

## **Seaport Geopolitics in South Asia, with Special Attention on BRI Projects**

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Received: 22/10/2022

Accepted: 04/01/2024

<https://doi.org/10.22034/igq.2024.364269.1710>

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### **Abstract**

This study examines the infrastructural geopolitics of South Asia, with a particular emphasis on port developments and the effects of ports on the geostrategic positioning of South Asian countries. The infrastructure assists in the transportation and movement of goods between different countries. Many nations have invested significant money in developing modern ports that capitalize on globalization. South Asian countries have consistently bolstered their ports to compete with their Western counterparts in commerce. The evolving nature of international relations reveals that ports also play a different purpose in geopolitics. The world's fastest-growing region is suffering from a lack of infrastructure. Due to low intra-regional investment and trade, South Asia has poorer infrastructure than neighboring Southeast Asia. China invested in South Asian countries to achieve its goal of establishing a global trading route in the absence of intra-regional investments and trade in South Asia.

Meanwhile India has also invested, for example, in Bangladesh and the Maldives to fortify its position in the Indian Ocean. How valuable are those Chinese investments to South Asian nations? According to the literature, it depends on the country's location and investment policies. China's rise as a revisionist power has drawn differing reactions from its neighbors and the world's dominant powers.

**Keywords:** Port Geopolitics, Geoeconomics, Connectivity, Infrastructure, South Asia.

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## **1. Introduction**

Infrastructural geopolitics provides a platform for capturing how infrastructure shapes geopolitical processes, not just as a tool but as an alternative path with the agentic ability (De Goede and Westermeier,2022). Furthermore, infrastructural geopolitics creates a framework that recognizes deposition, political emergence, and fracturing as essential avenues for analyzing the dominant politics of today's infrastructure warfare.

To understand infrastructural geopolitics in South Asia, we need to figure out the importance of infrastructure in society, especially in this fastest-growing region. Infrastructure is integral to a country's development and the foundation of effective public policy.

For over a decade, the Global Competitiveness Report (GCR) by the World Economic Forum (WEF) has recognized infrastructure as an essential contributor to overall competitiveness (Cantu,2017). According to some definitions, infrastructure is a broad and complicated term for capital goods, which in conjunction with other inputs, deliver services (Prud'Homme,2004; Snieska and Simkunaite,2009). Infrastructure includes trade and business opportunities, connects workers to jobs, and protects the nation from the unpredictable natural environment. "infrastructure projects" refers to networks with delivery systems that permit significant interactions in providing services to individual clients (Oughton and Tyler,2013).

Investment in the right infrastructure, which offers transformative outcomes for the people and the environment, can play an essential role in economic recovery and stability. According to existing literature, the connection between a country's infrastructure and financial performance is significant (Fedderke and Bogetic,2009). There are two ways in which infrastructure can affect growth: directly, by acting as an additional output in production and thus creating fiscal multipliers, or indirectly, by increasing total factor productivity and decreasing firm costs.

In South Asia, there has been a rapid rise in its economic power status. South Asia, home to about a quarter of the world's population and 40% of the world's poor, must maintain its growth pace sustainably to raise the overall standard of living and reduce poverty (Sahoo and Dash,2012). Economic and social infrastructure development is a fundamental predictor of economic growth, particularly in emerging countries.

The key assumption of the research is that a country's geographical location determines its involvement in global politics. Furthermore, it indicates how advantageous or unbeneficial one country is to others regarding social, economic, and political factors (Hussain and Hussain,2017). Moreover, a country's seaports are also playing an essential geographical role. The need for facilities, supplies, and related services is growing in proportion to the annual volume of goods and the number of travelers. However, these will help the economy and the country to a different extent.

Due to its facilitating movement between the sea and the land, ports play a pivotal role in sustaining economic activity in the hinterland. A port's ability to generate new jobs serves both a practical and social purpose (Arasteh and et al,2016). Seaborne transport is the most cost-efficient method of transporting cargo. Industries need a safe and inexpensive means of shipping products and bringing supplies.

Therefore, most of the world's biggest industries are near essential ports on the ocean's coasts. To that end, these sectors have repercussions for their workers and those who benefit indirectly from them. We will examine above if the ports are crucial to a country's development. Among ports, warm water seaports are more beneficial because these remain open for all activities throughout the year as water does not freeze during winter. Gwadar Seaport is the world's only warm water-deep seaport in South Asia (Pakistan).

New prospects and openings exist in the Eurasian region due to shifting geopolitical and geostrategic dynamics since the end of the Cold War. Regional connectivity via ports has assumed a vital role in bilateral and international relations due to the geographic conditions and the resurgence of geopolitical competition. Thus, port geopolitics has become a buzzword in regional connectivity (Allahverdizadeh and Karimi,2022). India has extensive political, strategic, and economic ties to the Eurasian region.

However, a lack of regional connectivity has prevented the promise from materializing. India's international interests, particularly its efforts to improve connectivity across the Eurasian area, have been hampered by the rise of the Sino-Pakistan axis. Chabahar Port in Iran is strategically located, making it an essential tool for India to use in these fields; however, Iran has presented China and Pakistan with investment opportunities in the same project (Singh and Singh,2019). New Delhi has been unable to move

forward with the proposed Chabahar Port project due to ongoing competition with China-Pakistan.

China has launched a massive infrastructure development project across Asia, Africa, and Europe called the Belt and Road Initiative (BRI), and part of that is the Maritime Silk Road Initiative (MSRI). Many initiatives are currently in place, and many more have been planned in South Asia as part of this initiative. According to available information, Pakistan, Sri Lanka, Bangladesh, and the Maldives are willing to participate in this initiative (Ranjan and Changgang,2021). South Asian countries have lacked critical infrastructure for decades, hampered their economic growth. This project represents a golden chance for several South Asian countries to accomplish their future development goals.

This research aims to compare recent investments in infrastructure, the quality of infrastructure in South Asia, and the impact on nations' positions based on statistical data. A primary focus of this research is the seaports of the region, which are crucial geopolitical locations. This research aims to highlight the importance of infrastructural geopolitics in its primary stakeholders, the effects of infrastructure development on society, and port developments in South Asia.

## **2. Method**

This paper uses the literature scanning method to compare the impact of infrastructural geopolitics from the perspective of South Asian countries: Pakistan, India, Bangladesh, Maldives, Nepal, and Sri Lanka. Nepal is mentioned shortly because it is involved in BRI. Still, Bhutan and Afghanistan are left out of the research because they are landlocked countries without seaports. Iran is examined due to its involvement in regional seaport management and infrastructural geopolitics. The countries are concerned separately, focusing on their biggest port projects and selected port projects with a connection to BRI. The research relies heavily on the literature review of the studied area while conducting exploratory investigations, writing reports, making estimates, and obtaining statistical results. Sub-methods within the literature review include document and archive analysis and historical data scanning. This research assesses the significance of infrastructural geopolitics in South Asia based on information collected from primary and secondary sources while discussing the South Asian nations' foreign policy toward foreign infrastructure investment and the relationship between these countries. Research articles

and the information gathered from various academically significant sources like Google Scholar, Scopus and Web of Science have been studied.

### **3. Research Background**

Global interest in South Asia's infrastructure needs has caused excitement and concern in developing countries. Intra-regional enterprises' participation in South Asia is meager compared to other regions, affecting consumers, workers, enterprises, and overall economic progress. Intra-regional trade accounts for only 5-6% of total employment and less than one-third of its potential (Kathuria and et al,2021). Since intra-regional investment is minimal, inter-regional investors can access the market of this emerging region. The Chinese government seized this opening and promptly unveiled the Belt and Road Program (BRI). The Belt and Road Initiative (BRI) seeks to improve China's international standing by strengthening infrastructure, foreign policy, and cultural ties.

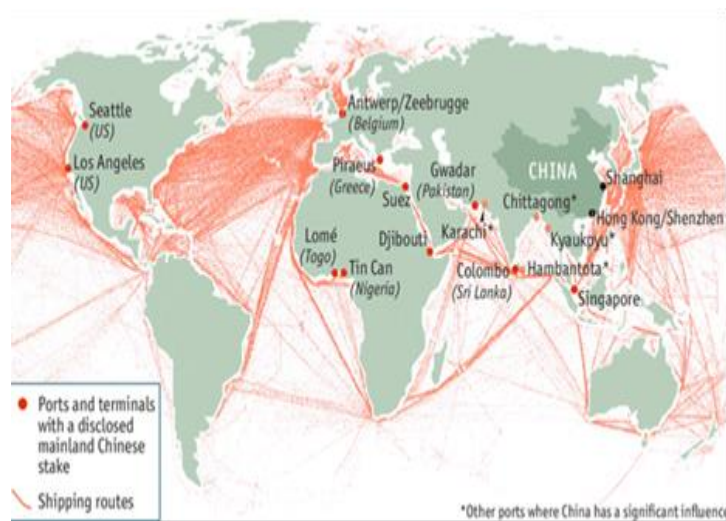
Nonetheless, it originally intended to connect only Eurasia and Southeast Asia. The BRI has since expanded to include South Asia, the Middle East, and much of Africa. Land and sea connections have been the focus of the Belt and Road initiative (the so-called Maritime Silk Road). To arrive from China to the North Sea, proponents of the Maritime Silk Road plan to travel via Singapore, Malaysia, Sri Lanka, Djibouti, the Suez Canal, Turkey, Greece, and Italy. The BRI aimed to establish an economic and geostrategic relationship with South Asia. Chinese officials devised measures to foster cultural and commercial linkages, enhancing China's goals and image (Asgarkhani and et al,2019).

#### **3-1. Infrastructural Geopolitics in South Asia**

China is indeed a key player in South Asian infrastructure geopolitics. China provides an opportunity for South Asia's infrastructure demands. Many BRI projects in South Asian countries have received Chinese investment; Pakistan, Sri Lanka, and Bangladesh are at the top of the list, and Iran recently joined BRI through an agreement. China's global investment in ports is shown in Figure (1). On the other hand, India has invested in Iran's Chabahar port to access the Afghan and Central Asian markets. The ports of Gwadar and Chabahar were initially viewed as competitors, but the Iranian foreign minister dispelled those notions. These ports are considered twins because of the 70-kilometer distance between Gwadar and Chabahar. China has also begun cooperative infrastructure projects with its Southeast and

Central Asian neighbors. Discussions on other multilateral projects, such as the Bangladesh-China-India-Myanmar (BCIM) economic corridor, are examples of China's international engagement (Tuschhoff,2022). Significant infrastructural geopolitics in South Asian countries is explained in the further discussion.

**Figure (1): China's Global Investments in Ports**



(Source: Kahandawaarachchi,2015)

### 3-1-1.Pakistan

Since 1950, Pakistan and China have had a long-standing, beneficial relationship. 2015 the China-Pakistan Economic Corridor was established, opening up new economic, infrastructure, and geopolitical potential. Building a dependable transportation network in the rural northeast, with a focus on railways, is China's primary goal. During the Cold War, China engaged in international infrastructure projects like the China-Pakistan Karakoram Highway. China put much effort into growing and expanding its western and coastal regions through national highways and roads under Deng Xiaoping and Jiang Zemin. The BRI launched new projects and reorganized global bilateral and multilateral relationships. The China-Pakistan Economic Corridor was the initiative's main area of interest in South Asia (CPEC). The Karakoram Highway and the BCIM were part of this corridor. It is impressive how keen China is to invest money in the BRI.

By 2025, the People's Republic of China has committed to supporting \$1 trillion in the BRI, and according to some reports, the Chinese government expects to spend up to \$8 trillion on the initiative by 2049, the year the PRC celebrates its centennial (Shahriar,2020).

The China-Pakistan Economic Corridor, the BRI's flagship project, is the foundation for all other BRI initiatives in Pakistan (Hussain and et al,2021). The \$62 billion CPEC project began in 2015 to connect Southwest China to Pakistan. Construction of a 125-mile tunnel between China and Pakistan, upgrades to highways and railways across the country, building a railway track to Kashgar in China's Xinjiang Province, and improvements to existing airports are examples of such infrastructure projects (Ahmed,2018). The annual average electricity shortfall in Pakistan is between 4,000 and 7,000 MW due to the country's poor infrastructure, energy, and power (Ali and et al,2017). China is also investing in the power sector of Pakistan.

In light of the China–Pakistan Economic Corridor, Pakistan is investigating ways to improve energy efficiency (CPEC). Energy shortages and frequent power outages can cost as much as 7 percent of GDP, which harms the economy, people's standard of living, and even national defense. Seventy-six percent of CPEC-related projects are in the energy sector, which will help solve Pakistan's energy crisis and end its electricity crisis (Ali and et al,2017). China plans to invest over \$34 billion in Pakistan's energy sector to increase electricity production by around 17,000 MW (Bhattacharjee,2015). It is predicted that once the initial projects are finished, CPEC will supply Pakistan with 10,400 MW of electricity (Thambi,2018). These infrastructural projects can solve Pakistan's infrastructure gap and power shortage problems.

### **3-1-2.Gwadar Port**

An important hub for Chinese and Pakistani trade is the port city of Gwadar, which is situated on the Arabian Sea. It is anticipated to offer a port closer to China's east coast and give a more personal port for the province of Xinjiang. The port will oversee the Reko Diq Barrick Gold Organization's gold and copper products, with \$7 billion expected to be invested in the mine over the following few years (Zhang,2022). The Gwadar Free Zones want to establish themselves as a successful exporting nation on the world market. Due to its strategic location and significant infrastructure investments under the CPEC, Baluchistan, a key component of the Gwadar

Port, is becoming a regional economic and communication hub (Islam,2023).

**Table (1): CPEC Official Projects in Gwadar**

Project Name	Estimated Cost (million USD)	Details	Status (as of January 2021)
Gwadar East-Bay Expressway	168	Financed by Chinese government interest-free loan. Contracted to CCCC	Under construction
New Gwadar International Airport	230	Financed by Chinese government grant. Contracted to CCCC	Under construction
Construction of breakwaters	123	Financed by of Chinese government concessional loan and grant. Contracted to COPHC	Under construction
Dredging of berthing areas & channels	27	Financed by Chinese government concessional loan. Contracted to COPHC	Under construction
Development of Free Zone	32	Invested and operated by COPHC.	1st phase completed and inaugurated in January 2018
Pak China Friendship Hospital	100	Financed by Chinese government grant. Contracted to Gansu Construction Investment Holdings Group, a Chinese SOE under Gansu Province	Under construction
Pak-China Technical and Vocational Institute at Gwadar	10	Financed by Chinese government grant.	Under construction
Gwadar Smart Port City Master Plan	4	Contracted to CCCC-FHDI Engineering Co., Ltd., a subsidiary of CCCC.	Completed
300MW Imported Coal-Based Power Project	542	Co-invested by CCCC Industrial Investment Holding Company, a subsidiary of CCCC, and Tianjin Energy Investment Group, a Chinese SOE under Tianjin Municipality	Under construction

(Source: CPEC Official Website cited by Hong Zhang,2022)

The bilateral trade volume between India and Russia has reached an unprecedented level, with India and Russia aiming to increase their bilateral trade to \$30 billion by 2025. Baluchistan, Pakistan's poorest province, has a low GDP and a per capita income of \$400, making it the least populous area in the country (Gholizadeh and et al,2020). The Hambantota Port, Sri Lanka's key port is essential to the nation's trade and economy. China has received two billion USD in finance for the Hambantota Port Development Project. However, the island's economic obscurity, expensive maintenance costs, and significant interest payments have put it in a debt trap. Sri Lanka agreed to discuss the sale of 80% of the Hambantota port in 2006 in exchange for a 99-year lease at USD 1.12 billion. Chinese government-owned business CMPHCL is building and funding the port.



According to the Sirisena administration, transforming loans into equity is the only realistic route out of the debt trap. As it connects China with the Middle East and Africa and ensures that India's trade channel is not blocked, China's assistance to the Hambantota port expansion is a crucial strategic step.

**Figure (2): Oil Supply Routes from the Middle East**



(Source: Shaikh and et al,2016)

Up to 14,490 kilometers are currently traveled by oil tankers from Middle Eastern nations producing oil to China. It takes two to three months to cross the Indian Ocean and the Strait of Malacca. More than 55% of China's oil imports originate from the Middle East and North Africa, making the Indian Ocean and Malacca Straits routes essential to the country's economy. (Kamran and Hosseini,2020). Once it is fully operational, Gwadar Port will cut the distance that offshore oil must travel by more than half, from more than 5,000 kilometers to less than 2,500. The research that is now accessible indicates that China has access to at least six different routes for importing oil from the Middle East and West Africa. Four routes lead to China: two starts in West Africa, one in the Middle East, one in West Africa and one that ends in Myanmar. The fourth route starts in the Middle East and leads to China. A map of Route E, which runs via Pakistan, China, and the Middle East. (Shaikh and et al,2016). Although Route E is not yet in use, it will be advantageous in terms of time and fuel costs when CEPEC develops its infrastructure, particularly at the port of Gwadar. Route E will cut the time

needed to deliver oil from the Middle East to Gwadar, Pakistan, in half compared to West India.

### **3-1-3.India**

The BRI's success has influenced India, a traditionally slow-moving actor in South Asia. India's proximity to the Maldives and Sri Lanka makes it a popular tourist destination. However, China has not successfully changed public opinion or convinced India to participate in BRI projects. India's view changed after the BCIM corridor was incorporated into the BRI in 2015. The Trans-Himalayan Economic Corridor (THEC) was initially intended as a two-way communication channel between Nepal and China. Still, India opposed the plan due to Nepal's reduced reliance on Indian ports for trade and cargo transit (Baruah,2018).

### **3-1-4.Bangladesh**

Bangladesh is a relatively small country that has successfully managed the BRI, forging a relationship with China while considering India's primary interests (Titumir and Rahman,2019). Since it has taken charge of the BRI, maintained a delicate geopolitical balance between China and India, and received economic generosity from both, Bangladesh has had the most success with the BRI. Over the last decade, China has poured over \$10 billion into Bangladesh, funding such projects as the construction of dozens of "China-Bangladesh friendship bridges," power plants, an international exhibition center, and an economic zone. Bangladesh has asked China for \$9 billion to fund additional projects like a new railway track between Joydebpur and Mymensingh and expressways and tunnels (Pattanaik,2019). The Bangladeshi economy has benefited from the BRI. Bangladesh relies on Chinese investment and infrastructure, and most Bangladeshis support China and the BRI.

On the other hand, Bangladesh has successfully courted China while avoiding India's hostility and even co-opted India into parallel initiatives and investments. The Chinese government's \$38 billion economic package for Bangladesh in 2016 was a massive win for the country. It was quickly followed by the Indian government's \$5 billion line of credit and financial support (Ghiasy,2021).

### **3-1-5.Chittagong Port**

Chittagong Port, the commercial hub of Bangladesh, is a thriving regional seaport where 92 percent of import-export activity occurs. The prime minister of Bangladesh, Sheikh Hasina, has promised unfettered commerce with the northeastern states of India, such as Assam and Tripura, despite obstacles like ineffective port operations and a lack of intermodal connections. Bangladesh's infrastructure is improved by its strategic alliances with China and India (Siddiqui,2023).

### **3-1-6.Maldives**

Pressure from India on domestic and geopolitical fronts has made the Maldives the least enthusiastic of the small countries about the BRI. In doing so, it has cut ties with the BRI and China. Finally, the government has distanced itself from the BRI due to political and economic shifts in India and the Maldives. With its location in the Middle of the Indian Ocean and its roughly 200 islands, the Maldives is a desirable strategic location for China and India. The route crosses strategic waterways that could one day be developed into military bases and ports.

### **3-1-7.Nepal**

Nepal's membership in the BRI officially began in May of 2017, though the process started in 2015. Connectivity and physical infrastructure are both parts of the BRI in Nepal. The most ambitious connectivity project is the Kathmandu–Beijing High-Speed Rail and Highway Corridor (THEC). The proposed \$2.15 billion Kyirong-Kathmandu railroad is one of many projects under the THEC. Several recent events have marked an increasing trajectory of the Chinese and Indian (and the US and other allies) mutual strategy of containing and constraining one another's long and ongoing integration and influence in infrastructure and beyond. It has made competition in infrastructure development a daily reality in Nepal.

### **3-1-8.Sri Lanka**

Sri Lanka became possibly the most prominent example of China's BRI development in South Asia when 2017, it could not repay its debts to China and was compelled to lease China the port of Hambantota. Some argue that this event unfairly made Sri Lanka the poster child for allegations that China engaged in debt-trap diplomacy via the BRI (Attanayake and Ren,2021). While Sri Lanka has benefited economically and in terms of connectivity from the BRI, it has had to rescind some projects to strike a balance in its

sometimes tense relations with India. As part of China's Maritime Silk Road initiative, Sri Lanka offers the country an IOR vantage point thanks to its location along the Europe-Asia maritime commerce route. It has been claimed that the BRI has, at various times, included Sri Lanka and physical and soft infrastructure projects, such as cultural exchanges. Some estimates put China's total investment in Sri Lanka's infrastructure at \$23.9 billion, with the majority of that money going toward building highways and expressways. The remainder goes toward building ports (Wignaraja and et al,2020).

### **3-1-9.Hambantota Port**

Sri Lanka's strategic port, the Hambantota Port, is located in the Indian Ocean and is crucial for the country's economy and trade. The Hambantota Port Development Project has received funding from China totaling USD 2 billion. However, the island is currently in a debt trap due to its economic invisibility, high maintenance costs, and massive interest payments. In 2006, Sri Lanka agreed to negotiate the sale of 80% of the Hambantota port for a 99-year lease at USD 1.12 billion (Patrick,2017). CMPHCL, a government-owned Chinese company, funded and constructed the port.

The Sirisena administration sees converting loans into equity as the only practical way out of the debt trap. China's contribution to the Hambantota port expansion is a vital strategic move, as it connects China with the Middle East and Africa, ensuring India's dominance in the Indian Ocean. However, International sovereign bonds made up 36.5 percent of the country's total foreign lending at the end of 2021. These bonds comprised an even larger portion of Sri Lanka's 2021 foreign debt repayments: 47% versus China's 20% (Scott Tyson,2022).

**Figure (3): An Example of Seaport Geopolitics in Recent Times-Sri Lanka's Worker Holding Chinese Flag at Hambantota in August 16, 2022 before Chinese President's Arrival**



(Source: The Christian Science Monitor, Scott Tyson,2022)

### **3-1-10.Colombo Port Project**

The Colombo Port Project, initiated during a 2014 visit to Sri Lanka by Chinese President Xi Jinping, will feature a Special Economic Zone (SEZ) where businesses can use any currency without restrictions. Port City, constructed on reclaimed land covering over 5 million square meters in the Indian Ocean, is intended to attract multinational corporations, corporate headquarters, and other local stakeholders. The Rajapakse administration envisioned a naval and financial hub in the Colombo Port City project. In addition to schools, it would also have hospitals, malls, and housing. In light of what happened at Hambantota Port, many Sri Lankans are wary of the Colombo port city project. Over eight billion dollars in Chinese loans and investments have left Sri Lanka's government struggling to make ends meet, so for 99 years, they leased the Hambantota port to a Chinese state-owned company for USD 1.2 billion.

### **3-1-11.Iran**

Iran is a Middle East country, but due to its involvement in South Asian geopolitics, especially in the seaport, sizeable infrastructural geopolitics is happening around this region. Iran has a coastline of around 1,300 kilometers, almost half of which is along the eastern bank of the Persian

Gulf, and the remaining coast is in the Gulf of Oman. Bandar Abbas, the country's principal port, can be found on the coast of the Strait of Hormuz.

### **3-1-12.Chahbahar Port**

Chabahar Port in Iran is becoming a potential international trade center and geopolitical competition site. India has invested heavily in the port, offering an alternative to Pakistan's land routes to Afghanistan and Central Asian markets. The port may strengthen ties between India and Iran as China seeks access to Iran's natural resources and maritime trade routes. Iran aims to expand its international and commercial relations while balancing cooperation between India and China.

The Chabahar Port in southeastern Iran was the subject of a trilateral trade deal between Iran, India, and Afghanistan in January 2016 (Omidi and Noolkar-Oak,2021). Chabahar Port, the Persian Gulf's first deepwater port, offers significant economic and strategic benefits for Iran and India. It connects Iran to global supply chains, avoids US sanctions, and maintains trading ties with neighboring countries (Ali,2020). India invested \$500 million in the port, with \$85.21 million budgeted for a container and multi-use cargo terminal. The port is crucial for India's manufacturing sector, which accounts for 24.2% of GDP.

According to a recent scenario, bilateral commerce between China and Iran reached \$15.8 billion in 2022, up 7% over the same period in the prior year. China has been Iran's top trading partner for ten years (Bonesh,2023).

The head of the Iran-China Joint Chamber also stressed that the Iranian private sector wanted to expand its business ties with China. However, he acknowledged that there were challenges. The granting of visas to Iranian business people is fraught with issues. Thus making it easier will undoubtedly advance relations between the two sides. Iran's exports to China totaled US\$1.52 billion in 4M 2023, a 39 percent decrease from the same period in 2012. China purchased commodities from Iran at US\$2.49 billion during the same period last year.

However, China's exports to Iran rose by 46%, totaling \$3.71 billion. Iran received goods worth US\$2.53 billion in exports from China between January and April last year (Briefing,2023).

### **3-2.Infrastructure Quality in South Asia**

Strategic geopolitical investments are closing the infrastructure gap in South Asian nations. China and India are two major powers and neighbors

competing with one another in infrastructural geopolitics. However, China invests much more in this area. According to the World Economic Forum's 2019 World Competitiveness Report, 141 economies' infrastructure performance was ranked based on a comprehensive set of measures. Countries' quality indexes ranked from 1 (low) to 7 (high) in the WEF Global Competitiveness Report 2019. Table (1) summarizes data that evaluates South Asian countries based on their regional economic performance and the quality of their essential infrastructural components.

**Table (2): Quality of Infrastructure in South Asia**

	<b>Overall Infrastructure Rank</b>	<b>Quality of Roads</b>	<b>Railroad Infrastructure Quality</b>	<b>Port Infrastructure Quality</b>	<b>Air Transport Infrastructure Quality</b>
<b>India</b>	70	4.5	4.4	4.5	4.9
<b>Pakistan</b>	105	4	3.8	4.1	4.2
<b>Bangladesh</b>	114	3.2	3.1	3.5	3.8
<b>Sri-Lanka</b>	61	3.9	3.8	4.1	4.6
<b>Nepal</b>	112	2.9	1.3	2	3.2

(Source: WEF, Global Competitiveness Report, 2019)

India's infrastructure development has attracted foreign investment and promoted local businesses to grow and contribute to its expanding economy. With abundant labor and capital resources, India's infrastructure investments have yielded encouraging results. Sri Lanka's infrastructure performance and critical components are impressive but perform worse than other upper-middle-income economies. Pakistan's ranking of 105 indicates it still requires improvement and investment to meet high-class infrastructure standards. South Asia has historically had minimal intra-regional trade. Still, Southeast Asian countries rank higher in the world economic forum report on infrastructure quality, indicating increased intra-regional investment. Overall, India's infrastructure investments have contributed significantly to its economic growth.

#### **4. Conclusion**

The interest shown by the international community in South Asia's infrastructure requirements has generated excitement and concern in developing countries. The participation of intraregional enterprises in the region is relatively low compared to other parts, impacting consumers, workers, businesses, and the area's overall economic development. Because

of the relatively low investment levels within the region, investors from the other sites can gain access to the market in the developing part of South Asia. The Chinese government saw an opportunity and launched the Belt and Road Initiative (BRI). Through improved infrastructure, new policies, and increased cultural exchange BRI aims to fortify China's ties to the rest of the world. Regarding the geopolitics of South Asian infrastructure, China is a significant player. Several BRI projects in regional countries have benefited from China's financial support. Projects like the China-Pakistan Economic Corridor, which the Chinese government took part, are examples of such multilateral infrastructure initiatives. China's access to African oil is contingent on the development of Gwadar as part of CPEC, which is why Japan, the Philippines, Vietnam, and other countries are wreaking havoc in the East China Sea and the South China Sea to limit China's activities there. Only if the local community benefits financially and has access to new opportunities will CPEC be worthwhile.

CPEC has much potential to serve Pakistan, but a few threats exist. Corruption is one of the biggest threats. Sri Lanka's failure to repay its debt to China contributed to the loss of the port at Hambantota. If Pakistan wants to take advantage of the CPEC, especially the Gwadar port, it must avoid getting into Chinese debt. Pakistan's neighbor, India, sees China as its most prominent geopolitical antagonist. India, a traditionally reserved actor, has been compelled to pursue regional connectivity projects to further the BRI's expansion in South Asia. Due to its expanding economy and extensive investment, India has become a significant power in the region alongside China. Well-balanced infrastructural geopolitics is seen in Bangladesh for both China and India and received economic assistance from both. Bangladesh requires Chinese infrastructure and investment; widespread support exists among Bangladeshis for China and the BRI. As a result of including India in parallel initiatives and investments, Bangladesh has successfully courted China while avoiding India's hostility. The economic lifeblood of Bangladesh flows through Chittagong Port, and Bangladesh invited India to invest and use it there.

Due to domestic and geopolitical pressure from India, the Maldives is the little country with the slightest enthusiasm for the BRI. It has cut ties with both the BRI and China. Ultimately, the Maldives has largely withdrawn from the BRI due to changes in India and domestic politics.



Nepal's participation in the BRI began in 2015 and was finalized in May 2017. Connectivity and infrastructure in Nepal are part of the BRI. THEC plans to build a rail and road link between the two capitals of Nepal, Kathmandu, and Beijing. China's BRI development in South Asia is evident in the leasing out of the port of Hambantota to China in 2017, which resulted from Sri Lanka's inability to repay its debts to China. This incident has been criticized as unfairly making Sri Lanka a scapegoat for China's debt-trap diplomacy. The state-owned China Merchants Port Holdings Company Limited funded and built the port, which is crucial for the country's long-term success. The port is strategically located in the Indian Ocean and is vital for Sri Lanka's naval and financial hub. The Rajapakse administration envisioned Colombo Port City as a naval and financial hub. Still, Sri Lankans are concerned about the Colombo port city project after the Hambantota Port disaster. To repay over \$8 billion in Chinese loans and investments, the Sri Lankan government has leased most of the Hambantota port to a Chinese state-owned company for 99 years. Despite being located in the Middle East, Iran is essential to South Asian infrastructure development. The port of Iran could strengthen ties between India and Iran, as India sees Chabahar as a counterbalance to Gwadar. Pakistan and Iran consider both Chabahar and Gwadar ports as twins. Iran has invited China to invest in Chabahar, which could benefit both sides' local communities.

In South Asian nations, strategic geopolitical investment is closing the infrastructure gap. The infrastructure performance of 141 economies is ranked by the World Economic Forum based on a comprehensive set of metrics in the 2019 World Competitiveness Report. India's business and industrial infrastructure growth has positively impacted GDP. Chinese investment in Sri Lanka has improved infrastructure performance but has high debt costs. Pakistan's infrastructure remains poor, and South Asia faces border tensions and geopolitical issues. A vast difference in South Asia's infrastructure quality compared to the other areas where intra-regional investment is significant compared to South Asia. Intra-regional investment is crucial for a region to develop.

### **5. Acknowledgment**

I would like to appreciate the University of Pécs for its academic contribution and to express my gratitude for their support to Dr. Ágnes Bernek and Dr. Péter Reményi, supervisors. I would also give special thanks to the *Geopolitics Quarterly* editorial for their valuable advice.

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