



RSIS Commentaries are intended to provide timely and, where appropriate, policy relevant background and analysis of contemporary developments. The views of the authors are their own and do not represent the official position of the S.Rajaratnam School of International Studies, NTU. These commentaries may be reproduced electronically or in print with prior permission from RSIS. Due recognition must be given to the author or authors and the S. Rajaratnam School of International Studies, Nanyang Technological University. For more information on this, please do not hesitate to email: [RSISPublication@ntu.edu.sg](mailto:RSISPublication@ntu.edu.sg) or call 6790 6982 to speak to the Editor of RSIS Commentaries.

---

## **Pakistan's Gwadar Port and Singapore: Why Peace in Balochistan is Crucial**

Khuram Iqbal

18 December 2007

*Pakistan's building of its first strategically significant deep-sea port at Gwadar met with strong resistance from some "anti-development" tribes in Balochistan. Peace there is important to foreign investors, not least to Singapore's PSA Corporation, which is now managing Gwadar Port.*

**BALUCHISTAN, WHICH** forms 42 percent of the entire territory of Pakistan, is the largest but also the least developed province in the country. It has long faced acute discrimination and neglect at the hands of the central government. The political and economic marginalisation has given rise to four insurrections in the province: 1948, 1954, 1961, and 1977 respectively. However, unlike the past insurrections, the present upsurge in Balochistan is not due to the exploitation of Balochi resources by the central government but the government's efforts to develop the area by undertaking a series of mega projects, most importantly the Gwadar port.

### **Strategic importance of Gwadar**

Gwadar is strategically located on the southwestern coast of Pakistan, close to the Strait of Hormuz in the Persian Gulf. It is at a meeting point for increasingly important regions of the world: the oil-rich Middle East; heavily populated South Asia; and resource-rich Central Asia. Situated 725 km to the west of Karachi – currently Pakistan's only seaport and the most populous city - Gwadar port provides an alternative to Karachi port, which is closer to the Indian border, and is vulnerable during conflicts with India.

The fact that China is involved in the building of the Gwadar port has led to speculation that the port is being built by the Chinese government to use as a naval outpost on the Indian Ocean for the protection of Beijing's oil supply from the Middle East, as well as counter the growing US presence in Central Asia. To allay the fears of neighbouring countries regarding Chinese intentions in the region, the Pakistani government signed an agreement with Singapore's PSA Corporation in March 2007 to operate the port under a 40-year agreement. PSA's concession holding company (CHC), a subsidiary that operates 22 ports in 11 countries, will invest \$550 million in the next five years in the port. The opening of Gwadar Port is expected to generate billions of dollars in revenue for Pakistan and lead to the development of heavy and large-scale industries, petrochemicals and manufacturing sector in the surrounding region.

The Pakistani government's decision to build the Gwadar port met with strong resistance from some "anti-development" tribes of Balochistan, especially the Bugti, Marri and Mengal in 2005. Subsequently, an armed struggle ensued in the province. In early 2006, Pakistani security forces launched major operations against the Baloch tribes and successfully contained the uprising.

## **Insurgency affecting Gwadar**

Baloch insurgent groups view the construction of Gwadar port as a “conspiracy” to exploit Balochistan resources thus hampering the ongoing development work by carrying out attacks against security forces and infrastructure. Though tight security measures ensured a better security situation in the district, militant groups made their presence felt in Gwadar by launching minor rocket attacks. In 2007 there were four rocket attacks in Gwadar though they caused no significant damage. The critical reason for the government’s success was a balanced carrot-and-stick policy to deal with Baloch nationalists, who were demanding provincial autonomy and control over their own resources. The government invested heavily in the region in terms of job creation, while clamping down on all forms of dissent. Subsequently, the intensity of the Baloch insurgency declined in 2007 as key leaders of the insurgent movement either fled the country or switched loyalties to the Pakistani side in return for amnesty. The security forces also inflicted massive damage to insurgent groups by targeting its leadership.

In August 2006, Nawab Akbar Khan Bugti, the chief tribal elder of the Bugti tribe and an alleged prominent leader of the Baloch insurgents, was killed in a military operation. The November 2007 killing of the purported head of Balochistan Liberation Army (BLA), Mir Balach Marri, was a significant blow to the insurgency. The other notable leader of the movement, Brahamdagh Bugti, grandson of the slain Nawab Akbar Khan Bugti, is believed to have taken sanctuary in neighbouring Afghanistan. Similarly, a significant number of erstwhile members of the insurgent groups have switched their loyalties to the Pakistani government in return for amnesty.

All these developments mean that the operational capability of the BLA, the most prominent insurgent group in the province, is likely to remain greatly constrained in the near future. Moreover, an increasing number of civilian casualties resulting from the terrorist attacks by BLA have negatively affected the popularity of the insurgent groups among the common people of Balochistan.

## **Fragile peace**

Today, a fragile peace has descended upon the region. Nevertheless, small-scale skirmishes and low intensity attacks still continue to disrupt peace in Balochistan. It could be a reaction to the killing of Balach.

Dissatisfaction should be tackled by giving the people of Balochistan a greater say within their own province and drawing them into the mainstream of national life in Pakistan. The long-held fear of the Baloch people that investors may take their resources away needs to be addressed. The local population needs to be provided with opportunities to take advantage of the benefits of foreign investment.

*Khuram Iqbal is a Research Analyst at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University, Singapore.*