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Competing Connectivity Projects in the Arabian Sea: A Comparative Analysis of Gwadar and Chabahar Ports and Their Implications for Regional Stability

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Abstract

Today, the geoeconomics of the northern littoral of the Arabian Sea is increasingly shaped by two maritime hubs: Pakistan's Gwadar, connected to Beijing's Belt and Road initiative through the China–Pakistan Economic Corridor, and Iran's Chabahar, which is being developed with long-term Indian capital, and is now operated under a ten-year bilateral contract signed in May 2024. These two ports are about 170 kilometres apart along the Makran coast and operate concurrently as trade hubs and tools of statecraft for Beijing and New Delhi. This article adopts a qualitative method, which involves comparative case study analysis and process tracing, to examine the influence of the strategic competition in these projects on the regional stability in South Asia, Central Asia and the Indian Ocean Region. The analysis, based on geopolitical theory (Alfred Thayer Mahan's sea power framework, Halford Mackinder's Heartland thesis, and contemporary geoeconomic competition literature), primary policy documents, and peer-reviewed scholarship, shows that the Gwadar–Chabahar rivalry is structurally shaped by great-power competition between China and India, with the domestic vulnerabilities of Pakistan and Iran respectively, and complicated by US sanctions, the Balochistan insurgency, and the post-2021 Afghan configuration. The article suggests that, despite their geographical proximity, the cooperation between the two ports is still not well developed and is not desired by the main sponsors. It also argues that this competitive setup creates negative externalities for regional stability, such as arms of securitisation of civilian infrastructure, displacement of Afghan transit trade, and the formation of competing alliance architectures in a strategically volatile corridor. The article ends with policy recommendations aimed at regional multilateral frameworks which, under appropriate political circumstances, could turn competitive proximity into functional complementarity.

Keywords: Gwadar Port, Chabahar Port, CPEC, BRI, INSTC, India–China rivalry, Arabian Sea geopolitics, regional stability, geoeconomics, process tracing

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1. Introduction

Ports have been very seldomly purely commercial facilities. The strategic geography of the Makran coast, a 1,000-kilometre stretch of coastline shared by Pakistan and Iran at the mouth of the Persian Gulf, has been the focus of great-power attention for just that reason. Over the last decade, two deep-water ports on this coast, Gwadar and Chabahar, have emerged as hubs of rival connectivity initiatives by China and India. The parallel development of their respective systems is one of the most visible material manifestations of the overall competition between China and India for regional influence.

Gwadar Port is located on the coast of Balochistan, about 400 km east of the Strait of Hormuz, which is a strategic sea route that carries almost one-fifth of the world's traded petroleum (Lanteigne, 2008). Since 2016, Gwadar has been receiving continuous Chinese investments under CPEC, the bilateral initiative under which China has pledged an estimated USD 65 billion in infrastructure and energy projects in Pakistan, with the China Overseas Port Holding Company (COPHC) operating the port until 2059 (Irfan et al., 2023). Chabahar is the only port in Iran that has direct access to the Gulf of Oman, and is situated on the Iranian side of the Makran coast in Sistan-Baluchestan Province. India has been working on the development of its Shahid Beheshti terminal since 2015, when a bilateral MoU was signed, and in May 2024, India Ports Global Limited (IPGL) signed a ten-year operational contract valued at around USD 370 million, which involves a combined investment and credit (Business Standard, 2026).

Since the formalisation of CPEC in 2015, there has been a significant increase in academic interest in these ports, but there are still some analytical gaps. The competition is often presented as a binary choice between Gwadar and Chabahar, China and India, while the impact of host states, the moderating influence of US sanctions and Baloch insurgency, and the downstream effects on Afghanistan and Central Asian connectivity are not sufficiently considered. Another constraint is the tendency to look at the strategic importance of each port individually, instead of as part of an integrated coastal system of the Makran region whose configuration will influence the regional stability outcomes. This article fills those gaps by examining the competition in a comparative framework that simultaneously holds both ports in analytical view, focusing on the mechanisms by which the competition impacts on stability rather than simply describing the competition.

Although there is a significant and increasing body of literature on each port separately, three gaps are not addressed. First, most comparative analyses focus on competition at the state level without following the causal pathways through which state-level competition leads to or hinders stability outcomes at the regional level. Second, the Afghan dimension is treated as a secondary issue, even though Afghanistan is the main transit state whose routing decisions, now taken by the Taliban, have a material impact on the commercial viability of both ports. Third, the impact of the 2025–26 US sanctions reinstatement on the Gwadar–Chabahar balance has not yet been incorporated into a comparative analytical framework. This article tackles all three gaps by means of a mechanism-focused comparative analysis, which puts the post-2024 operational and political context at the heart of its explanatory account.

2. Theoretical Framework

The article is based on three interrelated theoretical frameworks: classical geopolitical theory of maritime power, geoeconomic competition theory, and the port-power theory of recent political geography research.

The sea power thesis of Alfred Thayer Mahan, which was presented in the book The Influence of Sea Power upon History (1890), is the basis for the strategic importance of Gwadar and

Chabahar. Mahan felt that sea power was a vital component of national power, including control of sea lanes, naval stations at strategic points, and the ability to project force through the sea. The Strait of Hormuz, through which some 20 percent of the world's traded oil flows, is just the sort of chokepoint Mahan referred to as being decisive. The 400 kilometres east of the Strait of Gwadar places the operator of Gwadar in a monitoring and, if required, interdiction position that dovetails with Mahanian logic. Although not in the chokepoint of the Strait, Chabahar is located on the Gulf of Oman and thus offers access to the Indian Ocean, which enables India to exercise its maritime presence without the geopolitical risks of operating in Iranian waters under US watch.

The continental counterpart to Mahan's maritime framework is Halford Mackinder's Heartland thesis. Both ports' hinterland connectivity functions are given weight by Mackinder's central argument, that control of the Eurasian landmass, and specifically of its pivot region, determines global power. The Kashgar to Gwadar corridor of CPEC links the Xinjiang province of China with the Arabian Sea, which could shorten the land-sea route for Chinese goods from about 12,500 kilometres through the Strait of Malacca to about 2,500 kilometres (Rashid et al., 2023). The INSTC's Mumbai-Moscow route through Chabahar also reflects India's need for direct continental access to Central Asia and Russia, which is estimated to be around 7,200 kilometres (Tripathi & Singh, 2025). Both corridors are therefore attempts to make Mackinder's observation work, that the power that comes in from the maritime periphery gains strategic depth when it enters the Heartland.

The geoeconomic competition framework, which was developed by Luttwak (1990) and later systematised by Farrell and Newman (2019) and Clayton, Maggiori and Schreger (2023), views infrastructure investment as a form of economic statecraft, or the use of economic instruments to achieve geopolitical goals that would be costly or impossible to achieve through military means. The idea of weaponised interdependence is especially relevant, as both Gwadar under COPHC and Chabahar under IPGL create asymmetric dependencies, in which the investing power has informational and possibly coercive leverage over the host state and over transit partners. This combination of economic and geopolitical logics is best captured by Noorali's (2024) geopolinomic codes framework, which sees port development not as a commercial choice with geopolitical consequences, but as a spatialised manifestation of state power in which connectivity and control are co-produced.

These frameworks collectively forecast what this article challenges: that the Gwadar–Chabahar competition is not about commercial opportunity, but about the strategic calculation that control of the nodes of the Arabian Sea connectivity creates long-term leverage in the Sino-Indian power competition. This prediction is used to guide the comparative analysis.

3. Methodology

The design of this article is qualitative comparative case study and the main method of analysis is process tracing. Comparative case studies are appropriate for the analysis of similar phenomena (in this case, two competing port development projects with similar strategic rationales) in partially different institutional contexts (Gerring, 2004; George & Bennett, 2005). Process tracing, as formalised by Collier (2011) and systematised by Beach and Pedersen (2019), enables the analyst to trace the causal mechanisms linking structural conditions (great-power competition, sanctions, insurgency) to observable outcomes (port operational performance, stability effects) by identifying and evaluating the sequence of causally relevant events and decisions.

The explanatory goal of the study, which is to determine the specific processes by which the Gwadar–Chabahar rivalry produces stability effects in the Arabian Sea region, justifies the use of process tracing. This involves within-case evidence (the decisions, policy changes, and operational changes that make up the causal chain) and not cross-case statistical patterns (De Ville et al., 2023; Fajobi, 2022).

3.1 Data Sources

Primary sources include official government documents (such as statements from the Ministry of External Affairs, India, the Ministry of Maritime Affairs, Pakistan, and the Ports and Maritime Organisation, Iran), bilateral treaty texts (the 2016 tripartite agreement on Chabahar, the 2024 India–Iran bilateral contract, CPEC framework documents), and US State Department and Treasury statements on Iran sanctions policy. Secondary sources include peer-reviewed journal articles from journals listed in the SCOPUS and Web of Science databases, policy reports from reputable research institutes (Carnegie Endowment for International Peace, Observer Research Foundation, Institute for Security and Development Policy) and verified news reports from credible news sources (The Diplomat, Dawn, The Hindu, Business Standard) that are cited only for the purpose of providing factual sequences of events and not analytical interpretations.

3.2 Analytical Strategy

The analysis is done in two stages. The first is a tabular, structured comparison across six dimensions: strategic rationale, investment structure, operational performance, constraints in the host state, hinterland connectivity, and great-power framing. The second stage is process tracing, which examines three causal mechanisms: the mechanism by which the BRI investment model generates security externalities in Balochistan; the mechanism by which US sanctions mediate India's strategic commitment to Chabahar; and the mechanism by which Afghan routing decisions interact with the competitive port dynamic. Each mechanism is evaluated based on empirical evidence that can be observed in the documentary record.

4. Comparative Analysis: Gwadar and Chabahar

There are three strategic reasons for China to choose Gwadar. The port is a solution to the "Malacca Dilemma" which is China's strategic dependence on the Malacca Strait through which about 80 percent of its oil imports pass, by offering an overland route to the Arabian Sea (Lanteigne, 2008; Rashid et al., 2023). It places China's commercial and perhaps naval presence close to the world's most vital oil chokepoint, the Strait of Hormuz. It also offers Pakistan, China's "all-weather strategic partner," economic infrastructure to strengthen the economic dependence of both countries and establish a stable land bridge to the Indian Ocean. It is a layered investment architecture as COPHC has signed an operational lease for 20 years in 2013 and it has been extended under CPEC, with the Chinese state-owned enterprises (SOEs) investing in the Gwadar coastal region for an international airport, expressways, special economic zones (SEZs), and energy infrastructure (Express Tribune, 2026).

The logic of Chabahar for India is also structural, but in a different direction. India has no land access to Afghanistan and Central Asia as Pakistan has control over the land route. Chabahar offers India a sea-land route: goods can be transported from Indian ports to the Shahid Beheshti terminal and then by road and rail through Iran to Zahedan and then to Herat in Afghanistan and further to Central Asian markets (ICWA, 2024; Diplomatist, 2024). This is a strategic advantage for New Delhi, as it avoids Pakistan altogether. The INSTC, which connects Mumbai to Moscow through Tehran, Baku, and Astrakhan, further enhances Chabahar's strategic significance by integrating it into a broader multimodal Eurasian transportation network that has gained new importance in the wake of Russia's shift towards the East after the 2022 sanctions (Zakharov, 2023; Azmi et al., 2024).

The investment structure of Chabahar is very different from that of Gwadar. India's investment in Chabahar is relatively small and constrained by external factors, while CPEC is a massive project with a total investment of USD 65 billion, including energy, road, rail, and port sectors. The bilateral contract for 2024, worth USD 120 million for port equipment and USD 250 million for ancillary infrastructure, totaling USD 370 million, excluding the rail link from Chabahar to Zahedan, which was specifically excluded from the US sanctions waiver in 2018, and wider INSTC infrastructure to make the port a real hub for the Eurasian continent rather than a terminal. This investment imbalance is partly due to the financial strength of China and India and partly due to the fact that the US sanctions have put a constraint on India's investment in Iran.

4.1 Host-State Constraints

The port projects sponsored by Pakistan and Iran have structural constraints that must be dealt with by their respective sponsors, but the nature of the constraints is quite different.

The limitations faced by Pakistan are mostly internal and security related. The Balochistan insurgency poses a direct threat to CPEC project sites, Chinese workers and infrastructure linking Gwadar to the national network. From 2021 to 2025, BLA attacks on CPEC facilities and personnel increased, such as a targeted attack on Chinese engineers at the Karachi Stock Exchange (2020), a BLA attack on the Serena Hotel in Quetta (2021), and a suicide bombing at the Confucius Institute in Karachi (2022). The Pakistani state's two-pronged approach – military action against Baloch militant groups and developmental measures such as the Gwadar Master Plan – has failed to address the root cause of the political grievance. Economic discrimination against the population of Balochistan, such as the use of Chinese labour instead of local labour for CPEC projects, continues to provide the recruitment base for the insurgency and undermines the development-as-pacification logic that underlies Beijing's investment rationale, as GIS Reports Online (2025) pointed out. Another governance challenge for Pakistan is that the federal government's promise to CPEC has not always been matched by the effective administration of the development at the provincial level, and coordination problems have delayed infrastructure projects.

The limitations of Iran are mostly external and geopolitical. Since 1979, US sanctions have been tightened under the Iran Freedom and Counter-Proliferation Act (2012) and periodically reinstated, restricting the number of international commercial shipping companies, insurers and financial institutions willing to operate through Chabahar. The Trump administration's 2018 sanctions waiver granted Chabahar an exception to these sanctions specifically for Afghanistan reconstruction, which was extended by the Biden administration. The second Trump administration, citing the "maximum pressure" policy against the Iranian regime, ended the conditional protection that had made Indian commercial engagement with the port legally manageable on September 29, 2025 (Newsonair, 2025). The conditional extension of the agreement to April 26, 2026 gave India some breathing space, but did not address the underlying conflict between India's strategic interest in Chabahar and its comprehensive engagement with the US-led security order, including as a Quad partner (Business Standard, 2026; Outlook Business, 2026).

4.2 Hinterland Connectivity and the Afghan Variable

Hinterland connectivity, the road, rail and political infrastructure that transports goods from the port terminal to their final destinations, is critical to the commercial viability of both ports. The main hinterland corridor for Gwadar is the CPEC road and rail link from Balochistan to

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Sindh and then north to Khyber Pakhtunkhwa and then to Kashgar in China's Xinjiang. This corridor is partially built but not completed in several key mountain areas and is regularly affected by security incidents. The secondary hinterland – potential transshipment to Afghanistan and Central Asia – is politically dependent on Pakistan's relationship with Afghanistan and on the operation of the Torkham and Chaman border crossings.

The main hinterland for Chabahar is the Iran to Afghanistan road corridor through Zaranj and Delaram, which is linked to the Zahedan-Herat road built by India under the Afghan Ring Road programme. The INSTC northern route, via Azerbaijan and Russia, offers a second hinterland route to the European market. Both hinterlands require political cooperation of actors with whom India has little leverage: the Taliban in Afghanistan and Azerbaijan and Russia in the northern corridor.

Since 2021, the Taliban's transit routing decisions have emerged as a key factor in the competitive relationship between both ports. After the takeover in August 2021, Pakistan had hoped for preferential transit through its territory, but the deteriorating relations between Afghanistan and Pakistan, such as the closure of the border, the APTTA (Afghanistan-Pakistan Transit Trade Agreement) dispute, and the resentment of the Taliban over Pakistani pressure, led Kabul to diversify its routes to Iran. As of August 2024, the number of containers passing through Karachi dropped from around 3,000 to 800 per month, with Afghan traders shifting their routes to Iran (The Diplomat, 2025). The announcement of a USD 35 million investment in Chabahar by the Taliban in February 2024, as reported by Arab News (2024) and the Valdai Club (2025), marked a formal partnership with the Iranian corridor, which had previously made Gwadar a less attractive option for Afghan transit. At the same time, the Taliban officials showed willingness to join CPEC, in particular, to Afghanistan's participation in the northern route of CPEC, which suggests a pragmatic hedging policy rather than a one-sided approach to any single power (Irfan et al., 2023).

Table 1: ***Hinterland Connectivity Comparison — Gwadar and Chabahar***

Factor	Gwadar	Chabahar
Primary overland route	CPEC: Kashgar–Islamabad–Karachi–Gwadar; ~3,000 km road and rail	Chabahar–Zaranj (Iran border)–Delaram–Herat; ~1,300 km road
Secondary hinterland	Afghanistan via Torkham/Chaman; potential Central Asia access	INSTC: Tehran–Baku–Astrakhan–Moscow; ~7,200 km total multimodal
Afghanistan transit status	Declining; Karachi container flows fell ~73% (2022–2024)	Growing; Afghan imports via Chabahar exceeded USD 2.5 bn (2024)
Rail connectivity	Under construction (Karachi-Peshawar ML-1 upgrade)	Chabahar-Zahedan rail not sanctioned; INSTC Azerbaijan-Russia rail partial
Political dependencies	Taliban, Pakistan-Afghanistan relations, APTTA framework	Taliban, Iran-Afghanistan relations, US sanctions policy
Estimated transit time advantage	Reduces China's oil trade route by ~10,000 km vs. Malacca	40% shorter to Russia than Suez Canal route (Azmi et al., 2024)

4.3 Great-Power Framing and External Actors

The two ports are surrounded by their main sponsors in clearly civilian geoeconomic terms. China sees CPEC and Gwadar as tools of "win-win cooperation" and economic development, while India sees Chabahar as a "connectivity initiative" for regional integration and Afghan humanitarian access. However, the official framing omits the strategic aspects that are always present in the literature. As for Gwadar, a 2025 ResearchGate analysis of China's String of Pearls strategy cited by Vázquez (2023) stated that the port's infrastructure, such as its deep-water berths that can accommodate vessels of 50,000 tonnes, its channel depth of 14.5 metres, and its existing garrison, can in principle accommodate PLA Navy assets including the Type 071 Landing Platform Dock and large aircraft carriers, suggesting that the port was built with potential dual-use in mind (India's Counter Strategic Response, 2025). Pakistan has officially rejected the presence of Chinese naval bases at Gwadar and there is no record of any PLA Navy port call. In a diplomatic ploy to avert the fear of the port being militarized, however, Pakistan has been attempting to woo the US into investing in Gwadar, which other international media outlets such as The Diplomat have reported.

US policy towards both ports is structurally contradictory. While Washington is against BRI expansion in South Asia, it has also talked about Gwadar's development in a manner that aligns with China's “power projection” strategy, but its sanctions policy on Iran has jeopardized the viability of Chabahar, the project most directly threatening China's maritime positioning in the Arabian Sea. The Trump administration's Iran "maximum pressure" policy has been more important than the geostrategic logic of supporting India's Arabian Sea connectivity, as the revocation of the Chabahar sanctions waiver in September 2025 showed.The Trump administration's Iran "maximum pressure" policy has been more important than the geostrategic logic of supporting India's Arabian Sea connectivity, as the revocation of the Chabahar sanctions waiver in September 2025 showed.

5. Implications for Regional Stability

The most direct stability impact of the Gwadar-Chabahar competition is the gradual militarisation of civilian port facilities. Both ports are becoming strategic in nature, not just commercial, and are being protected by military forces, monitored by intelligence and targeted by insurgents that would not be found at purely commercial facilities. The security cover around CPEC and Gwadar has grown to include a dedicated Special Security Division of around 15,000 military personnel and provincial police contingents, a heavy military presence that is being paid for by Pakistani taxpayers, not the Chinese investors whose assets are being safeguarded (ESISC, 2023). This securitisation process creates a vicious circle: the military presence is perceived as strategic value, which draws more insurgent attention, which in turn leads to more securitisation, which further reinforces the perception, and, increasingly, the reality, that Gwadar is a military-strategic asset, not a commercial hub.

The securitisation dynamic in Iran is not physical but rather through the sanctions mechanism. US sanctions create a "restricted zone" for US financial institutions, shippers and insurers, making the port's commercial environment a "security adjacent" space where normal market participants cannot operate without geopolitical risk assessment. This pushes out international commercial shipping lines, focuses Chabahar's traffic on the state-adjacent actors (Indian state-owned IPGL, Iranian state enterprises, and more and more state-linked Afghan operators) and diminishes the port's integration into the global commercial shipping network that would otherwise be the yardstick of its economic development role.

5.1 Alliance Architecture and Strategic Polarisation

Both port projects speed up the convergence of competing alliance architectures that diminish the diplomatic room for regional conflict management. Gwadar, which is part of CPEC and BRI, further strengthens the strategic partnership between China and Pakistan, limiting Islamabad's foreign policy autonomy. Flint and Zhu (2019) point out that BRI investments lead to "bundled dependencies" in which the recipient state's infrastructure, energy, and financial systems become more tightly coupled with Chinese state-owned enterprises, which makes it more difficult for the recipient state to diverge from Chinese policies. The US$65 billion CPEC commitment is a good example of this. Pakistan's strategic shift towards Beijing has, in turn, given India a strategic justification to strengthen its ties with the US, which has helped in the establishment of the Quad (Quadrilateral Security Dialogue) between the US, India, Japan and Australia, a partially anti-China security alliance.

The development of Chabahar is part of a parallel alignment dynamic. Despite the pressure from the United States, India has continued to invest in Iranian port infrastructure, which is in line with New Delhi's policy of "strategic autonomy", the principle that India should have independent relations with several great powers instead of any one bloc. The 2024 contract was a conscious strategic investment in that autonomy, given the increased pressure from the United States' sanctions. The episode showed the limits of strategic autonomy when faced with asymmetric US financial power, as India was forced to retreat to a tactical move in September 2025, considering a transfer of its IPGCFZ stake to an Iranian entity (Modern Diplomacy, 2026; Business Standard, 2026). The outcome is a regional architecture in which India and China are seen as rival infrastructure sponsors, Pakistan and Iran as host countries with conflicting vulnerabilities to great power pressure, and Afghanistan as a strategically contested transit zone for both port systems.

5.2 Afghan Connectivity and Humanitarian Access

The most tangible human-development aspect of the Gwadar-Chabahar rivalry is Afghanistan's external connectivity. Afghanistan is a landlocked country with a weak economy which heavily depends on transit trade for trade and humanitarian imports and export earnings, and is under Taliban control. The rivalry between Gwadar/Karachi and Chabahar is not just a commercial one, it is the physical route by which food, medicine and reconstruction materials are delivered to a population in chronic humanitarian need.

Before 2021, most of the Afghan transit cargo was passing through Karachi and in the future, Gwadar may be a part of this network. Since the Taliban takeover in Afghanistan, the deterioration of the relationship between the two countries, including the imposition of a "negative list" by Pakistan for Afghan goods, forced Afghan traders to take the Iranian route and Chabahar (The Diplomat, 2025). India's humanitarian assistance of 2.5 million tonnes of wheat to Afghanistan (2018-2024) has added a humanitarian dimension to Chabahar, as opposed to the commercial and strategic dimension of Gwadar (Modern Diplomacy, 2026). The 2025 sanctions reinstatement thus has direct humanitarian consequences: If the Iranian transit corridor is cut, Afghanistan will be left with no other option than the Pakistan route, at a time when relations between Pakistan and Afghanistan are already very strained.

5.3 Regional Integration: Competitive Fragmentation or Structural Complementarity?

The one of the recurring issues in the literature is whether Gwadar and Chabahar are structurally competitive or structurally complementary. The geographical argument for complementarity is straightforward: the two ports are on the same coast, have overlapping hinterlands, and in a different political configuration, could be complementary nodes in an integrated Arabian Sea-to-Central Asia corridor. The Diplomat (2024) expressed this possibility, stating that "geography fosters complementarity between Gwadar and Chabahar, but geopolitics remains a force of competition.

The geopolitical case against complementarity is also simple: China and India, the main backers, are strategic rivals, and their competition is played out in part through these infrastructure initiatives. Beijing's success as an Indian connectivity hub directly challenges the leverage that Gwadar is meant to provide. The deeper CPEC gets into India, the higher the strategic price tag for New Delhi on several fronts, the western border with Pakistan, the LAC issue with China and the Indian Ocean naval balance. In such a scenario, neither sponsor has an institutional interest in helping the other sponsor's port project, and both have positive incentives to create complications for the other. The competitive dynamic is thus self-reinforcing: every investment in one port is justified and hastens investment in the other, and the formal multilateral frameworks (SAARC, SCO, ECO) have been structurally incapable of breaking this cycle.

6. Conclusion and Policy Recommendations

This article has shown three main results. First, Gwadar and Chabahar are not commercial infrastructure projects that are just as important as their geopolitical significance; they are tools of statecraft whose commercial aspects are secondary and instrumental to their strategic roles for China and India, respectively. The investment architecture, operational management arrangements, and hinterland connectivity strategies of both ports make sense only in the context of great-power competition, namely, the competition for maritime access, Eurasian connectivity leverage, and regional alliance alignment between Beijing and New Delhi.

Second, the stability implications of this competition are overall negative for the Arabian Sea region. The securitisation of civilian infrastructure in Balochistan, the consolidation of rival alliance architectures based on Gwadar and Chabahar respectively, and the fragmentation of Afghanistan's transit connectivity between competing patron-client port systems each impose costs – in human security, commercial efficiency, and diplomatic flexibility – that fall primarily on the populations and smaller states of the region, rather than on the great-power sponsors whose strategic objectives drive the competition.

Third, the post-2024 conjuncture has added two new variables that change the competitive dynamic in consequential ways. The US sanctions waiver for Chabahar has expired in April 2026, effectively putting India's active management of the port on hold, which will further bolster the relative position of Gwadar. At the same time, Gwadar's first major operational achievements in 2025–26, with monthly traffic volumes surpassing 10,000 TEUs and cargo throughput nearing 547,000 tonnes per year, indicate a late start to the port's shift from strategic promise to commercial reality. The medium-term balance of the region, therefore, depends greatly on the likelihood of restoring the operational environment of Chabahar and the likelihood of a satisfactory improvement in the internal security situation in Pakistan to allow the development of the hinterland connectivity of Gwadar.

6.1 Policy Recommendations

This analysis leads to several policy directions, each aimed at a different actor.

The first step to take is to lift the legal deadlock of Chabahar's operational status in India. The sanctions waiver is set to expire in April 2026, and India is mulling a provisional transfer of its stake to an Iranian entity, both of which are reactive measures lacking strategic initiative. A more effective approach would be to formally involve Washington in the process of making Chabahar a part of the broader US-India strategic partnership, and convince them that a functional Chabahar is better for US interests in Central Asian connectivity and Afghan humanitarian access than an operational void that China can fill with greater CPEC activity with Kabul.

In Pakistan, there is a need for a paradigm shift in the Gwadar development model towards real local inclusion. The current pattern of big money from China, Chinese construction and Chinese operational control has set the political climate that has enabled the Balochistan insurgency to continue and is threatening the viability of the port. A revenue-sharing model that allocates a fixed percentage of Gwadar port revenues to the provincial government of Balochistan, along with a mandatory local employment quota for CPEC project workers, would solve the most inflammatory aspects of the current model without the need for a renegotiation of the core China-Pakistan strategic relationship.

At the multilateral level, organisations such as the Shanghai Cooperation Organisation (which includes India and Pakistan) and the Economic Cooperation Organisation (which includes Iran, Pakistan and Central Asian republics), Gwadar and Chabahar are a chance to institutionalise what bilateral competition has denied. The institutional incentives for complementarity that are currently lacking could be established through a formal freight corridor arrangement at the SCO level, which would involve both ports in a shared regional connectivity arrangement, with agreed transit fee structures, customs harmonisation and joint security protocols for the Makran corridor. This is a hopeful suggestion in the context of the current India-Pakistan and India-China tensions, but the Afghan humanitarian situation provides a non-strategic justification for such cooperation that can be used as a political lever.

The Taliban's diversification policy of investing in Chabahar and holding on to CPEC membership is structurally sound for Afghanistan, but needs diplomatic consolidation. Kabul's leverage is based on its status as a rival transit route to any one of the great powers, not as a client of anyone. This would bring tangible economic gains to Afghanistan, if it could be used to secure concrete reductions in transit fees, representation of Afghan traders in the governance of the Chabahar free zone, and priority for Afghan cargo during periods of Iranian-Pakistani border competition.

6.2 Areas for Further Research

There are three areas that deserve additional research. This article has not been able to fully explore the underexplored risk factor of the evolving security environment of the Strait of Hormuz, which includes the Iran-Israel military confrontation of 2024-25 and its impact on commercial shipping near Chabahar. The gendered and generational aspects of the displacement of the local Baloch fishing community in Gwadar, as documented in qualitative fieldwork by researchers at ESISC (2023), are a gap in the literature that focuses on state-level strategic analysis. Whether the debt burden of CPEC will lead to greater Chinese influence in Pakistan or to resistance will decide the long-term fate of Chinese debt diplomacy in Pakistan, particularly in Gwadar, which is strategically important for Beijing

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