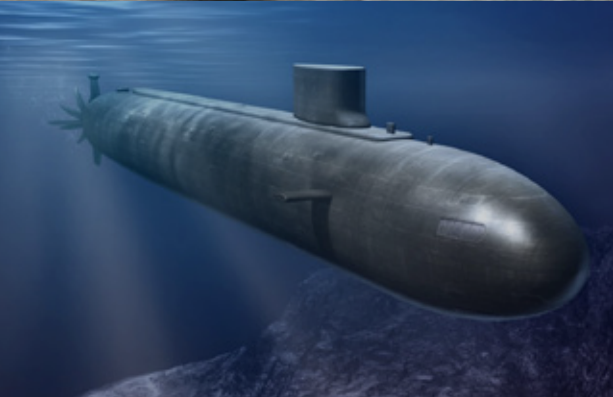




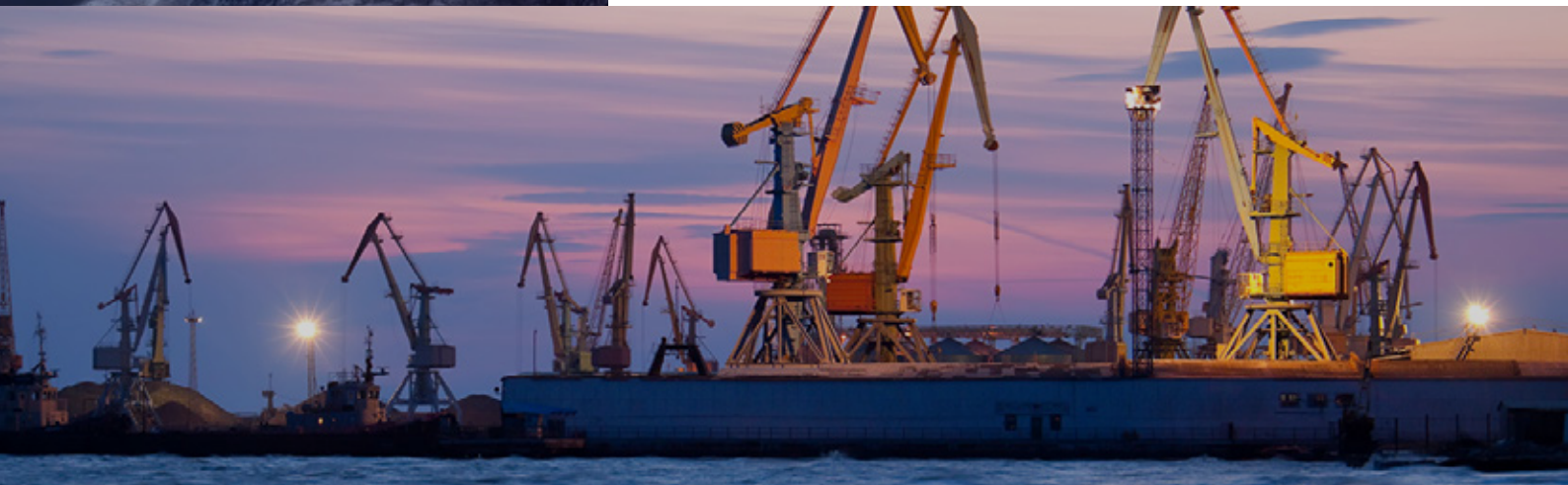
MARITIME SECURITY



Roundtable Report

MARITIME SECURITY IN THE INDIAN OCEAN: Prospects and Challenges for Pakistan

Tuesday, February 21st, 2017



CPGS

Centre for Pakistan and Gulf Studies
مرکز دراسات پاکستان و الخليج

INNOVATING FUTURE

A LEADING RESEARCH INSTITUTE ON GLOBAL SECURITY,
GEO POLITICS, PEACEBUILDING & CONFLICT RESOLUTION



Konrad
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Stiftung



Maritime Security in the Indian Ocean: *Challenges and Prospects for Pakistan*

The Indian Ocean covers an area of 73,556,000 square kilometers, and is the third largest ocean in the world. It is rimmed by three continents; Africa, Asia and Australia, and forms the connection between the Pacific and Atlantic Oceans, where the global economic and political powerhouses lie, rendering it a highly significant geostrategic location. The Indian Ocean also enjoys further significance because of the fact that 65 % of the world's oil, 35 % of its natural gas, as well as sources of numerous other manufactured goods and raw materials are located in the littoral states of the Indian Ocean. It is also significant for global security and economy because of important trade routes and choke points.

CPGS is a non-partisan leading research institute established to undertake research on Global Security, Geopolitics, Peacebuilding and Conflict Resolution.

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Roundtable Report

Maritime Security in the Indian Ocean: Prospects and Challenges for Pakistan

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Program

15:00 - 15:05	Recitation from the Holy Quran
15:05 - 15:10	Welcome Remarks by President CPGS Senator Sehar Kamran (T.I)
15:10 - 15:15	Remarks by Mr. Fawad Haider, KAS Representative
15:15 - 15:25	Opening Remarks by Chair Admiral (R) Muhammad Asif Sandila NI (M) HI(M)
15:25 - 15:40	Dr. Azhar Ahmad Head of the Department of Humanities and Social Sciences, Bahria University
15:40 - 15:55	Mr. Zaheeruddin Dar Chief Executive, Centre for Social Education and Development
15:55 - 16:50	Q/A Session
16:50 - 17:00	Discussion Summary & Conclusion by Chair
17:00	Group Photo

Participants

The roundtable was attended by prominent practitioners, renowned scholars, government officials, senior research fellows, members of the CPGS and KAS. The complete list of participants is as follows;

President CPGS	Senator Sehar Kamran (T.I.)
Chair	Admiral (R) Muhammad Asif Sandila, NI(M), HI(M)
Speakers	Dr. Azhar Ahmad Humanities and Social Sciences, Bahria University Mr. Zaheeruddin Dar CE, Centre for Social Education and Development
Participants	Lt Gen (R) Nasser Khan Janjua, HI(M), National Security Advisor Amb (R) M. Akram Zaki, Member CPGS Advisory Board Lt Gen (R) Zaheer ul Islam, Former DG ISI Vice Admiral, Shahid Iqbal, HI(M), Member CPGS Advisory Board AVM Faaiz Amir, HI(M), S.Bt, VC Air University Rear Admiral (R) Saleem Akhtar, HI(M) Rear Admiral Mukhtar Khan Jadoon, HI(M), Former Addl Secy, MoD Brig (R) Akhtar Nawaz Janjua, SI(M), CPGS Board Member Cdre Zafar Mansoor Tipu, SI(M), Dir MPRC, Bahria University Mr. Syed Abu Ahmad Akif, Federal Secretary, Ministry of Climate Change Mr. Fiaz Hussain, Deputy Chief (Maritime), MoD Amb Sarwar Naqvi, ED, CISS Mr. Ayaz Hussain, MGPO Mr. Syed Shaukat Hussain, PAEC Mr. Sufian Ullah, ACDA (SPD) Mr. Ahmed Rizwan Mr. Moaz Qureshi Sqn Ldr (R) Kamran Ahmed Malik, Asst Dir (UN-1), MoFA Ms. Sadia Tasleem, DSS, QAU Mr. Arshad Mahmood, SAD Maj Tabraiz Lt Cdr Mushtaq ur Rasool Bilal Mr. Fawad Haider, KAS Mr. Grace David, KAS Ms. Sundus Ahmad Ms. Ifrah Waqar Mr. Muhammad Suleman Ms. Iqra Mobeen Akram Ms. Fatima Sureyya Mr. Muhammad Rashid Maj (R) Khalid Mahmood

CONCEPT PAPER

The Indian Ocean covers an area of 73,556,000 square kilometers, and is the third largest ocean in the world. It is rimmed by three continents; Africa, Asia and Australia, and it forms the connection between the Pacific and Atlantic Oceans, where the global economic and political powerhouses lie, rendering it a highly significant geostrategic location. Indian Ocean also has its significance because of the fact that 65 % of the world's oil, 35 % natural gas as well as sources of numerous other manufactured goods and raw materials are located in the littoral states of the Indian Ocean. It is also significant for global security and economy because of important trade routes and choke points.

Within the Indian Ocean, Arabian Sea has a central position whereby it straddles the routes for all important energy supplies and access to the important choke points of Suez Canal and the Strait of Hormuz to the West and approach to the Bay of Bengal and Malacca Strait to the east. Besides the energy supplies, global trade of other commodities and raw materials also passes through the Arabian Sea. Moreover, it provides the shortest access to the sea to the landlocked Afghanistan and Central Asia. Its importance has increased manifold with the start of CPEC project to facilitate Chinese exports and energy imports through Pakistani ports, especially that of Gwadar.

The peace and security in the Indian Ocean is threatened by competition for dominance, presence and access to its waters, menace of piracy, regional rivalries and conflicts and the threat of terrorism. Pakistan is directly or indirectly affected by all these aspects. Pakistan took a proactive approach to the emerging security situation in the post 9/11 scenario and it has enhanced in its scope since then to cover the aspect of piracy by Somali based pirates.

Anti-terrorism operations are complicated by and are interlinked with the smuggling and drug and human trafficking. Pakistan, through Pakistan Navy, has taken a leading role in coalition Task Forces against the terrorism and piracy and has commanded both the Task Forces several times. Besides participation in these operations, Pakistan Navy took steps to enhance collaborative maritime security by introducing AMAN series of exercises which were enthusiastically welcomed by the powers present in the region. PN has been holding AMAN exercises regularly to demonstrate its resolve for improving maritime security collaboration in the region.

Pakistan has an undeniably important geo-strategic location, sitting at the mouth of the Strait of Hormuz, a route for world's 72 percent oil supplies and other global trade. As mentioned earlier, it also provides the shortest sea access to the land locked Afghanistan and CARs, as well as Chinese western regions. Pakistan itself is highly dependent on maritime trade. Over 95% of Pakistan's trade is through the sea and 290,000 sq km of its EEZ and Continental Shelf are rich in living and non-living resources which need to be protected and managed for sustainable exploitation.

Pakistan's stakes in the maritime arena are therefore high which are impacted by multifaceted threats and challenges. Most important are the emerging Indo-US strategic partnership, increased Chinese interest and presence in the region, Indo-Iran and Indo-Gulf cooperation and the continued threat of terrorism and piracy, which although has been contained to some extent. Whereas US remains the dominant nuclear power in the region, its European allies also maintain significant presence. This decades old presence is now being further complicated because of Indian ambitions and nuclearisation to which Pakistan's response has so far been measured yet firm.

This complex milieu and intertwined interests and strategic concerns require a careful and continued look to chart the future course of action and responses.

ABBREVIATIONS

BCIM	Bangladesh-China-India-Myanmar
CPEC	China-Pakistan Economic Corridor
ECO	Economic Cooperation Organization
FTA	Free Trade Agreement
GDP	Gross Domestic Product
IO	Indian Ocean
IOR	Indian Ocean Region
IPI	Iran Pakistan India
ITC	International Trade Conference
NATO	North Atlantic Treaty Organisation
OBOR	One Belt One Road
PPP	Purchasing Power Parity
USSR	Union of Soviet Socialist Republics
WHO	World Health Organization

EXECUTIVE SUMMARY

The Centre for Pakistan and Gulf Studies (CPGS), in collaboration with the German Foundation Konrad Adenauer Stiftung (KAS) organized a Roundtable discussion on 'Maritime Security in the Indian Ocean: Prospects & Challenges'. The event was held on Tuesday, 21st February 2017 at the Faisalabad Board Room, Serena Hotel Islamabad. The Speakers for the event were Dr Azhar Ahmad, Head of the Department for Humanities and Social Sciences at Bahria University Islamabad, and Mr. Zaheeruddin Dar, Chief Executive Centre for Social Education & Development. The session was chaired by Admiral (R) Asif Sandila NI(M) HI(M), the Former Chief of Naval Staff. Participants included members of the academia, technical experts, policy makers, members of the government and the military.

A summary of the discussion is as follows:

Maritime:

- Behind most, if not all, modern wars is a quest for resources; access to energy, raw materials, water, and food security lie at the heart of geopolitics in the 21st century.
- Access to these resources is inconsequential without the capacity for their safe and timely transport; as sea transport is the primary (and most reliable) medium for bulk movements, maritime security becomes of paramount importance for any state with considerable ambition.
- Ports ensure the safety of sea-lane communications, but long sea routes are difficult to secure in their entirety. Efforts are focused, therefore, on securing choke points and ports along relevant trade routes, which is where global geopolitical competition is centered.
- At its simplest, maritime security refers to 'law enforcement at sea'. In contrast to the administration of law on land, which enjoys massive infrastructural support - such as the police force, etc. - the maritime sector faces dual complications from both underdeveloped infrastructures, as well as the limitations of territorial jurisdictions, which cover but a small portion of the world's oceans.
- Within a given territorial jurisdiction, a state's Navy is responsible for maritime security; how the nature of 'security' is defined varies according to the national interest of the State. For the Indian strategist Moniker, for example, the purpose of a national navy was the interdiction of space for trade for other countries, rather than simply coastal defense.
- Consequently in the modern context, maritime security is once again prioritizing trade security, particularly as recent technological advancements continue to accentuate the competition for resources.
- With increasing competition, exponential growth in maritime activity is expected. However, in the littoral states of the Indian Ocean, rivalries have traditionally been land-based, and the focus of the region's security apparatus has been inward. A massive challenge to the preparation for this expected increase in activity is the 'sea-blindness' that stems from traditional security paradigms, particularly in Pakistan.

Indian Ocean:

- The IOR is tremendously resource-rich, possessing about 65% of all known oil reserves, 35% natural gas, 81% of the world's coal extracts, 77% natural rubber, and 57% of all tin, in addition to a plethora of raw materials and manufactured goods. The economic and political significance of the region is almost universally acknowledged by strategists across the planet.
- These resources are housed by diverse nations, differing widely in their socio-economic statuses and outlooks. The diversity, coupled with the perception that this high concentration of resources lies in the hand of 'relatively weaker' states, has rendered the region very vulnerable to global intrigue. Extra-regional powers have been known to exploit regional differences to maintain their stranglehold on these resources.
- The Indian Ocean has also never produced a maritime power in the traditional sense; it has largely been dominated by foreign maritime powers including the Portuguese, Dutch, French, British, and most recently, the Americans.
- With developments like the CPEC and OBOR, the region is fast becoming a new battleground for regional influence, economic hegemony and global security once again. In this new struggle, however, there is no room for adventurism, as the Ocean now also houses multiple nuclear armed nations.

Pakistan:

- Pakistan occupies a strategic position at the crown of the Arabian Sea. It is an important stakeholder in the Indian Ocean's security framework, and has always been a proponent of peace and freedom of navigation.
- In 2015, Pakistan's sea-bed territory was increased by 50,000 sq km. This expansion of the continental shelf in turn has resulted in an increase in potential resources, which can only be properly explored and utilized if relevant and long term maritime policies are initiated.
- 95% of Pakistan's trade volume and 100% of its oil imports are routed through these waters. Its stakes in the maritime arena are, therefore, extremely high.
- Today, Pakistan faces multifaceted challenges in this arena, arising from unstable geopolitical conditions, and diverse economic, political and social environments. These threats are traditional and nontraditional, symmetrical and asymmetrical in nature.
- Despite increasing global emphasis on maritime activity and security, Pakistan, unfortunately, remains relatively 'sea-blind'. The operationalization of Gwadar and CPEC, however, has the potential to initiate a long overdue change in conventional mindsets.

Regional Dynamics and the China Pakistan Economic Corridor (CPEC)

- 'One Belt One Road (OBOR)' is the first globalization movement from the East towards the West, marking a significant paradigm shift.
- Initiatives under this banner are creating new space for rapprochement between Russia, China, and Pakistan in particular, as well as various other countries from the region. Economic benefits from the CPEC will also consolidate political relations with China and Russia.
- Amelioration of Pakistan-Russia relations in particular is indicated by the Russian Navy's recent participation in the AMAN-17 exercises, and the strategic dialogue on Afghanistan with Pakistan and China, hosted by Moscow. Furthermore, Russian troops also recently conducted joint military exercises with the Pakistan Army, and Russia did not oppose China's refusal to support India against Pakistan.
- Pakistan also enjoys very close relations with the Gulf States - particularly Saudi Arabia - and the CPEC offers an opportunity for further strengthening these ties.
- However, the US may perceive the CPEC project as a threat; it has very little to gain from the project, but may face substantial losses. CPEC will enhance China's position and influence, both in the region and beyond, and act as a barrier to the attempted 'containment' of China, while the US may be faced with a loss of its influence and direct access to resources in Central Asia, Pakistan, and the Persian Gulf.
- The stakes for India are slightly different; due to its location, instability and turmoil in the region are not in its long-term interests. The acceptance of CPEC could weaken India's claims in the North, particularly in Kashmir, but in the wake of the complete operationalization of CPEC, India
- will have to seriously weigh the economic benefits of joining the project against staying away.

Global Developments and Impact on IOR:

- Economic inducements have always played a pivotal role in the formulation of a state's geopolitical strategies. Historically, trade has been the driving force for growth during the first thirty years of globalization.
- As per a comprehensive national power indicator, which factors in about 200 components of both soft and hard power, while the US is currently the dominant national power, it may be replaced China by the year 2020 well up to 2075. Thereafter, the world may see a resurgence of Russian dominance. India's growth is set to continue until 2040, after which it is predicted to decline, without ever having become a dominant, comprehensive national power.
- With the massive technological advancements in recent years, we are now entering the era of a 'Fourth Industrial Revolution', with the potential to redefine humanity. This will be impacted by numerous factors, in addition to having varied repercussions, including a redefining of the paradigms of security.

- Demographic changes are one impacting factor set to play a significant role. The Chinese active labor force peaked in 2015 and is now set to decline with every passing year; whereas the Indian active labor is crossing that of China. Consequently, because of their per-capita and urban-rural demographic changes, by 2020 China is expected to become a global 'food importer'. India will be faced with a similar problem, highlighting the increasing importance of food security.
- Furthermore, according to WHO data, by 2050 32% of the Chinese population will be over 60, and about 8% over 80; sustaining such a large retiree demographic will take its own toll on the economy.
- To offset the demographic factor, China aims to transform itself into a world leader in science and technology by 2050. Their spending on Research and Development is set to cross that of the EU-29 by 2018-2019, and of the US during the next five-ten years.
- By 2050, world trade in Africa is also predicted to have increased by 715%, 406% in the Indian Ocean region, and 403% overall in Asia. Pakistan will be at number 15 on the GDP chart.
- By the standard of these projected statistics, Gwadar alone would not be able to handle the growth spurt, and it is in our interests to encourage the growth of regional ports, including Chabahar, as well as potential new ports on the Makran coast.
- A port is also being built in Djibouti, just opposite to Gwadar. This means that there will now be American, French, Saudi and Chinese bases in this tiny country. As it is the first port on the African side of the Bab-el-Mandeb, and given the projections for Africa becoming a lucrative global market, the port is considered a potential gateway into the continent.
- With ports at Yangon and Gwadar giving direct access to the Indian Ocean, the Strait of Malacca will also be left behind. Furthermore, with the China-Mongolia-Russia Economic Corridor, the North Pacific could also become connected to the IO via a 'land bridge'.
- The Chinese are also investing massively in land infrastructure in Africa by creating road and rail networks, as well as airports. They are also investing in water, oil and gas pipelines, salt extraction and liquefaction plants. The connectivity being developed for the movement of resources will all be routed through Gwadar.
- About 70% of current world trade is in 'intermediates' – not raw materials or finished products. We need the logistics and maritime security to be able to handle such freight in the coming years.
- It is vital to consider all these factors when devising a comprehensive plan for maritime security in Pakistan.

Challenges:

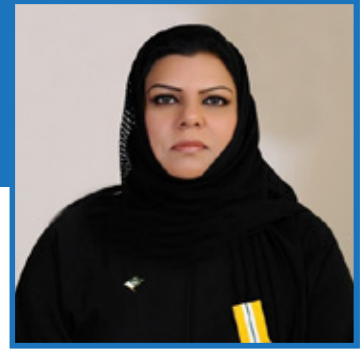
- Amongst the immediate challenges to Pakistan's maritime security is the nuclearization of the Arabian Sea by its belligerent neighbor, India. The development and testing of nuclear submarines, aircraft carriers, & submarine-launched ballistic missiles such as the K-15 and K-4, in addition to India's plan to build a blue water navy, with significant numbers of conventional submarines, ships, helicopters and surveillance aircraft are troubling developments for peace and stability, not only for Pakistan but for all the littoral states of the Indian Ocean.
- Geopolitical maneuvering by extra-regional powers are another challenge; superpowers like the US want to retain preeminence in the region, but prefer to tackle recent developments in an indirect manner, by strategically pitting regional states against one another.
- An example of this phenomenon is the Indo-US partnership; India is supporting a US naval presence in the region by allowing use of its bases via logistics agreements. It is also pursuing a maritime security agreement, which articulates the Indo-Pacific joint vision promulgated by India and the US. Collectively, these actions seem to be aimed at countering Pakistan's goals in the IOR, including facilitating access to the IO for China, Russia and the Central Asian Republics.
- Another consequence of Pakistan's relative sea-blindness has been technological under-development in the naval sector. With the growing importance of maritime security, naval modernization will have to be attained at a greater pace.

Way Forward:

- For Pakistan, the responsibility for maritime security lies with its Navy, and maritime security agencies.
- Currently, the Pakistan Navy is a small force but effective force, operating under the country's nuclear umbrella. However, prompt and effective investment for the modernization of the Navy and its relevant agencies is the need of the time, particularly in the context of what it is expected to achieve with the operationalization of the CPEC.
- The speed of this modernization remains slow for now, and may become a significant challenge in the future. A comprehensive and long-term maritime security policy is required to keep up with challenges arising from recent developments.
- The growth of trade, the rise of India as a major naval power in the IOR, and the convergence of security paradigms among certain powers in the IO warrant the strengthening of Pakistan's security mechanism at sea.
- Policy guidelines should also consider regional cooperation as a useful and effective method for ensuring maritime security in the IOR.
- Furthermore, preparation must also be made for a new set of security challenges and threat perceptions stemming from 'a more networked, digitized world'.
- In the context of CPEC in particular, Pakistan must identify and protect its own interests, leaving no space open for proxy exploitation.

SENATOR SEHAR KAMRAN (TI)

President CPGS



Profile

Senator Sehar Kamran is an elected Member of the Upper House of Parliament of Islamic Republic of Pakistan for the term 2012-2018. She has earned a name for herself among academicians and practitioners in areas of regional and international, defence and strategic studies. In recognition of her services to the field of Education, philanthropic Work and for promoting Pakistan in the Kingdom of Saudi Arabia, Senator Kamran has the honour of being awarded one of the highest National Civil Awards of Pakistan “Tamgha-e-Imtiaz” – the Medal of Excellence in recognition of her contributions.

Senator Kamran, as the President of the Centre for Pakistan and Gulf Studies, has effectively contributed in streamlining the debate on international, regional and national issues of contemporary significance. She has been an eminent speaker at various platforms, for social, educational and defence-related issues, and has actively participated in a number of national, regional and international forums, conferences, seminars and workshops. Senator Sehar has put her sincere efforts on various platforms in highlighting and promoting national perspectives of her beloved country Pakistan, she has been engaged in numerous Track-I and Track-II activities.

Senator Sehar Kamran is the Member of Senate Standing Committees on Defence, Defence Production, Federal Education and Professional Trainings, & Functional Committee on Human Rights. She is also a Member of Parliamentarians for Global Action (PGA) and Parliamentarians for Nuclear Non-Proliferation & Disarmament (PNND). As well as a Leader of Standing Committee (Research and Policy Advice) of Alumni Association of National Security Workshop (AAN), National Defence University, Islamabad.

She has a number of publications to her credit, including a book chapter and editing of a book on, “Rejuvenating FATA: Education as an Instrument of Change”, in *Evolving Dynamics of FATA: Reflections on Transformation*”.

Transcript:

Bismillah Hir Rahman Nir Raheem

Excellencies, Distinguished Guests, Ladies and Gentlemen,

Assalam-o-Alaikum - May Peace be upon you all.

On behalf of the Centre for Pakistan and Gulf Studies, it is my distinct pleasure to extend to you all, a very warm welcome to this Roundtable Discussion today.

My special gratitude to our honorable Chair, the Former Chief of Naval Staff Admiral (R) Asif Sandila NI (M) HI (M), the distinguished Speakers, Dr. Azhar Ahmad, Head of the Department of Humanities and Social Sciences at Bahria University, Islamabad, and Mr. Zaheeruddin Dar, Chief Executive, Centre for Social Education & Development, Islamabad, for taking time from their busy schedules to join us at this roundtable today.

The subject we are here to discuss is undoubtedly one of vital - and ever-increasing –national importance. ‘Maritime Security’, historically has been a determinant for both national power and prosperity; those who became masters of the seas were amongst the masters of the world. And while we are no longer in the times of the first great maritime explorers, the fact remains that over two thirds of the global population continues to reside in coastal areas. Over 90% of international trade is still sea-borne, and this is not a figure likely to decrease anytime soon.

“ ‘Maritime Security’, historically has been a determinant for both national power and prosperity; those who became masters of the seas were amongst the masters of the world. ”

Ladies and Gentlemen! For centuries, because of all that it has to offer, our part of the world has been a crown jewel for many. The Indian Ocean today is no different; its littoral states possess about 65% of the world’s oil and 35% of its natural gas, in addition to a plethora of raw and manufactured goods. As you are all aware, the Ocean is also fast becoming a new battleground for regional influence, economic hegemony and global security. Within it, due to its geostrategic importance, the Arabian Sea holds a central position, and so does Pakistan. Pakistan is an important maritime state in the Indian Ocean blessed with approximately 1,050 km long coastline and the Exclusive Economic Zone covering about 240,000 sq. km. After the acceptance of Pakistan’s claim for extension of its continental shelf limits by the United Nations’ Commission on Limits of Continental Shelf’, Pakistan’s sea limit has extended from 200 nautical miles to 350 nautical miles.

This increase of 50,000 sq. km is great untapped economic potential allowing Pakistan to benefit from the natural resources contained in it. The Arabian Sea provides the shortest access routes to landlocked Afghanistan, the Central Asian States and the western Chinese regions, in addition to being a vital route for energy supplies, global trade of raw materials and other commodities. Its importance has increased manifold with the launch of the CPEC project, which will further facilitate trade and energy supplies through Pakistani ports, especially Gwadar, consolidating the very central and important position of Pakistan as the upcoming regional economic & trade hub.

Ladies and Gentlemen, Pakistan's stakes in the maritime arena are, therefore, extremely high. They are directly impacted by multifaceted threats and challenges, and fall under the aegis of both traditional and non-traditional threats. Regional and extra regional powers paying increasing attention to the Indian Ocean Region issues within a complex geopolitical framework, where their interests and objectives are inextricably meshed. The most significant amongst these are the emerging Indo-US strategic partnership, an increased Chinese interest and presence in the region, Indo-Iran and Indo-Gulf cooperation, and the contained - but continued - threat of terrorism and piracy. The US remains a dominant influence in the region; the presence of its European Allies has also significantly increased in recent years. Further complicating this scenario are Indian ambitions and the nuclearization of the Arabian Sea.

“ The nuclearization of the Arabian Sea by India through the development and testing of nuclear submarines, aircraft carriers, & submarine- launched ballistic missiles such as the K-15 and K-4 are major concerns, both for Pakistan’s national security, and for peace and stability in the Indian Ocean. ”

This last dilemma is a particularly dangerous development – the nuclearization of the Arabian Sea by India through the development and testing of nuclear submarines, aircraft carriers, & submarine-launched ballistic missiles such as the K-15 and K-4 are major concerns, both for Pakistan’s national security, and for peace and stability in the Indian Ocean.

Moreover, our belligerent neighbor's plan to build a blue water navy, with the inclusion of significant numbers of conventional submarines, ships, helicopters and surveillance aircraft is a further introduction of destabilizing factors, and a concern for the maritime security of all the 32 Indian Ocean littoral states.

Ladies and Gentlemen, the onus lies upon us to ensure that Pakistan is prepared for any and all challenges that arise from its development as a new regional economic power. The eyes of the world will be upon us, more than ever before, particularly in light of recent developments like the CPEC project and the launch of Gwadar port. Pakistan is often held to a different standard in terms of its role in maintaining and promoting peace and prosperity in the region, and it is a role we must uphold with grace and strength.

“The eyes of the world will be upon us, more than ever before, particularly in light of recent developments like the CPEC project and the launch of Gwadar port. Pakistan is often held to a different standard in terms of its role in maintaining and promoting peace and prosperity in the region.”

And it is in order to achieve that goal that candid discussions, such as the one we hope to have here today are of vital importance. With so many great minds at the same table, willing to frankly consider both the challenges and the best possible solutions to them, I truly believe Pakistan can take its place as a regional leader.

I do believe it was also Jinnah who said, “The best way in which we can serve the cause of peace is by removing temptation from the path of those who think that we are weak, and therefore, they can bully or attack us. That temptation can only be removed if we make ourselves so strong that nobody dares entertain any aggressive designs against us”, and that is precisely what we must do.

“We firmly believe in enhancing ties with our neighbors to promote peace in the region and promoting regionalism to guarantee economic prosperity for the billions of people residing here. For this, we also believe that Pakistan must take all necessary measures to protect all its vital security and economic interests.”

Ladies and Gentlemen, before I formally hand over the session to our respected chair, let me reiterate that at the Centre for Pakistan and Gulf Studies, we firmly believe in enhancing ties with our neighbors to promote peace in the region and promoting regionalism to guarantee economic prosperity for the billions of people residing here. For this, we also believe that Pakistan must take all necessary measures to protect all its vital security and economic interests. This is the first roundtable in a series of initiatives that have been launched by CPGS, in collaboration with our partners, Konrad Adenauer

Stiftung, under the auspices of our project on Maritime Security. In this context, we are also organizing a One Day National Conference on the same subject to further this discussion and also put forward the recommendations we collectively agree to today.

I am hopeful that this dialogue today can serve as a stepping stone in effectively moving the conversation on this issue forward in a productive manner.

Thank you.

ADMIRAL (R) MOHAMMAD ASIF SANDILA NI(M), HI(M)

Chair



Profile:

Admiral Mohammad Asif Sandila joined Pakistan Navy in 1972 and after initial training at Pakistan Naval Academy, he was selected for training at Britannia Royal Naval College Dartmouth (UK). He was commissioned in the Operations Branch in June 1975. He specialized as Principal Warfare Officer from UK. He is a graduate of Naval Command and Staff College, Indonesia and National Defence College Islamabad. He obtained M Sc (War Studies) degree from Quaid-e-Azam University, Islamabad. The Admiral has had rich command & staff experience. He was promoted to the rank of Admiral and appointed Chief of the Naval Staff on 7th Oct 11. The Admiral retired from service on 6 Oct 14. After retirement, he has established a Not for Profit Organization (NPO) by the name of, MOAWIN FOUNDATION. Aim of MF is to improve standards of primary/secondary education in government schools & provision of vocational training for boys & girls in the rural areas of Pakistan. The foundation started with two schools in District Sheikhpura in June 2015. Encouraged by the results it has now adopted all 7 schools in the Union Council. For Vocational Training, MF is working with Punjab Vocational Training Council (PVTC). So far over one thousand boys & girls have completed their training and majority of them are doing jobs or self employed.

Transcript:

Bismillah Hir Rahman Nir Raheem
Senator Sehar Kamran,
Ladies and Gentlemen, Assalam-o-Alaikum!

I thank the Center for Pakistan and Gulf Studies (CPGS) for giving me this opportunity to come here. And I must commend them for choosing this subject, which is very important, yet I feel is neglected in our country. Before I call upon the speakers, I would like to say a few words. To start with, what is maritime security? I would say maritime security means law enforcement at sea, to put it very briefly. Now, for law enforcement on land, we have seen there is a huge infrastructure today. The police, the paramilitary, courts and other facilities are available, yet law enforcement over land is still very difficult. So, you can well imagine the difficulties involved with an area that is hundreds and thousands of square km across, over which very little is covered by territorial jurisdiction. The rest of it is comprised of international waters, the high seas, where territorial jurisdictions do not exist. So, in my view, this is one of the key issues for maritime security. When we talk of a country, a small province, or a district, there is a specified set of persons responsible for law enforcement. But in case of high seas, many people are responsible, and when there are too many people or entities involved, things are rather difficult.

The next point I would like to talk about, as the Senator has said and we have come across many times, is that the Indian Ocean houses most of the energy reserves today and provides this to the rest of the world. And so far, the commercial interests of the major economic powers converge. Therefore, we have seen a lot of cooperation amongst these countries in the past.

Very recently there was a problem of piracy off Somalia, to fight against, for which the international community came together. While they did not manage to finish it altogether, they were still able to contain it. I will come to this a little later as well.

Next, the Indian Ocean is an area where the most nuclear armed nations operate: the P-5, Pakistan, India and the undeclared Israel. So there is really no room for miscalculation. And if there are any miscalculations, they could be really catastrophic for the region and everyone else. And this point was brought up by Mr. Sartaj Aziz, our Advisor on Foreign Affairs, very recently in an international seminar in Karachi. So this is one point that is a concern for everybody in maritime security

We hear of many informal terminologies being used to describe the China-Pakistan Economic Corridor (CPEC), phrases like 'game changer' or 'East India Company'. Everyone feels he is an expert on this and coin whatever term he feels like. I wish to point out that it could perhaps be both of these. It is very important for Pakistan, in my view, to be able to identify our own interests, and they have to be guarded by us. If we expect somebody sitting in a meeting in Shanghai to do it for us, as we mostly do, unfortunately, then we are in for trouble.

Another point I would like to bring here is that our country has the misfortune of being a ground of sorts for sectarian proxy wars, ongoing conflicts between various Muslim countries. I fear, and I hope I am incorrect, that a proxy war against China could be waged on our ground; it is a possibility. You are well aware that there are people whose interests will be threatened or challenged with the CPEC. And I have no doubt in my mind that if somebody's interests are challenged, they would come up with certain things that they will manage to do their way. The main point here is that our interests are to be guarded by us. If we expect somebody else to do it, we will be wronged. And of course, another requirement will be created in maritime security once this CPEC becomes operational.

Another very important point I would like to bring up is that of sea blindness. We have known that Britannia ruled the waves and colonized the world through naval power and through maritime power in the 19th and 20th centuries. In 2007, in the UK, the reorganization or restructuring of the armed forces was taking place. And the then first sea lord, Admiral Sir Jonathon Band openly said that the UK's political leadership suffers from sea blindness. Now if this is true for the UK, if a person of this stature - the First Sea Lord/ Chief of Naval Staff - comes up and identifies this as an issue for an island state that rose to power because of its navy, if they feel that there is sea blindness, you can very well imagine what is happening in Pakistan, where most of us have not even seen the sea. By the way, I first saw it when I joined the Navy.

The last point I wish to bring up is that of piracy, which is a problem for maritime security, and particularly so in the Indian Ocean. Piracy is a phenomenon that has been known to mankind for ages. In fact, they say that navies came about to protect shipping, and that is how navies were formed to start with. The piracy practiced at that time was of the 'hit and run' type; people came on board, stole a few things, maybe broke the captain's locker and took out some money, and then they ran away. But the piracy has become very sophisticated now. I was invited to the International Sea Power Symposium at the US Naval War College. I went through a study and I found something very interesting that I will share with you. The point I really want to make here is that \$US 1.8 million were paid for the release of M.V. Victoria in 2009. The main people who benefited from this were the financiers and the backers of this operation; and it is interesting to look at the people who actually participated. The first man who went on board got \$US 150,000 plus a Land Cruiser; followed by eight other people, and the amount reduced with each person. The main money goes to the people who are at the back, not the ones operating at sea. In 2010, of the \$US 238 million paid in ransom to Somali pirates, approximately 40%, around \$US 95 million, went to benefactors outside Somalia.

So, there are people who actually benefit from this. Some people very rightly, in my view, ask who benefits from this piracy. Is it the insurance company? Is it the pirates? Is it the middle man or the security agencies?

Thank you.

DR. AZHAR AHMAD

Panelist



Profile:

Dr. Azhar Ahmad is a PhD in Peace and Conflict Studies. He has a long academic and research experience. He is heading the department of Humanities and Social Sciences at Bahria University, Islamabad.

Dr. Azhar is associated with a number of national and international think tanks including the Asia-Africa Development & Exchange Society of China, as a Distinguished Researcher, the Institute of Policy Studies as a Senior Research Associate and the Corbett Centre for maritime Policy Studies at King's College, London . He is also on the Board of Studies of Pakistan Navy War College. He has a number of research publications to his credit.

Dr. Azhar has traveled extensively and is regularly invited for national/international seminars and conferences. His areas of interest include Peace & Conflict, Indian Ocean, China and Maritime. In addition, keeps an eye on contemporary issues of national and international importance.

Transcript:

Bismillah Hir Rahman Nir Raheem.

Thank you; Admiral M. Asif Sandila, Senator Sehar Kamran, Ambassador (R) Akram Zaki, General Nasser Janjua and distinguished audience. I must thank Senator Kamran for providing me an opportunity to speak in the presence of such a learned and at the same time a formidable audience. A bit has already been said about maritime security; therefore, I will stick to my mandate which is more about the geopolitics of the Indian Ocean. Naturally, I am not here to add much to your already worthy knowledge, but perhaps to share some thoughts and generate some questions for a healthy discussion later on.

We live in a hot spot. The world around us is full of contradiction and rivalries and in Pakistan we have remained in the middle of geopolitical convulsions for almost our entire existence. What is the primary cause of these rivalries around the world? I am sure you will agree with me that behind most modern wars if not all modern wars is the quest for resources. Energy, raw materials, water, food supplies and how they can be accessed have always been key issues in geopolitics. Especially since the industrial revolution and with improvement in technology we have seen an accentuation of this competition, and a sudden rush after the demise of the Soviet Union because the West under the leadership of the United States wanted to make the best of their unrivalled hegemony.

“It is difficult to control the entire sea route, so efforts are made to secure the relevant choke points and ports along the desired routes. Hence, we are witness to geopolitical competitions not only for controlling the area that contains such resources, but also important choke points.”

Now you will also agree with me that having access to or control over the resources is not enough. You need to be able to transport them to your own land for use and that is where the means of transportation come in. we all know that transportation in bulk is only possible and feasible through sea routes. Since it is difficult to control all the oceans and seas, efforts are made to secure relevant choke points and ports along the desired routes. Hence we have witnessed geopolitical competition not only for controlling areas that contain such resources but also the important choke points and

ports to ensure safety of the sea lines of communications. We can take the example of the Panama Canal which resulted in the first overseas visit of the US President, the Suez canal, strait of Hormuz, Straits of Malacca or the Bab al Mandab. If you understand this phenomenon it is easy to comprehend the tussle in the South China Sea, the Yemen conflict, or what is happening in our own backyard. But most of us somehow do not seem to understand this. Perhaps because of our continental orientation. When this latest Yemen conflict began almost two years back, I attended a number of discussions on the subject and to my utter surprise not one worthy expert highlighted the actual reason of the conflict-which lay at sea rather than on the land. We can't keep our eyes closed to realities and live with borrowed narratives.

“From Alfred Mahan to Robert Kaplan, all strategists have acknowledged the political as well as the economic significance of this Ocean”

This brings me to the Indian Ocean. Indian Ocean today is arguably the most important water space on the globe. From Alfred Mahan to Robert Kaplan all strategists have acknowledged the political as well as economic significance of this ocean. Due to high concentration of natural resources in the Indian Ocean

region, and that too in the hands of relatively weaker states, this ocean has risen in importance, and therefore prone to global intrigue. And if you check statistics, you will find that a fairly large proportion of conflicts since the Second World War have occurred in and around this region and today it remains one of the most militarized regions in the world. It contains 81% of the world's gold extraction, 65% of the world's known reserves of oil and 35% of gas, 77% natural rubber, 57% tin, and plenty of other precious metals. More than 50,000 ships criss-cross this ocean annually, carrying the highest tonnage of world's goods.

Another unique feature of this ocean is that it has never produced a major maritime power. Hence for the last five centuries since Muscat was defeated by the Portuguese in the early 16th century, this region has been dominated by foreign maritime powers. The Portuguese, the Dutch, the French, the English and now the Americans. And, in future may be the Chinese. And all of them came to this arena in pursuit of resources. This ocean is home to some of the world's most disparate nations; which differ widely in their social, cultural and economic status and outlook. This diversity has often allowed the extra-regional powers to maintain their stranglehold on the area by exploiting the differences and weaknesses of the littorals.

Of course, my concern primarily revolves around the North Arabian Sea and I like to call this region as the strategic heart of the Indian Ocean. Most of the energy is concentrated in this area. It houses two belligerent nuclear neighbours and there is presence or interest of all major powers in this region. This interest though is not new. In the pre WW II era it was an imperial territory featuring colonial basing and expansion. It was important for the British to control this Rimland to contain the menace of Soviet Russia sitting on the Heartland. The exit of the British attracted both the US and the Soviet Union to fill in the vacuum and the region witnessed a continuous struggle for influence and domination. One hoped that this competition would end after the check mate to Soviet Union on Afghan soil in 1979. But regrettably, the left over sores of the Cold War and the quest for resources has not allowed the region to settle. Now as the balance of power shifts from west to east, the significance of this region continues to rise. Due to the presence of large amounts of hydrocarbons and minerals in the Persian Gulf and Central Asia, the North Arabian Sea has become a conduit of energy for the world. The tremendous amount of resources provided by the nature also has its own share of challenges and attract greed and intrigue. These challenges arise from unstable geo-political situation and diverse economic, political, social environment; resulting into traditional, non-traditional, symmetrical and asymmetrical threats.

Pakistan occupies a strategic position at the crown of the North Arabian sea. 95% of Pakistan's trade by volume and 100% of its oil imports are routed through the North Arabian sea. With such an envious geographical location astride the energy jugular of the world and its complete dependence on these waters, Pakistan is an important stake holder in the Indian Ocean security framework. And, therefore, Pakistan has always been a vocal proponent of peace and freedom of navigation, particularly in the Indian Ocean. The recently concluded exercise Aman 2017 is a clear manifestation of Pakistan's intentions-its slogan was "together for peace". And the participation of 36 navies shows that the world acknowledges the importance of Pakistan and accepts it as a responsible maritime state. The development of Gwadar and CPEC has again put the region and particularly Pakistan in the limelight and a lot of what has been happening around us has something to do with this.

The participation of 36 nation's navies' shows that the world acknowledges and supports the importance of Pakistan and it is accepted as a responsible maritime state in the region.

The most striking indication of the changing geo-political realities perhaps is in the Pak-Russia relations. Russians have always been interested in the so-called warm waters and CPEC has provided them the opportunity. Russian navy recently participated in the exercise Aman, before that Moscow hosted Pakistan and China for a strategic dialogue on Afghanistan, Russian troops came to Pakistan to carry out joint exercises with Pakistan Army and Russia along with China refused to support India against Pakistan in the last BRICS summit held in India. Add to this the inclusion of Pakistan in the SCO. People have already started talking about a Pakistan-China-Russia power triangle.

The economic benefits of CPEC and political relations with China and Russia coupled with India's growing relations with US especially after Trump will also force Iran to move closer to Pakistan. Iran has long stated its desire to set up an oil refinery in Gwadar and has been pushing Pakistan to purchase electricity and gas from it. So the stage is setting up to attract Iran in the fold.

European Union remains an important political and economic actor in the world. Western Europe has relied for long on the US and gained tremendous benefits. However, the countries realize the changing balance of power and are gradually realigning themselves. Who would have thought UK defying US and joining the Chinese initiatives such as the Asian Infrastructure and Investment Bank and the One Belt One Road. Those of you who interact with diplomats in this city would bear me out that majority of the European diplomats show keen interest in joining CPEC.

Pakistan has always had very close relations with the Gulf countries, particularly Saudi Arabia, and I think the CPEC will help in further strengthening this relationship.

Pakistan has always had very close relations with the Gulf countries particularly Saudi Arabia and I think CPEC will help in further strengthening this relationship. Initially there have been some apprehensions and competition but once the corridor opens for trade and they see the benefits, there will be little choice but to join in. Particularly because of their increased dependence on trade with China.

Of course US and India are not really very happy with the CPEC and their strategic interests converge. Both the countries are natural allies in the region in combating the rise of China and they see CPEC as a threat. US is one country that has very little to gain from CPEC but the losses could be great. It will fail in containing China, it will lose its influence in Central Asia, Pakistan and even in the Persian Gulf and more importantly it will lose control on the resources of the area. Hence US is bound to try everything to stop developments in the region. Instability and turmoil in this area is in the interest of United States.

However, the case of India is different and therefore it will have to move cautiously. India lives in the same region and next door to China. It is against CPEC because one it weakens its claim on the northern areas and secondly, as a rival to China it would not like to see China becoming stronger and finding a safer trade route bypassing the portion of the ocean dominated by India. But instability in the region also negatively affects India and impedes its own progress and development. Secondly, it will have to weigh the economic benefits of joining CPEC vis a vis staying away for a longer period. I think there already is a debate going on in India on this subject.

“Instability in the region also negatively affects India and impedes its own progress and development.”

To conclude may I submit that the world today is becoming more aware of the importance of the seas. Pakistan, unfortunately, has not been able to give its due share to this sector. Operationalizing of Gwadar and CPEC is bringing this change in the conventional mindset. I think overall the changing geopolitical environment is conducive for Pakistan. If we can just put our own house in order and play our cards patiently and wisely, a bright future awaits the country.

Thank you very much.

MR. ZAHEERUDDIN DAR

Panelist



Profile:

Zaheeruddin Dar is a student in political economy and has remained so for forever. He joined Civil Service of Pakistan in 1981 and served for almost twenty years. Having served all these years with the Federal bureaucracy, he switched career to become a researcher, consultant and trainer. He has self-educated all his life. Finally came out to be a passionate researcher, trainer and a storyteller. He founded Development Analysis and Research Team (a consulting company in management diagnostics and public policy) and Centre for International Entrepreneurship and Trade (a research and training company specializing in international trade), both as part of Dartways (Smc-Pvt) Limited. He also Chairs the Centre for Social Education and Development. Concurrently, he works as an External Expert and Trainer with Centre for Promotion of Imports from Developing Countries of the Government of Netherlands. He also works with various other international organizations as a Consultant.

Transcript:

Sandila sahib was mentioning the pirates, and it reminded me of something about Gwadar. Once it was home to the Portuguese pirates. Before Somalians could ever think of becoming pirates, it was happening right here at Gwadar. Pirates are where the trade was. The Portuguese would come and camp there and engage in piracy.

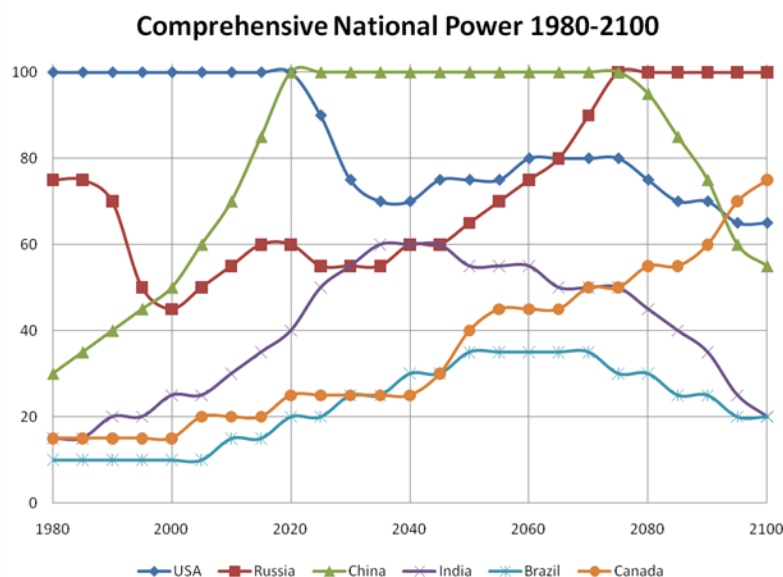
“Before Somalis could ever think of becoming pirates, it was happening right here at Gwadar. The Portuguese would come and camp there and engage in piracy”

Dr. Azhar sahib did mention, and so did Sandila sahib, that there is always an economic overtone to whatever politics we do or whatever strategy we engage in. It is always somewhere in the bottom line. Since I have come from a very different background, for me geo-strategy is in fact geo-economics. For me, these both terms have the same meaning. It is an ample subject and hours could be spent on it, so I have made my talk short and crisp to fit in the time available for it.

“By the year 2020, and this is what we economists are thinking; China will become a comprehensive national dominant power of the world.”

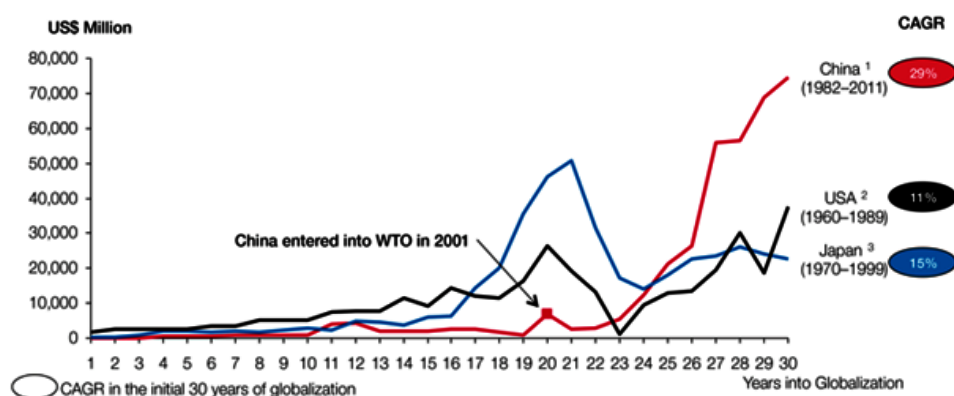
This is an indicator, a comprehensive national power indicator, in which about 200 different indicators are combined with different weightages. And in this indicator, the hard power and the soft power both are reflected. Currently, the USA is the comprehensive dominant national power in the world. By the year 2020, and this is what we economists are thinking; China will become a comprehensive national dominant power of the world. And the blue graph (representing USA) would come down, (the

green curve) for the Chinese would rise and they would remain there till 2075. And thereafter, Russia would become the comprehensive dominant force of the world.



Now, we are trying to peek into the future. Nobody has seen tomorrow. But different indicators help us put the weightage together: the way people are spending on human resource development, their spending on science and technology, defense spending, what kind of defense spending, etc. We are talking about the Fourth Industrial Revolution. What kinds of developments are happening?

India is also there, but India will keep on rising without ever reaching the top. Till the year 2040, it will keep on rising and then it will start coming down. So, India may never be there. But Canada, of course will be there. And ultimately Canada may reach the top. The next century may very well be the Canadian century.



Global trade has been driving growth throughout the world and this is a graph showing the first thirty years of globalization. When the USA became globalized, in the first thirty years, it was growing at the rate of 11% cumulative annual growth rate. And then Japan globalized itself, and it was growing at the cumulative annual growth rate of 15%. But when China started it, and midway is the time, when China joined the World Trade Organization, it was growing at the rate of 29%. That is the cumulative annual growth rate they have achieved. And look at the way, it has changed. After the First Industrial Revolution, the UK's economy grew in the next 100 years by six times. But when the second Industrial Revolution came, the US economy grew by seven times in sixty years. When Japan came onto the global stage, their economy grew by seven times in twenty five years. But when China made its entry, they had grown nine times in eleven years. So, that is the pace of change. Now we are talking about the Fourth Industrial Revolution.

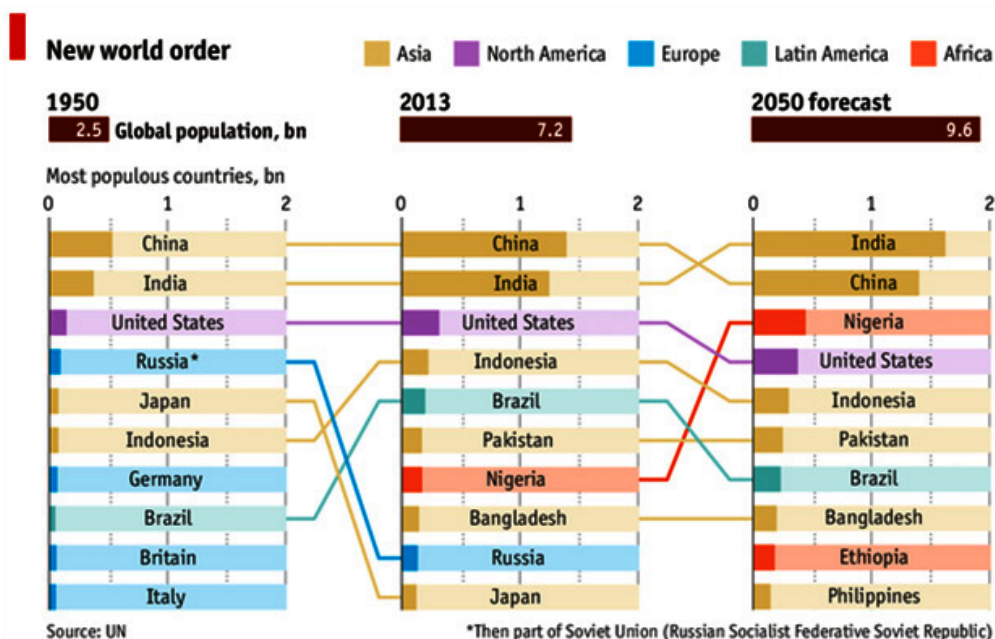
This is the Purchasing Power Parity (PPP), not the nominal rate. China has already become the largest GDP of the world, followed by the USA and then India. Pakistan appears neither in the first column nor in the second. But in 2050, Pakistan hopes to be at number 15. And Pakistan would cross, as far as the GDP is concerned, most of the European countries.

Table 1: GDP at PPP rankings

PPP rank	2014		2030		2050	
	Country	GDP at PPP (2014 US\$bn)	Country	Projected GDP at PPP (2014 US\$bn)	Country	Projected GDP at PPP (2014 US\$bn)
1	China	17,632	China	36,112	China	61,079
2	United States	17,416	United States	25,451	India	42,205
3	India	7,277	India	17,138	United States	41,384
4	Japan	4,788	Japan	6,006	Indonesia	12,210
5	Germany	3,621	Indonesia	5,486	Brazil	9,164
6	Russia	3,559	Brazil	4,996	Mexico	8,014
7	Brazil	3,073	Russia	4,854	Japan	7,914
8	France	2,587	Germany	4,590	Russia	7,575
9	Indonesia	2,554	Mexico	3,985	Nigeria	7,345
10	United Kingdom	2,435	United Kingdom	3,586	Germany	6,338
11	Mexico	2,143	France	3,418	United Kingdom	5,744
12	Italy	2,066	Saudi Arabia	3,212	Saudi Arabia	5,488
13	South Korea	1,790	South Korea	2,818	France	5,207
14	Saudi Arabia	1,652	Turkey	2,714	Turkey	5,102
15	Canada	1,579	Italy	2,591	Pakistan	4,253

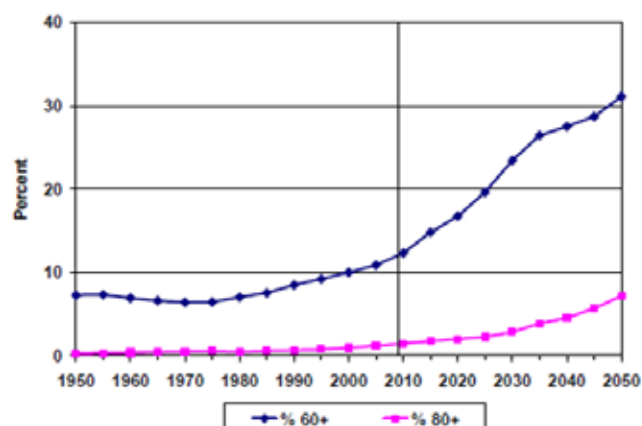
We have been talking about India. In October, I was in Colombo for the World Export Development Forum; it is an International Trade Centre (ITC) annual event. And I did meet Indian economists. And I asked them why India didn't join the China Pakistan Economic Corridor (CPEC); why didn't they just become a part of it if they want to do trade with Russia, the Central Asian Republics. Going through Lahore, Fazalka and Khokhrapar, could be more convenient for international trade originating in north west of India. For the people of Ahmadabad and Delhi, Port Qasim is a much suitable port as compared to Mumbai. And we kept on discussing these things. And then I told them, 'Look, if you stop Pakistan from becoming what Pakistan wants to become, in the same effort you will stop yourself from becoming the second largest GDP of the world. Because in case of any war or any intervention in the Indian Ocean, it is not only us, it will be the India which will also be the big loser'. When I put this across to them, they said they do realize this and that within the Indian academia, at least, there is a thinking that India must join the CPEC, but the hawks are doing what they are supposed to be doing.

Now these are the demographics. China is the most populous nation of the world. Pakistan is at number six at this time. But soon India is going to cross China, as far as the population is concerned. The Chinese population has already started shrinking. The USA will be no more at number three; it will come down to number four. And Nigeria will at number three as a populous country. Then Bangladesh would walk in and other countries. And the Philippines would come in. The demographics do matter, as far as international trade is concerned.



The Chinese population is aging. By the year 2050 and this is the World Health Organization figure, almost 32% of the population will comprise of people over 60 and about 8% of the population will be over 80. So, almost 40% of the Chinese population would consist of retirees. There is no economic model in the world that I know of, which can sustain such a big number of retirees. So, whatever China is doing, the demographics are a big driver of that. The Chinese active labor force has peaked in 2015 and now every year, it is expected that their active labor force would decline. The Indian active labor force has crossed that of the Chinese already in 2015 and they keep on growing for some time, but then they will also start declining.

China Population Aging



World leader in science and technology by 2050?

Innovation 2020

Chinese Academy of Sciences (CAS) in 2011

Special emphasis on 4 key areas:

- Space science, IT, Energy, Health

Innovation goals for 2020

S&T % of GDP	> 2.5%
Contribution of S&T to economic development	> 60%
Dependence on foreign technology	< 30%
No. of top scientists at CAS	> 5,000

➡ Goal: Increase China's innovativeness and transforming it into an innovative nation by 2020

Creation 2050: Science, technology and China's future

Chinese Academy of Sciences (CAS) in 2009

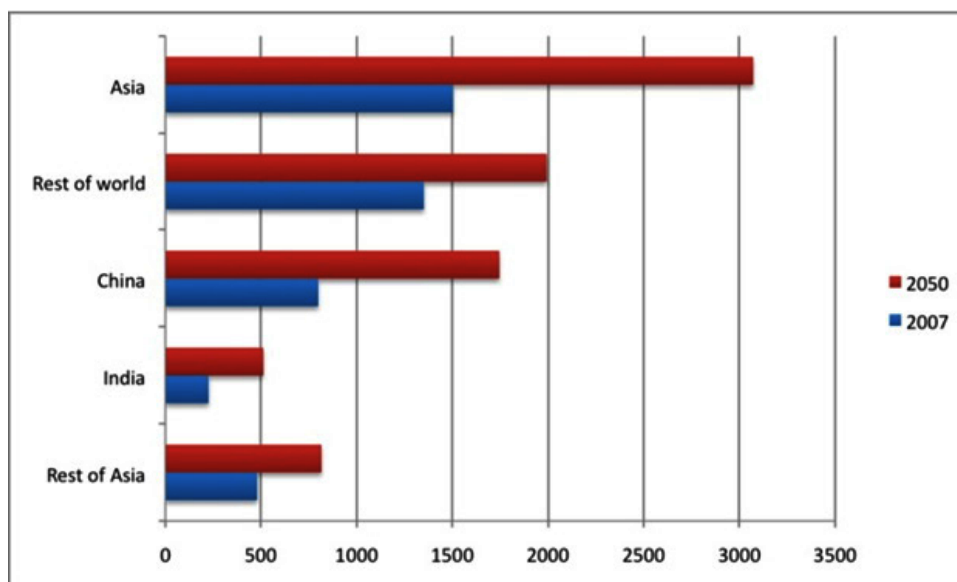
Emphasis on 18 subjects to pave the way for a technological and industrial revolution

"What each transformation society goes through is closely related to a scientific breakthrough. Innovation must be the ultimate solution for any economic crisis."

Lu Yongxiang, President of CAS

➡ Goal: Transform China into a world leader in science and technology by 2050

This is innovation. And in the first graph I showed you, this has a big weightage; how innovative, scientifically and otherwise, a nation can be. And this is from the Chinese Academy of Sciences. Look at the way the Chinese are spending on Research and Development. Their goal is to transform China into a world leader in science and technology by 2050. And look at their spending; their spending is expected to cross the EU-29 put together by the year 2018-19. And it would cross that of the USA in another five to ten years.



Energy is a big thing and I believe I can skip it because Dr. Azhar has already spoken on it.

Now food. As the world's population is changing, food demand is changing. The food demand in Asia is likely to more than double, in the next 35 years. In the rest of the world; it would increase but not by that much. But in China, the food demand is going to be horrendous. At this point in time, China is a net food exporter. By the year 2020, we are expecting that China will become a net food importer for two reasons: their per capita incomes are changing, and their urban-rural composition, their demographic composition, is changing. If you are living in a rural area, you are likely to consume more grains, but in the urban centers, it is more likely that you consume vegetable, meats, fruits, and milk and milk based products. So their per capita consumptions are changing and they are changing very fast. China hosts a middle class population of 400 million people and with the per capita consumption changing, the food requirement would change; so, by 2020, China would become a net food importer. In India, it would almost double; the rest of Asia is of course there. So food security would be a major issue.

This slide is quite important for me; this is from the, International Transport Forum and it shows figures for trade corridors over these 40 years. In Africa, the world trade will increase by 715%. In the Indian Ocean, trade will increase by 406%, and in Asia overall by 403%. So we are talking of a great volume in billion km tons, which nobody can think of today; and there are scientific methods, on the basis of which this has been calculated. If the trade in Africa is going to go up by seven times, and in Indian ocean it is going to go up by four times, what kind of maritime security are we talking about? What kind of ports? If people say that Dubai is against Gwadar or we should somehow discourage Chabahar, I think we need more ports. We need more ports on the Makran coast. Gwadar would not be able to handle this increased freight situation.

Projected shifts in global trade-related freight 2010-2050

Trade corridor	Freight volume (in billion tonne-km)		
	2010	2050	Growth %
Africa	662	5 396	715
Indian Ocean	10 479	53 015	406
Asia	5 890	29 650	403
South Atlantic	1 872	9 368	400
North Pacific	15 832	75 022	374
North America	1 950	8 669	344
South America	271	1 127	316
Mediterranean and Caspian Sea	11 097	42 177	280
North Atlantic	17 596	65 094	270
South Pacific	1 839	6 785	269
Oceania	110	394	258
Europe	3 148	9 948	216

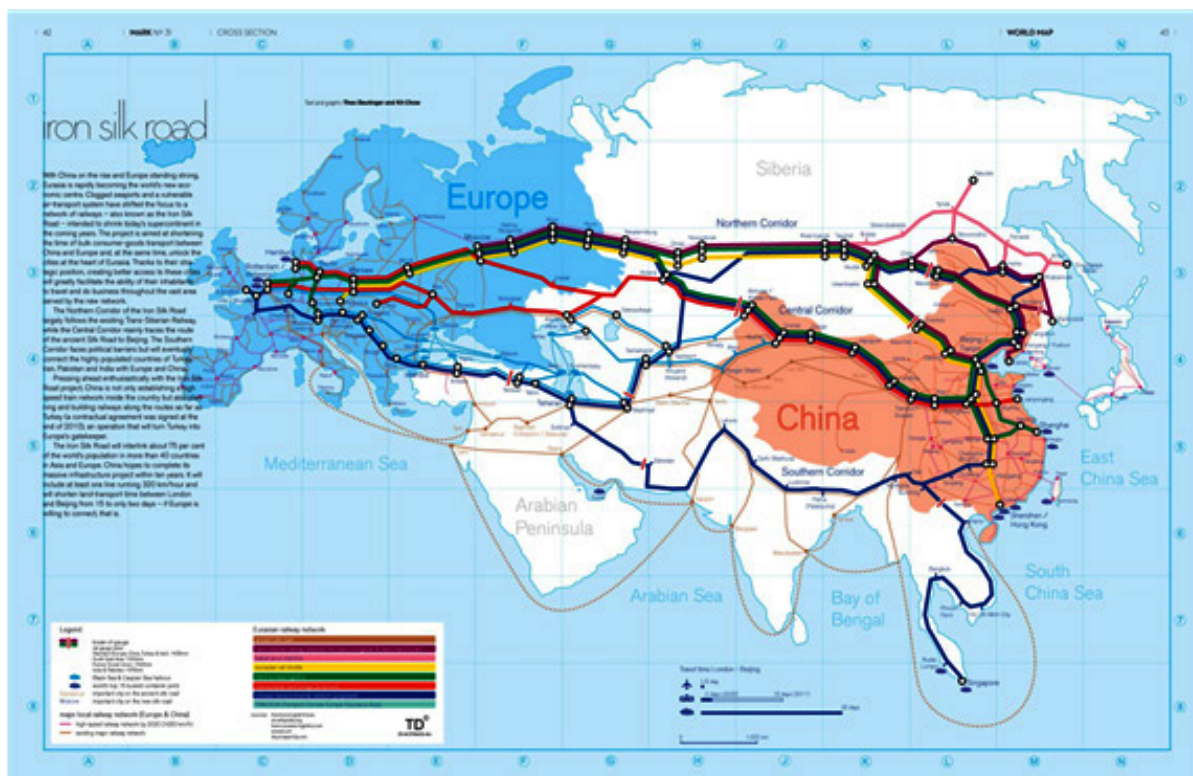
Source: International Transport Forum

Gwadar or we should somehow discourage Chabahar, I think we need more ports. We need more ports on the Makran coast. Gwadar would not be able to handle this increased freight situation. And yes, Yangon. They are building a road from Kunming to Yangon, they are building a port there. In Colombo, they have already built one. But even all these ports would not be sufficient to handle this kind of trade.

One more thing. Almost 70% of the current world trade is in intermediates, these are not finished products, these are not primary goods, and these are not ores, as we dig from mines. These are intermediate goods; these are processed goods but not yet finished goods. If 70% per cent of current trade is in the intermediate goods, it means we are talking of bulk transporters, mostly. Energy being there, all those things being there, but this is other than energy, the kind of freight that would be there in the next years to come. And we need the logistics as well as the maritime security to handle that.

So, we are talking of a totally changed world, we are talking of China as an economic power house, with India as the second or third largest GDP. We are talking of the Fourth Industrial Revolution. Now the Fourth Industrial Revolution is going to redefine humanity, as we have noted. Currently, there is a cyber world there is a physical world, and there is a biological world, and they have boundaries. With the fourth Industrial Revolution coming in, when goods start talking to goods, with stem cell research and 3D printing, and manufacturing dynamics changing, humanity as such would be redefined. Look at what is happening in China, as far as the 4th Industrial Revolution is concerned. Or what Germany is doing. All this is going to redefine even the paradigms of security.

There will be a big population bulge in Pakistan, but bigger than that will be the one in Nigeria; there will be declining populations and work force in the developed world, as well as in China; there is energy security and food security to consider. And there will be a new globalization. Till now, all the globalization movements, may it be the Aryan movements or western colonization; including the last one, they have been either from North to South or West to East.



The One Belt One Road (OBOR) is the first globalization movement, which is East to West. So, it is a total paradigm shift. And Africa will witness a seven times increase in trade with a population bulge. Africa is going to be a very lucrative market for everybody in the world. So, is Africa the next destination?

Now this is the OBOR map, we are talking about. The 21st century Maritime Silk Road, the Bangladesh-China-India-Myanmar (BCIM) Economic Corridor road and the China-Pakistan Economic Corridor (CPEC); these three are very relevant to the Indian Ocean. So from Kunming, a city in the Yunnan province of China, they are building a road to Calcutta. From Kunming to Yangon, they have already built a road.

Yunnan province of China, they are building a road to Calcutta. From Kunming to Yangon, they have already built a road. So they have access to the Indian Ocean there, and they have access to the Indian Ocean at Gwadar. And in both cases, the Strait of Malacca is left behind. From the other side the China-Mongolia-Russia Economic Corridor would criss cross with CPEC. With increased trade and this kind of situation, it could very well mean the North Pacific is getting connected to Indian Ocean via a land bridge. So, a totally new paradigm may be coming up. And here I would quote Noam Chomsky, who said that the USA became a power and reached its peak in the year 1945, and thereafter, it has been receding every year. So, probably, a new power shift is coming up.

It's not just about the connectivity; this is also how they are putting their money in. The big dots are the hubs and the small dots are their investments. This is how the Chinese are putting in their money, the SCO fund, the Silk Road fund, the Asian Infrastructure Investment Development Bank. And then on top of this, the Chinese private sector investments.

In fact when we talk about \$45 billion plus investment coming to Pakistan, I laugh. This \$45 billion is coming to Pakistan to create an infrastructure which would be able to support a much bigger thing coming after that. I am looking at more than \$500 billion worth of investment in Pakistan. I look at China and try to examine the drivers of this development: Why China has been forced to go out of China; their regional imbalances, their trade, their demographics and then their overcapacity. They have 52% of the world's installed capacity in steel. They produced 25 million cars last year, more than anybody could ever think of. So, that is the kind of change in global scenario we have to look into and deal with.

This is how the String of Pearls concept is being looked at in China. I have taken it from a Chinese presentation; and this is how Chinese ships have been coming and going. The Strings of Pearls concept is basically the sea lanes and ports, and it does not stop in Asia. They have two ports on the US main land, where they have interests, they have a port in Greece, where they have interests; there is a port in Belgium where they have interests, there are ports in Africa, where they have interests; and, of course, Asia.

This is how the Chinese are looking at the India Ocean; again, I have taken this from the Chinese. This is how the Chinese are looking at it. In the Indian Ocean, I start from Shanghai and Canton, their two island ports, and come to Cambodia, Thailand, Malaysia, Indonesia. Then there is Bangladesh and Myanmar. And just opposite India would be the Maldives and Sri Lanka; they have built ports there, in Myanmar, in Bangladesh, in Sri Lanka, in the Maldives and then in Gwadar. And it does not end there. They are building a port in Djibouti now that is just opposite the Gwadar; it is on the Bab-el-Mandeb. The Americans already have a base there, the French have a base there, the Saudis are building a base there, and now there are the Chinese. Why is everybody descending on this tiny nation? It is three quarters of a million in population and one quarter of a million square km of land, but everybody wants to go there; what is there? It is probably a gateway to Africa.

And what are the Chinese putting in there? That is the first Chinese overseas military presence. They are engaged in port development; they are building two airports. Ethiopia-Djibouti railway has already been completed, they have completed a terminal for potash, they have finished a salt extraction plant, water, oil and gas pipelines are complete and a liquefaction plant is complete. So in this tiny nation, this is all aid. They are doling so much for Djibouti.

In fact, if we look closer, we see that Djibouti is linked to other ports in Africa. This is the Trans-African highway. From Djibouti, you can reach each and every country in Africa. And if there are no roads, the Chinese have build them.

And this is a map of the railways; the dotted lines are the new railway projects. They are building more than 10,000 km of railways in Africa. So, this development is not only Pakistan or India centric, but it is also happening in Africa. Probably we need to have a good look at that. Africa is so rich and they are churning out manpower, especially in the northern parts of Africa. The Chinese need resources, their appetite for resources is not going to end. Will Djibouti be serving as a jumping board for reaching Gwadar? And from Gwadar onward, everything moves to China, This will be the shortest possible trade route from China to Africa, or Africa to China. So, whatever is happening at Djibouti, from the international trade perspective, I can say, it is important for me. I am not a strategist; I am not a navy man. I am an international trade man. But I am looking at Djibouti with a lot of interest from that perspective. And since international trade and maritime security are linked, there would be possibilities, things in which Sandila sahib would be more interested than I can ever be.

Thank you.



Introductory Remarks by Ms. Sundus Ahmed



Mr. Fawad Haider KAS Representative



President CPGS Senator Sehar Kamran (TI)



Roundtable in Progress



(Left to right) Mr Zaheeruddin Dar Chief Executive, Admiral Mohammad Asif Sandila NI(M) HI(M), Dr. Azhar Ahmad



Souvenir being presented to the Chair and Speakers



Participants with the CPGS team at the Roundtable on Maritime Security in the Indian Ocean: Prospects and Challenges for Pakistan held at Serena Hotel Islamabad



Roundtable in Progress



‘MARITIME SECURITY IN THE INDIAN OCEAN: CHALLENGES AND PROSPECTS FOR PAKISTAN’

Posted by Editor on February 21, 2017

A roundtable discussion on the “Maritime Security in the Indian Ocean: Challenges and Prospects for Pakistan” was organized by the Centre for Pakistan and Gulf Studies (CPGS) in collaboration with the Konrad Adenauer Stiftung (KAS) at the Serena Hotel Islamabad. It was chaired by the Former Chief of Naval Staff Admiral (R) Asif Sandila NI(M) HI(M). Speakers for the event included Dr Azhar Ahmad, Head of the Department of Humanities and Social Sciences at Bahria University, Islamabad and Mr Zaheeruddin Dar, Chief Executive, Centre for Social Education & Development, Islamabad. The event is first in the series of initiatives launched by CPGS under the auspices of the Centre’s project on ‘Maritime Security’.

In her opening remarks, President Centre for Pakistan and Gulf Studies, Senator Sehar Kamran highlighted that the importance of maritime security today is evident from the fact that over 90% of international trade is still sea-borne and this figure is ever increasing. She highlighted Pakistan’s stakes as well as threats and challenges faced by the country in the maritime area which fall under the aegis of both traditional and non-traditional threats it faces, such as the nuclearization of the Arabian Sea by India through the development and testing of nuclear submarines, aircraft carriers, and SLBMs such as the K-15 and K-4, which are major concerns, both for Pakistan’s national security, and for peace and stability in the Indian Ocean.

The participants opined that the geopolitics of the Indian Ocean revolves around the quest for resources and it has to do with the route for global trade and connectivity. In the context of Pakistan, the north Arabian Sea holds the significance of the strategic heart. Against the backdrop of Gwadar Port development and CPEC, Pakistan has gained a major role in the politics of the Indian Ocean. Unfortunately, Pakistan has not been able to play a pertinent role in the Indian Ocean, but the operationalization of CPEC can open up new vistas of opportunities for Pakistan.

Senator Kamran recommended that Pakistan needs to properly exploit and utilize the natural resources especially the ones found within the increased 50,000 square km of continental shelf. The onus lies upon us to ensure that Pakistan is prepared for any and all challenges that arise from its development as a new regional economic power, she added.

The event was attended by prominent serving and retired officials including the National Security Adviser Lt. General (R) Nasser Khan Janjua.

<http://dailywifaq.com/index.php/2017/02/21/maritime-security-in-the-indian-ocean-challenges-and-prospects-for-pakistan/>

BUSINESS RECORDER

Founded by M.A. Zuberi

IMPORTANCE OF MARITIME SECURITY IN INDIAN OCEAN HIGHLIGHTED

FEB 23RD, 2017

A roundtable discussion on the "Maritime Security in the Indian Ocean: Challenges and Prospects for Pakistan" was organised by the Centre for Pakistan and Gulf Studies (CPGS) in collaboration with the Konrad Adenauer Stiftung (KAS) in Islamabad.

It was chaired by the former Chief of Naval Staff Admiral Asif Sandila (retd). Speakers for the event included Dr Azhar Ahmad, Head of the Department of Humanities and Social Sciences at Bahria University, Islamabad and Zaheeruddin Dar, Chief Executive, Centre for Social Education & Development, Islamabad. The event is first in the series of initiatives launched by CGPS under the auspices of the Centre's project on 'Maritime Security'.

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The event was attended by prominent serving and retired officials including the National Security Advisor Lieutenant General Nasseer Khan Janjua (retd), Ambassador Akram Zaki (retd), former DG ISI Lieutenant General Muhammad Zahir-ul-Islam (retd), Vice Admiral Shahid Iqbal (retd), Rear Admiral Mukhtar Khan Jadoon (retd), Rear Admiral Saleem Akhtar (retd), Commodore Zafar Mansoor Tipu, AVM Faaiz Amir SBT, Brigadier Akhtar Nawaz Janjua (retd) and Syed Abu Ahmad Akif among others.-PR

<http://fp.brecorder.com/2017/02/20170223144262/>



ABOUT KAS

Freedom, justice and solidarity are the basic principles underlying the work of the Konrad-Adenauer-Stiftung (KAS). The KAS is a political foundation, closely associated with the CDU party. As co-founder of the CDU and the first Chancellor of the Federal Republic of Germany, Konrad Adenauer (1876-1967) united social, conservative and liberal traditions. His name is synonymous with the democratic reconstruction of Germany, the firm alignment of foreign policy with the trans-Atlantic community of values, the vision of a unified Europe and an orientation towards the social market economy. His intellectual heritage continues to serve both as our aim as well as our obligation today.

In our european and international cooperation efforts we work for people to be able to live self-determined lives in freedom and dignity. We make a contribution underpinned by values to helping Germany meet its growing responsibilities throughout the world.

We encourage people to lend a hand in shaping the future along these lines. With more than 70 offices abroad and projects in over 120 countries, we make a unique contribution to the promotion of democracy, the rule of law and a social market economy. To foster peace and freedom we encourage a continuous dialog at the national and international levels as well as the exchange between cultures and religions.

Human beings in their distinctive dignity and with their rights and responsibilities are at the heart of our work. We are guided by the conviction that human beings are the starting point in the effort to bring about social justice and democratic freedom while promoting sustainable economic activity. By bringing people together who embrace their responsibilities in society, we develop active networks in the political and economic spheres as well as in society itself. The guidance we provide on the basis of our political know-how and knowledge helps to shape the globalization process along more socially equitable, ecologically sustainable and economically efficient lines.

We cooperate with governmental institutions, political parties, civil society organizations and handpicked elites, building strong partnerships along the way. In particular we seek to intensify political cooperation in the area of development cooperation at the national and international levels on the foundations of our objectives and values. Together with our partners we make a contribution to the creation of an international order that enables every country to develop in freedom and under its own responsibility.

In 2008 the Konrad-Adenauer-Stiftung opened an office in Pakistan. In the field of international cooperation we support the G8 Afghanistan-Pakistan Initiative, the general exchange of the Pakistani and Afghan Civil Society, and the strengthening of rule of law. Moreover, we intend to assist in the development of an economic system that takes into consideration social justice and concern for the environment. The KAS sponsors conferences, seminars and publications of its partners and conducts its own programmes.

VISION

Innovate future prospects for peace and security in the region and beyond through undertaking research on Global Security, Geopolitics, Peace building and Conflict Resolution.

ABOUT THE CENTRE

CPGS is a non-partisan leading research institute established to undertake research on Global Security, Geopolitics, Peace building and Conflict Resolution. The Centre aims to promote an alternative perspective in advancing the cause of peace through policy analysis and direct engagement with decision makers in government, civil society and academia; assess emerging trends at regional and global level and devise strategies for addressing possible future challenges. The Centre regularly conducts seminars, workshops, roundtables and conferences with dignitaries, academics and experts from every walk of life, in order to actively promote regional harmony, global peace, security and stability by making substantive intellectual, academic and diplomatic contributions. The Centre aims to harness the immense potential for increasing cooperation in the region to attain peace, security and economic development and to assess emerging trends in regional policies and devise future strategies.

OPERATIONAL FRAMEWORK AND OBJECTIVES

Promote regional peace and harmony through integrated and comprehensive understanding of issues between peoples, governments and other entities

Strengthen strategic, political, economic and social cooperation among countries of the region and beyond

Conduct research on strategic and security issues, to resolve conflict and build peace through academic engagements, discussion and dialogue amongst all relevant stakeholders.

Identify opportunities and areas of common interest for potential cooperation between Pakistan and the countries of the region at all levels including both public and private sector.

Contribute towards development of ideological and social ideas to promote tolerance and co-existence for building multicultural human society based on shared ideas and common goals

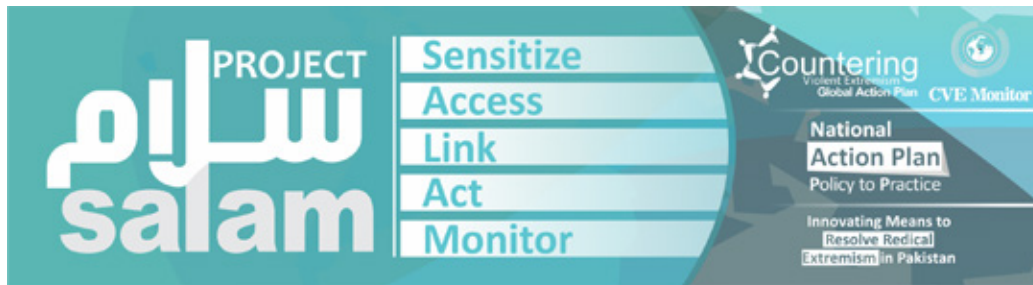
Conduct research and compile reports for the governments and private entities to explore alternative options for efficient management and resolution of regional and international issues;
Organize workshops and events to develop strong working relationship between academia and practitioners;
Collaborate with the other research institutions and think tanks for achieving the core objectives.

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ONGOING PROJECTS





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مرکز دراسات پاکستان و الخليج

INNOVATING FUTURE

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GEO POLITICS, PEACEBUILDING & CONFLICT RESOLUTION**