICS, while Iran eventually expects to become a full member of the Shanghai Cooperation Organization, or SCO. Already this could see the BRICS and the SCO converge politically and economically through trade development.

The Chabahar strategy received a big boost last Sunday when Iranian President Rouhani inaugurated a new port extension, which will be served by an international airport. This will link Chabahar not only to the North-South Transport Corridor inside Iran, but to the [Transportation Corridor](#), or INSTC, which stretches from Bandar Abbas in the Persian Gulf to Russia, Central Asia and Eurasia before connecting to Europe.

Iran, India and Russia are all key members of the INSTC, but that does not mean there is a chink in the Tehran and Islamabad chain. President Rouhani was adamant on that subject. "We should go after positive competition," he said. "We welcome other ports in the region, we welcome Gwadar's development."

Regional think tank reports tend to [exaggerate](#) a Balochistan "threat" against South Asian economic integration. Still, the key question remains about how India will be able to use Chabahar to directly challenge China's Gwadar hub. CPEC funding and planning

for a major deepsea port, including the airport and naval facilities, connecting to Xinjiang through a network of roads, railways and pipelines, vastly dwarfs the Chabahar gambit. Strategically, Gwadar represents China's presence in the Indian Ocean near the Strait of Hormuz, making it a two-ocean power.

As much as scholars insist that the "China threat" narrative is doomed to fail, it is no wonder New Delhi essentially interprets Gwadar as the world's second biggest economy preparing a strategic naval base and listening post. This, in turn, would threaten the Indian Navy in the Arabian Sea as far as the Gulf of Oman, while encircling it in West Asia.

"In future, if PLA Navy ships operate from Gwadar, it will be a matter of concern. We will have to think of ways to mitigate the challenge," said Admiral Sunil Lanba, head of the Indian Navy at its annual press conference.

Naturally, the Iranian Navy has a base in Chabahar. But for New Delhi, what matters is Gwadar with the Pakistani Navy buying eight new submarines from China. So Admiral Lanba went to great lengths to reassure his audience. "We are deployed 24/7 in key areas in the Gulf of Aden to the Strait of Malacca besides the Straits of Sunda and Lombok," he stressed.

This translates into India pushing out into the Indo-Pacific. And that does not even address the more intractable balance of power issues involving the country and neighbor Pakistan. Problems there include India investing in a missile defense system, which in theory could neutralize Pakistan's nuclear second-strike deterrent.

It makes this a heady vortex churning with power projections, spheres of influence, security and commerce. In the end, the only certainty is this shadow play involving China, India, Iran and Pakistan, with the US as an active third party, is at the heart of the New Great Game in Eurasia.

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