

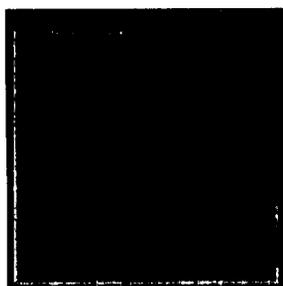
RELEASE IN FULL

From: Sullivan, Jacob J <SullivanJJ@state.gov>
Sent: Tuesday, May 31, 2011 11:15 AM
To: H
Subject: FW: Kaplan and Holmes on Gwadar

FYI. Thought you'd be interested.

From: Brimley, Shawn
Sent: Tuesday, May 31, 2011 9:13 AM
To: #STRATPLAN
Cc: Schulman, Loren DeJonge
Subject: Kaplan and Holmes on Gwadar

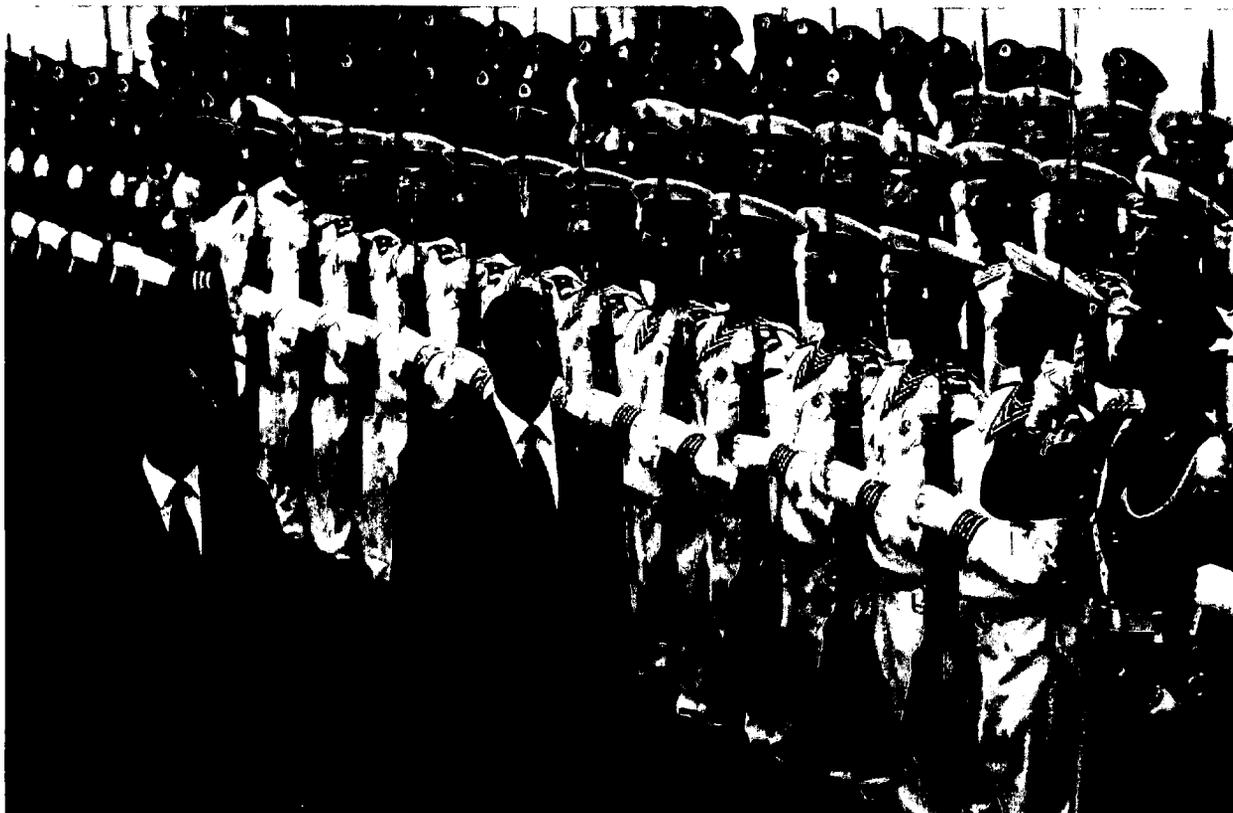
There is a lot of hysteria about Gwadar, even though the prospect of its use as a major naval station by China is very low in the near to mid-term. But the recent PAK-CHINA diplomacy on this is interesting. Two pieces on this below.



China's Port in Pakistan?

China's dream of Indian Ocean ports -- the so-called string of pearls -- is heightening geopolitical tensions in a rough neighborhood.

BY ROBERT D. KAPLAN | MAY 27, 2011



Pakistani officials have announced that the Chinese look favorably on taking over the operation of the Arabian Sea port of Gwadar close to the entrance of the Strait of Hormuz, and perhaps building a naval base for the Pakistanis there as well. The Chinese have apparently contradicted these claims, indicating that they have made no such decisions on these matters.

The fact that Pakistan should want deeper Chinese involvement with this strategically located port, even as the Chinese are hesitant to do just that, should surprise no one. Gwadar is where dreams clash with reality.

The Chinese have already invested \$200 million in building a modern port in Gwadar. Furthermore, a presence of some sort at Gwadar makes estimable sense for Beijing in the abstract. China faces what has been called a "Malacca dilemma." It is too dependent on the narrow and congested Strait of Malacca between Indonesia and Malaysia for its oil and natural gas shipments from the Middle East to Chinese ports.

Thus, China has been engaged in port-building projects in Pakistan and Burma, which, someday, may be linked by roads and energy pipelines directly to China. Besides offering an alternative route for energy supplies, such new ports will be the 21st-century equivalent of 19th-century British coaling stations for China's budding maritime empire spanning the Indian Ocean. Once China has developed a blue-water navy to protect its sea lines of communications, it will require port access along the global energy interstate that is the Indian Ocean. For Pakistan's part, a robust Chinese presence at Gwadar would serve to check India's own strategic ambitions, as Islamabad leverages Beijing against New Delhi.

The problem is that these are all long-range plans -- and dreams. They conflict with messy ground-level realities. Visiting Gwadar for a week in 2008, I was struck not only by how isolated it was, between pounding sea and bleak desert, but how unstable was the region of Baluchistan, which lies immediately beyond the port in all landward directions. Ethnic Baluchi rebel leaders told me that they would never permit roads and pipelines to be built there, until their grievances with the Pakistani government in faraway Islamabad were settled.

The security situation is indeed fraught with peril. The Chinese know this. They know that a pipeline network from Gwadar into Central Asia and China must await the political stabilization of Afghanistan -- and Pakistan, too. Until such a day, Gwadar, while a potentially useful coaling station for a budding Chinese navy, constitutes, in essence, a road to nowhere.

Bottom line: The Chinese may be as frustrated and aghast at the dysfunction of the Pakistani state as are the Americans. Yes, they built the port, with hopes of using it someday. But it seems from their latest statements that they have reservations for the moment. True, they seem to have moved closer to Pakistan to take advantage of Islamabad's estrangement from Washington in the wake of the killing of Osama bin Laden, but they are nevertheless still being cautious. And the caution, I believe, comes not from a lack of geopolitical ambition regarding Gwadar, but from the present security situation in Pakistan, with a government that frankly cannot control its own territory, whether it be the lawless frontier with Afghanistan, or Baluchistan.

Furthermore, just as the Pakistanis want to use China as a bulwark against India, China -- while not shying away from strategic competition with India -- must at the same time be careful not to unduly antagonize India. For China is building or upgrading ports not only in Pakistan and Burma, but in Bangladesh and Sri Lanka, too. The point must be emphasized that it is unclear exactly what China intends for these Indian Ocean ports -- China's so-called "String of Pearls." India already feels surrounded by China and has greatly enlarged its own naval base at Karwar, in the country's south, partly in response to Chinese construction work in Gwadar. Given that India and China may soon constitute the world's largest bilateral trading relationship, China must tread carefully. After all, it has always claimed to its neighbors that its rise is benevolent and non-hegemonic.

Indeed, Gwadar is important: not for what it is today, but for what it will indicate about Beijing's intentions in the coming years and decades.

Robert D. Kaplan is a senior fellow at the Center for a New American Security and the author of *Monsoon: The Indian Ocean and the Future of American Power*.



How to Track China's Navy Ambitions

EAST ASIA | SECURITY | CHINA

May 31, 2011 By James R. Holmes



Is the talk around the port of Gwadar a sign that China is considering a string of pearls strategy? Anti-air missile batteries will be the first sign.

Last weekend, the Pakistan Navy briefly dominated headlines when two unrelated events took place the same day. Both constituted part of the fallout from the US Navy SEAL raid on Abbottabad, which claimed the life of al-Qaeda chief Osama bin Laden. On Sunday, Taliban militants struck at a naval air station in Karachi, killing 13 Pakistan Navy personnel and torching two US-built P-3C Orion maritime patrol aircraft. A seesaw gun battle raged into Monday before the militants were finally silenced. The attack on Mehran Naval Air Station was part of a spate of Taliban operations evidently meant to remind Islamabad, the region, and the world that Islamist militancy remains a going concern despite bin Laden's death. In essence, it was Taliban commanders' way of messaging vis-à-vis important audiences.

Also on Sunday, Pakistani officials made an announcement of potentially seismic importance for the Indian Ocean region. It pertained to the western Pakistani seaport of Gwadar, which has occasioned no end of buzz among China-watchers since construction of deep-water port infrastructure began there in 2002. Gwadar lies near the Strait of Hormuz, along sea lanes bound to and from the Persian Gulf. More noteworthy, China bankrolled the project, putting up \$200 million—or some 80 percent—of the initial funding. The harbour's strategic site, coupled with the identity of its external funder, has fanned speculation that China's People's Liberation Army Navy, or PLAN, will someday convert Gwadar into a forward naval station in the Indian Ocean—paving the way for a standing PLAN Indian Ocean squadron.

The first part of the Pakistani announcement was innocuous. A Singaporean firm, PSA International, has administered the container terminal since it commenced operations in 2008. Islamabad has been having second thoughts about the arrangement, which came under legal challenge last autumn. Chinese officials have made occasional noises about taking over management of the port.

It was the other part of the announcement that raised eyebrows. Defense Minister Chaudhry Ahmad Mukhtar accompanied Prime Minister Yousaf Raza Gilani on a mid-May trip to China. Upon his return, Mukhtar reported that the Pakistani delegates had proposed both shifting management of Gwadar to a Chinese firm and constructing a military facility there. 'We have asked our Chinese brothers to please build a naval base at Gwadar.' Mukhtar told the *Financial Times*. While he offered no timetable for the move, Mukhtar alleged that China had agreed to take over port operations. He added that Islamabad would be 'more grateful to the Chinese government if a naval base was being constructed at the site of Gwadar for Pakistan.' His words seemed designed to put Washington on notice that Islamabad has other allies as US-Pakistan relations sour following the Abbottabad strike.

Beijing quickly soft-pedalled the Pakistani pronouncements. On Tuesday, the Foreign Ministry professed not to know about such an overture. 'I haven't heard of this project,' declared spokesman Jiang Yu. 'As far as I know this subject wasn't brought up during the visit last week.' China has ample reason to distance itself from such plans. Its leadership clearly entertains strategic motives of some sort in Gwadar. Energy security is one. An overland pipeline connecting coastal Pakistan to western China would ease Beijing's 'Malacca dilemma,' letting oil and gas supplies bypass the Strait of Malacca. Chinese officials openly fret that some antagonist—most likely the US Navy—might mount a 'distant blockade' of Chinese shipping, interrupting the flow of energy resources as an asymmetric reply to Chinese actions in the Taiwan Strait, or during some other contingency that pits the United States against China.

It only makes sense for Beijing to open up new supply routes, diversifying its energy-security portfolio. This is uncontroversial. As Robert Kaplan points out, however, such a pipeline would run through a modern-day Wild West, with all the insecurity it entails. The surrounding province of Balochistan is home to a nagging insurgency. A pipeline would make an inviting target for insurgent mischief-making. Cutting Chinese oil supplies would be an excellent method of sowing discord between Pakistan and its Chinese patron, bringing indirect pressure on Islamabad. In short, the parlous security situation in South and Central Asia casts doubt on the pipeline project's fate.

The more intriguing question is whether Beijing will proceed with a naval base. Indeed, this is the crux of the debate over Gwadar. Since 2005 or thereabouts, the rumour mill has held that China means to construct a 'string of pearls,' or network of forward naval bases in the Indian Ocean. For those who subscribe to this view, putatively commercial port developments like Hambantota, on Sri Lanka, Chittagong, in Bangladesh, and Gwadar represent the precursors to such a network. And indeed, Beijing almost certainly negotiated some form of guaranteed PLAN access to these harbours when it struck the deals to develop them. Chinese leaders would be foolish not to.

But that doesn't necessarily mean a full-fledged base is in the offing. Calling at a foreign port for fuel and stores is one thing. Building a facility capable of hosting a permanent naval squadron is quite another. Almost any port can meet basic needs. Dubai and Abu Dhabi offered excellent places for refuelling and R&R when I deployed to the Gulf 20 years ago, but no one would have mistaken them for full-service bases. It's rather like the difference between a self-serve gas station and a full service station with mechanics standing by to perform extensive repairs and maintenance.

Writing during World War I, Rear Adm. Bradley Fiske observed that the advent of oil-fired propulsion plants, along with techniques and hardware for refuelling, rearming, and reprovisioning underway, had 'partially' liberated US fleets from

their bases. Fiske added that underway replenishment ameliorates warships' need for depot maintenance and repair not one whit. Such services comprise a critical element of the 'stored-up energy' a naval station discharges to men-of-war to sustain at-sea operations. Any naval station worth the name, therefore, boasts not only piers and navigable channels—as Gwadar and other Chinese-funded Indian Ocean ports already do—but also maintenance facilities, ammunition and fuel storage, and ideally even dry docks for taking warships out of the water and overhauling their hulls.

Will Gwadar morph into a true naval station, as Mukhtar's words suggest? And, if so, how good a base would it be for the PLAN? Fiske's contemporary Captain Alfred Thayer Mahan is as good an authority as any on this topic. Mahan would probably voice scepticism about the port's value unless Pakistan and China undertake some major improvements. I remain agnostic myself. Mahan evaluated prospective bases by three standards, namely position, strength, and resources. Sited near Hormuz, Gwadar possesses strategic position in abundance. Strength, a.k.a. defensibility, is another question, as are the resources by which a seaport sustains itself and visiting ships. Look Gwadar up on Google Earth. The port sits on a narrow peninsula jutting into the Arabian Sea. It looks like an easy target for cruise-missile or air strikes. Indian airmen reportedly profess confidence in their ability to pummel this nearby target from aloft.

While Beijing has demurred about making Gwadar a forward base, the nature and scope of building activity there presents observers a metric by which to track the evolution of Chinese naval ambitions in the Indian Ocean. Correcting the port's deficiencies in strength and resources would demand extensive construction of workshops, ammunition and fuel dumps, and the like. Offsetting its vulnerability would demand defences against sea and air attack.

Now that Beijing's truck-launched CSS-5 antiship ballistic missile (ASBM) has reached initial operational capability, that system looks like an ideal, easily transported defence for Gwadar and other exposed sites. According to the Pentagon's annual reports on Chinese military power, in fact, ASBM coverage will extend over the northern Arabian Sea from sites along China's western frontier once the system is fully operational. Similarly, outside observers should watch for signs that Beijing has positioned mobile anti-air missile batteries to fend off US and Indian aviators and other potential opponents. Such capabilities would go far toward hardening Gwadar—and blunting Mahanian objections about its prospects of withstanding assault.

Monitoring such developments will alert China watchers to any quickening of Chinese ambitions for a string of pearls.

James Holmes is an associate professor of strategy at the Naval War College. The views voiced here are his alone.

<http://the-diplomat.com/2011/05/31/how-to-track-china%E2%80%99s-navy-ambitions/>

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