

MARITIME TRADE: COMPARING PAKISTAN WITH MARITIME NEIGHBOURS

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ABSTRACT

Economic and development strategy in Pakistan has not been up to the standard deemed as prerequisite of any nation that tends to develop rapidly. Inland, offshore, and ocean resources are not exploited as they should have been. This is primarily due to lack of consistency in the development policies, inflation, unemployment, and most importantly, persisting trouble in the balance of trade and payments. The maritime sector, in this regard, has been a quarry for carelessness and years of neglect. While the shipping industry is way off target, fisheries have become the only coastal resource being exploited out at sea. Maritime vulnerabilities are growing, giving rise to a consistent decline in trade and tariffs, and to gauge Pakistan's economy, the economic viability of this sector is further becoming limited. This article focuses on the state of Pakistan's maritime trade and compares it with Pakistan's maritime neighbours, i.e., India, Iran, and Oman.

Keywords: *Maritime, Shipping, Trade, Economy*

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INTRODUCTION

The maritime sector is fundamentally crucial for Pakistan's economy as well as its security. Hence, it is essential to logically assess the troubles faced by this industry especially the elements that concern maritime trade. 80 Percent of global trade by volume is conducted through sea. Pakistan, which is located close to key sea routes and offers most feasible sea-connectivity to CARs, can better utilize this opportunity for increased economic capital. As inland resources are being depleted rapidly, maritime interests must be prioritized to create more credible economic footprints regarding the blue economy. "The economic and security significance of maritime and political interests around the world has altered with the changing international security environment, as has the importance of secure sea routes to meet global demand".¹

For over 216 million people with an estimated GDP of US\$ 258,323 million, Pakistan has an average GDP growth rate of 1.9 percent, which is, of course, inextricably linked to economic degradation. As of November 2020, Pakistan's total merchandise trade was US\$ 73,683 million which is too low as compared to the neighbouring countries, i.e., Iran (US\$ 107,546 million) India (US\$ 810,308 million), and Oman (US\$ 64,203 million). Whereas Pakistan's total transport services trade, including maritime, is only US\$ 14,723 million, on the other hand, it is US\$147,529 million in case of the United Arab Emirates and US\$ 179,178 million in case of India.² Pakistan is falling far behind in the maritime trade war when over 95 percent of its international trade mostly depends upon the sea.³ Logic dictates that we may find its reasons in Pakistan's maritime policies.

Trade is mostly furnished on a bilateral basis which has a rather complex relationship with growth.⁴ Trade and growth are directly

¹ Khamis Aljabri & Salim Sulaiman, "Oman's Maritime Doctrine." *University of Exeter*, June 18, 2012, <https://ore.exeter.ac.uk/repository/bitstream/handle/10036/365>.

² UNCTAD, *Maritime Profile: India (2020)*, <https://unctadstat.unctad.org/CountryProfile/MaritimeProfile/en-GB/356/index.html>.

³ Raja Rab Nawaz, "Maritime Strategy in Pakistan." *The NPS Institutional Archive*, July, 12, 2014, Monterey, California: Naval Postgraduate School, 12 1. <http://hdl.handle.net/10945/1250>.

⁴ Saeed, Naima, Kevin Cullinane, and Sigbjørn Sødal, "Exploring the relationships between maritime connectivity, international trade and domestic production." *Maritime Policy & Management* 2(2020) 34-38, doi:10.1080/03088839.2020.1802783.

proportional to one another, i.e. better trade gives rise to better economic growth and vice versa. However, striving for consistent and better growth and solving complex equations of trade policies are somehow different, reflecting distinct dynamics, but inextricably linked. Pakistan, in this regard, has a range of distinct advantages, i.e. geostrategic location, permission to use the continental shelf, the emergence of the China-Pakistan Economic Corridor (CPEC) etc.

If these advantages are exploited in the right fashion, and according to the need of time, high economic growth can be achieved. So, why Pakistan's maritime trade suffering from hiccups and glitches? Are there some regional connectivity issues to deal with, besides policy or policy implementation issues? In this regard, the current state of maritime trade of Pakistan's maritime neighbours, i.e. Iran, India, and Oman must be analysed and assessed, so that it becomes clearer whether the consistent decline in Pakistan's trade is a regional phenomenon or an exclusive problem.

THEORETICAL INSIGHT

- **Maritime Trade & Connectivity**

Connectivity is the key to better trade. It is directly proportional to trade development and growth and makes positive contributions to strengthen bilateral trade relations. Connectivity primarily reflects physical networks, i.e. sea and dry ports, fish harbours, airportsetc. so that trade activities can be carried consistently and coherently.⁵ Fugazza (2015) also emphasizes connectivity to boost trade.⁶ He explores the relationship between maritime trade and connectivity and concludes that the lack of maritime connection means lower exports. Yercan and Yildiz (2012) make a valuable contribution in elaborating networks in global maritime trade. They identify connectivity through international maritime trade, especially bilaterally between developed and developing countries, within the parameters of international trade systems.⁷ The same concept is put forth by Haward (2016) enveloped within the concept of maritime governance.

⁵ Ibid.

⁶ Macro Fugazza, "Maritime Connectivity and Trade (Policy Issues in International Trade and Commodities Research Study Series No.70)," *United Nations Conference on Trade and Development*, https://unctad.org/system/files/official-document/itcdtab72_en.pdf

⁷ Funda Yercan, Turkey Yildiz, "International Maritime Trade and Logistics" *Research Gate*, (April 2015): 29-52.

He conducts a brief analysis of maritime governance in his editorial, the basis of which is connectivity and identifies challenges faced by this domain.⁸

- **Indian Maritime Trade**

India is an influential maritime nation. Its capacity has been increasing since the inception of the Indian maritime fleet, owing to the technological advancement masterminded by the former British Empire. The benefit, of course, went more to the Indian side which is one of the biggest economies of Asia, especially in Southern Asia. However, the case of Western Asia has always been challenging for India, demanding an extraordinary vigilance in regional policies and political maneuverability. A clear distinction between ideology, strategy and trade provides more complexities to the existing scenarios of bilateral and multilateral trade.⁹ Dasgupta analyses the state of the Indian shipbuilding industry and tests the effectiveness of the Indian massive maritime fleet of over 200 ships.¹⁰ He extensively discusses cyclic and highly captive incentives which together become significant features of the modern maritime industry. He comes up with scenarios of modern maritime trade as challenging domains for India to succeed and puts forth the way forward for the Indian shipping industry. Krishnan keeps a descriptive approach towards elaborating the challenges for the Indian Shipping industry from a global perspective.¹¹

With a bit of history, Krishnan talks about the state of Indian ports and shipping fleet, besides taking a glance over the port services. Although some of the discussions by Krishnan tends to be unnecessary. There should have been a more direct approach. He elaborates important aspects of maritime transport, their contribution to India's GDP growth and a descriptive outlook of services, and trade.¹² Mukundan conducts a

⁸ Marcus Haward, "Multi-level Oceans and Maritime Governance: Insights and Challenges" *Australian Journal of Maritime and Ocean Affairs*, Vol no 3, (2016):12. DOI:10.1080/18366503.2016.1235866

⁹ Ryan Mitra, "India's Persian Desire – Analysing India's Maritime Trade Strategy vis-à-vis the Port of Chabahar." *Maritime Affairs Journal of the National Maritime Foundation of India*.2(2020)21-45, doi:10.1080/09733159.2019.1625226.

¹⁰ Arnab Dasgupta, "India's Strategy in the Indian Ocean Region: A Political Aspect of India's Security," *JadavPur Journal of International Relations*, vol 22(2018).

¹¹ Karishnan K , "Accessing the Early History Indian Ocean Trade through Ceramics," *ORCID*, (2016), DOI: 10.4324/9781315276823

¹² Ibid

comparison of maritime operations between India and China. His work is primarily categorized into two distinct parts, i.e. India's impact on global shipping and China's impact on global shipping. Owing to the studies on China's impact on global shipping, he discusses it only peripherally to provide the basis for impacts on India in global maritime domain.¹³

- **Iran's Maritime Trade**

Panahi, Kheili & Golpira put forth a futuristic forecast for the Iranian container and shipping industry while analyzing current scenarios of trade, development, technological capacity and future needs.¹⁴ They set a futuristic plan of ten years and deploy their statistical integers to map the probabilities of Iranian maritime development. They had also conducted a qualitative study to develop a clarity of understanding especially through surveys and interviews of the people associated with this industry. These people include managers of shipping companies, decisions makers and think tanks associated with the maritime sector and shippers. Their interviews are port-specific that give a fair idea of the present and the possible future. They focus on three scenarios, i.e. simplified growth, port-specific experience and regional best practice. They futuristically conduct their study in the light of these scenarios.

- **Oman's Maritime Trade**

Aljabri has conducted his study on the need for a maritime doctrine for the Sultanate of Oman. His work reflects a mixed-method, primarily qualitative. He has conducted interviews of Oman shipping industry experts and professionals.¹⁵ He emphasizes the need for coherence and connection between the political and trade integers of the state and put forth three points for an actionable maritime doctrine i.e. policy, military strategy, and maritime power

¹³ Harish Mukandan, "A Comparative Study of Maritime Operations in India," *Massachusetts Institute of Technology*, (February 2007), <https://studylib.net/doc/10802630>

¹⁴ Roozbeh Panahi, Ali Ghasemi Koochi Kheili, and Amir Golpira, "Future of Container Shipping in Iranian Ports: Traffic and Connectivity Index Forecast" *Journal of Advanced transportation*, vol 2017, 13: <https://doi.org/10.155/2017/5847372>

¹⁵ Aljabri Khamis Salim, "Oman's Maritime Doctrine," Open Research Exeter, 18 June, 2012, <https://ore.exeter.ac.uk/repository/handle/10036/3653>

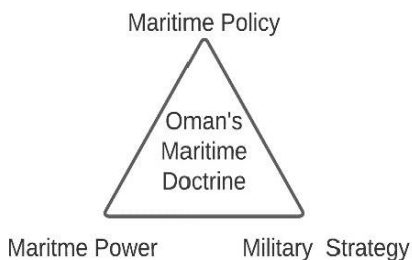


Figure 1: Oman's Maritime Doctrine¹⁶

- **Pakistan's Maritime Trade**

Kalim & Syed (2020) discuss the potential of Pakistan's ports, specifically the Gwadar port, and describes how this deep seaport can help Pakistan's maritime economy to take a giant leap. Kalim & Syed emphasize the geostrategic significance of the Gwadar port concerning the Persian Gulf and the Gulf of Oman where it can control the Sea Lines of Communications (SLOCs).¹⁷ On the other hand, Nawaz emphasized on developing a strategy to use these ports and allied integers for better maritime growth of the country.¹⁸ He draws upon his argument on the notion of national security. He is of the view that without a strong maritime policy and strategy, Pakistan cannot achieve the desired domestic and transnational trade growth, specifically in the maritime domain. Hussain, Khan & Rehman (2014) analyze the role of maritime sector in boosting economic and security development study.¹⁹

¹⁶ Khamis Aljabri & Salim Sulaiman, "Oman's Maritime Doctrine." *University of Exeter*, June 18, 2020, <https://ore.exeter.ac.uk/repository/bitstream/handle/10036/3653/AljabriK.pdf?sequence=2&isAllowed=y>.

¹⁷ Inayat Kalim and Areeja Syed, "Maritime Economy and Gwadar Port : A Growth Catalyst," *Policy Perspective*, Vol 17, no 1(2020), 73-82: <https://doi.org/10.13169/polipers.17.1.0073>

¹⁸ Nawaz Raja Rab, "Maritime Strategy in Pakistan," *Naval Postgraduate School*, (2004), <https://calhoun.nps.edu/handle/10945/1250>

¹⁹ Sajid Hussain, Dr. Muhammad Ayaz Khan and Dr. Abdur Rehman, "Role of Maritime Sector in Pakistan's Economic and Security Development," *Pakistan annual research Centre*, vol 50 (2014).

QUANTITATIVE INSIGHT

United Nations Conference on Trade and Development (UNCTAD) has become a hub for the provision of data regarding trade and country-specific capacities. It offers the data to be disseminated through UNCTADSTAT. The data offered by UNCTAD is harmonized, in an updated user-friendly browsing system. All four nations discussed in this study for a comparative analysis have been updated regularly in this data system, which not only provides the usual numerical input but also provides a graphical representation of the numerical data. Moreover, numeric data has also been collected from the World Bank, Finance Division of the Government of Pakistan, Pakistan National Institute of Oceanography, Pakistan National Shipping Corporation, India Brand Equity Foundation, Maritime India Summit 2021, Oman's Ministry of Transport and Communication, Oman Shipping Company, Ports and Maritime Organization, Islamic Republic of Iran, Hellenic Shipping News Worldwide, UNESCO, and MDS Transmodal Limited.

OBJECTIVES AND METHODOLOGY

Pakistan is a maritime nation, largely dependent on the sea for trade. Therefore, it is essential to explore the matters of Pakistan's imports, exports, and the balance in international trade and payments. Also it is pertinent to assess the current situation of economic growth that involves the maritime sector and to analyse reasons for the consequential outcome. The state of Pakistan's shipping industry matters, concerning the shipping fleet, sizes, age of vessels, fleet's growth or decline in capacity and services should be seen futuristically. In order to comprehend how the national flag carrier, Pakistan Shipping Corporation (PNSC), administered by the Ministry of Maritime Affairs (MoMA) is responsible for moving cargo and how it responds to the current and upcoming demands and scenarios. Therefore, PNSC would remain in focus for an in-depth analysis.

Ports and their capacity of accommodating large vessels is an advantage that incidentally adds revenue to the national exchequer and strengthens the economic viability of ports. So, functioning seaports of Pakistan, their capacity of accommodating vessels, number of port calls, number of seafarers contributing to the domestic and international maritime industry should be observed and compared to the maritime neighbours. Moreover, a comparison of fuel costs and ports' tariffs should

also be conducted so that the causes of Pakistan's weakening maritime trade may be determined. It would help in the assessment of internal and external policy perspectives to enhance and reinforce bilateral trade connectivity which intrinsically impacts politico-economic relations between countries.

To understand why Pakistan is falling behind in maritime trade and capacity, quantitative data was necessary to collect from reliable sources such as government of Pakistan's surveys. Also official documents from organizations, like regional and international firms that release data on annual basis, associated institutions of the United Nations Organization, maritime institutions and watchdogs, global economic and security agencies. The primary purpose of this data was to carry out a comparison of Pakistan's maritime capacity and trade with its maritime neighbours, and for this, both quantitative and qualitative data were considered for better results and a trustworthy comparative analysis. This is a longitudinal study and considers several points in time to develop coherence, increase clarity and improve the manner of comparisons between the integers.

POTENTIAL OF INDIAN MARITIME TRADE

Pakistan has three maritime neighbours, two of which also share their land borders, i.e. India and Iran, where Oman is situated in Pakistan's maritime neighbourhood, across the Arabian Sea. India is the largest South Asian nation with a population count of about 1366.418 million people and a land area of 2,973,190 km. While India's current GDP is US\$ 3,059,962 million and it is growing at a rate of 5.3 percent annually. India's total merchandise trade is 810,308 million dollars. With its coast/area ratio of about 5.8 m/km², India has the longest coastline (more than 7.5 thousand km) in South Asia, which makes this country influential in terms of maritime trade and security.²⁰

During the last 40 years, India has seen substantial growth in the maritime domain, from increasing technological and scientific means to the maritime industry, to adding more and more ships to its existing fleet. For the fiscal year 2020-21, a sum of rupees 1,800 crore (US\$ 257 million) was allocated for the shipping industry.²¹ "India was ranked at the

²⁰ IBEF, *Shipping Industry & Ports in India*. March 22, 2021, <https://www.ibef.org/industry/ports-india-shipping.aspx>.

²¹ Ibid.

17th position with more than 1200 ships and 17.5 million DWT, a share of 1.4% in terms of DWT".²² During the period of ten years (2011-2020), the number of Indian oil tankers grew by 19 percent, the number of bulk carriers decreased by 14 percent, the number of general cargo ships increased by 62 percent, the number of container ships increased by 35 percent, and the number of other types of ships increased by 26 percent.²³

Mukundan stated that India had begun initiating bigger expansion to its maritime sector like the development of infrastructure related to this domain, "making fundamental changes in the maritime policies and in addition to build several land-based and shore-based infrastructure (terminals, highways, railways)".²⁴ "There are 235 shipping companies in India in which the shipping corporation of India is the largest accounting for about 33% of the total tonnage".²⁵ "Globally, India ranks 2nd in ship recycling and 21st in shipbuilding".²⁶

India's total merchandise trade was US\$ 99,616 million in 2005, which grew up to US\$ 324,250 million by 2019.²⁷ However, considering the imports which also grew significantly, US\$ 486,059 million by 2019 and created a negative trade balance of US\$ 161,809 million, the growth rate in 2019 was -0.2 percent. In this regard, the primary partner was the United States of America to contribute to India's exports with a phenomenal US\$ 54,288 million and United Arab Emirates with US\$ 29,539 million. Also, India's international maritime trade linked to providing transport services grew by 11.2 percent in 2019. India is among the top ten countries in providing maritime manpower and currently, over 86 thousand seafarers are contributing to the global maritime industry. Its 150 institutes annually produce over 11 thousand seafarers²⁸, while "India

²² Srinjoy, Dasgupta, *Indian shipping industry – an ocean of opportunities*. Indian Institute of Management Indore (2016), <https://www.iimdr.ac.in/wp-content/uploads/Indian-shipping.pdf>.

²³ Ibid, 8

²⁴ Harish, Mukundan, "A Comparative Study of Maritime Operations in India," *Massachusetts Institute of Technology*, February 15, 2007.

²⁵ Ibid.

²⁶ MIS. 2021 <https://www.maritimeindiasummit.in/major-ports.php>.

²⁷ Ibid.

²⁸ Padmanabhan, Krishnan, "Indian Maritime Transport Services Global Opportunities and Challenges." Background Paper, 13 July, 2007, <http://docplayer.net/20303527>.

is ranked amongst the top 5 countries supplying trained manpower, with 17% growth in seafarers in the last 3 years”.²⁹

The inevitability of the maritime strength of India is a by-product of the reforms that the British brought to the Indian maritime industry, which starts with the rule of the East India Company. A rule stretched over 300 years made the Indian subcontinent an influential regional power not only in terms of geographical outreach but also because of technological advancements owing to the reformist nature of the British. The trade of East India Company rapidly gained more confidence, especially after the induction of S. S. Loyalty to the Indian shipping fleet, in 1919. S. S. Loyalty was an indigenous construction of the Indian ship-making industry, which served as pioneering grounds for furthering the relevant industrial growth, which can be seen in the Indian shipping industry of today as a whole. The technological upper hand of Indian maritime industry is owed to the Britain who naturally passed on almost everything to present-day India as dowry upon their withdrawal from the Indian subcontinent. While the people belonging to the rest of the area including Islamic Republic of Pakistan, and Bangladesh, were largely bound to the chores and drudgeries.

The Moorse Zeevarenden (Muslim sailors) performed a variety of tasks onboard ships and in the port of Batavia and made it possible for the Company to carry out its commercial ventures across the Indian Ocean”.³⁰ So, India, at the time of its inception, obtained and carried forward not only the existing maritime resources from the East India Company, but also abundant and up-to-date knowledge, market and industrial stability, consistency, operational capability, and regional and transnational connectivity. “Independence from the United Kingdom paved the way for a self-sufficiency drive and led to the indigenization of many basic industries”.³¹

There are 12 major ports in India, managed under Trust Act 1963, and around 205 intermediate and minor ports, managed under Indian Ports Act 1908, along its coastline and a vast network of navigable waterways.

²⁹ Ibid, 13

³⁰ Ghulam A Nadri, "Sailors, Zielverkopers, and the Dutch East India Company: The Maritime Labour Market in Eighteenth-century Surat." *Modern Asian Studies* (Cambridge University Press) 49 (2014): 336 – 364 doi:10.1017/S0026749X13000449.

³¹ Harish Mukundan, "A Comparative Study of Maritime Operations in India." Massachusetts Institute of Technology, February 15, 2007.

Among major ports, half is located on the eastern coast, while the rest on the western coast. “The maritime sector in India has a crucial role to play in its overall trade and growth. 95% of India’s trade volume and 65% of India’s trade value is through maritime transport” while “the total traffic handled at Indian Ports has risen steadily from 885 MTPA in FY 2010-11 to 1,307 MTPA in FY 2019-20. India’s Major Ports have witnessed 4% compound annual growth rate (CAGR) grow over the last 5 years and handled 54% of the country’s total cargo in FY 2019-20”.³²

No.	Ports/States	Coast
1.	Chennai/TamilNadu	East
2.	Ennore/Tamil Nadu	East
3.	Kolkata/West Bengal	East
4.	Paradip/Odisha	East
5.	Tuticorin/Tamil Nadu	East
6.	Visakhapatnam/Andhra Pradesh	East
7.	Kochi/Kerala	West
8.	Kandla/Gujarat	West
9.	Mangalore/Karnataka	West
10.	Mormugao/Goa	West
11.	Mumbai/Maharashtra	West
12.	Jawaharlal Nehru/Maharashtra	West

*Table 1: Major Ports in India*³³

³² Ibid, 13.

³³ Byju's, *Major Ports in India - List of Western & Eastern Coast Ports in India (UPSC Prelims, 2021)* <https://byjus.com/free-ias-prep/major-ports-in-india/>.



Figure 2: Location of Major Ports in India³⁴

“The major ports in India are overseen by the Port Trust Boards and are regulated by the Tariff Authority for Maritime Ports (TAMP). Minor ports are overseen by the state governments”.³⁵

POTENTIAL OF IRAN’S MARITIME TRADE

With 82,914 million population, 1,628,760 km² of land area, around 3,000 km long coastline, and a coast/area ratio of 3.6 m/km², the Islamic Republic of Iran stands amongst the world’s largest maritime nations. Iran’s total merchandise trade is US\$ 107,546 million, while its GDP (by 2019) was US\$ 592,473 million with a -8 percent GDP growth rate³⁶. Iranian Ports and Maritime Organization linked to the Ministry of Roads and Urban Development is responsible for the country’s maritime affairs. Besides sharing a 959 km long border with Pakistan, Iran is also Pakistan’s next-door maritime neighbour with an influential maritime setup concerning the Persian Gulf, as well as the Gulf of Oman.

³⁴ UPSC Success, *Major Sea Ports of India*, February 12, 2021, <https://www.upscsuccess.com/major-sea-ports/>.

³⁵ Ibid, 12

³⁶ UNCTAD, *Maritime Profile: Iran (Islamic Republic of Iran)*. July 2020, <https://unctadstat.unctad.org/CountryProfile/MaritimeProfile/en-GB/364/index.html>.

No.	Port	Location
1.	Shahid Rajaee	Persian Gulf
2.	Imam Khomeini	Persian Gulf
3.	Amir Abaad	Caspian Sea
4.	Bushehr	Persian Gulf
5.	Noshahr	Caspian Sea
6.	Anzali	Caspian Sea
7.	Chabahar	Gulf of Oman
8.	Khorramshahr	Persian Gulf
9.	Lengeh	Persian Gulf
10.	Bahonar	Persian Gulf
11.	Abadan	Persian Gulf

Table 2: Ports and Maritime Organization of Iran³⁷

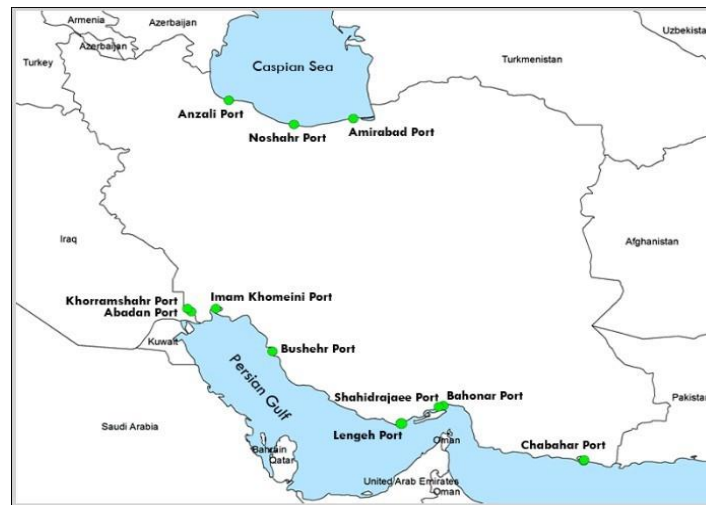


Figure 3: Location of Major Ports in Iran

³⁷ PMO, *Ports and Maritime Organization, Islamic Republic of Iran: System operations statistics*. Government of Iran, 2020.



Iran currently “stands among the first 20 world states in terms of its shipping fleet and owns 300 Ocean-Going Vessels (OGV)”.³⁸ Among these 300 shipping vessels, most vessels are under the possession of Iranians and companies registered in Iran. Concerned authorities in Iran are continuously studying and upgrading maritime infrastructure. “Rapid development of maritime container transport within the last two decades encouraged port authorities to focus on a more accurate traffic forecast to cope with software and hardware requirements just in time. It has been the case for Iranian Ports and Maritime Organization (PMO) to map marine traffic until 2025”.³⁹ Iran’s total cargo in 2020 was 126,437,005 tons, with incoming being 55,395,467 tons and outgoing 71,041,538 tons.⁴⁰

Operation	2018	2019	2020
Cargo throughput	143,571,936	150,642,177	126,437,005
Container throughput	2,253,390	2,004,914	1,535,732

Table 3: Iranian Shipping Operations Statistics⁴¹

Besides, Iran has been handling passenger ships, and this is also an important aspect of the Iranian maritime industry. The table below expresses the passenger-related statistics.

³⁸ Hellenic Shipping, "Iran among Top 20 World States with Largest Shipping Fleet," *Hellenic Shipping News Worldwide*, January 20, 2021, <https://www.hellenicshippingnews.com>.

³⁹ Roozbeh Panahi, Ali Ghasemi Koochi Kheili, and Amir Golpira, "Future of Container Shipping in Iranian Ports: Traffic and Connectivity Index Forecast," *Journal of Advanced Transportation* 2017 doi:10.1155/2017/5847372.

⁴⁰ Ibid, 21

⁴¹ Ibid.

Ports	2018		2019		2020	
	Input	Output	Input	Output	Input	Output
Charak	26,240	36,394	181,995	156,177	202,409	191,697
Bushehr	13,377	12,485	58,532	59,513	55,981	55,201
Genaveh	12,892	11,772	52,561	50,962	45,826	48,964
Lengeh	3,590	3,569	27,895	25,118	30,216	29,399
Khorramshahr	7,163	7,197	198,012	199,253	58,889	59,565
Qeshm	1,933,675	1,973,923	7,006,890	6,955,499	6,662,933	6,613,273
Shahid Bahonar	3,178	2,641	19,980	19,928	30,297	26,921
Sh. Haghani	392,558	398,293	1,437,993	1,468,642	1,386,112	1,398,578
Dayyer	0	0	45	39	0	0
Total	2,392,673	2,446,274	8,983,903	8,935,131	8,472,663	8,423,598

Table 4: Iranian Maritime Passenger Statistics⁴²

Iranian maritime industry has a far-reaching regional influence however, sanctions imposed by the United and other international embargos, have severely hit Iranian maritime domain. Most recently, the Treasury's Office of Foreign Assets Control (OFAC) and the US State Department have jointly sanctioned many companies, (17 in total) linked mainly to the Iranian metal industry. And in doing so, the maritime industry has been hit indirectly. The administration of the former US President Donald Trump had sanctioned (in 2019) the Islamic Republic of Iran Shipping Line Group (IRISL) and the National Iranian Tanker Company (NITC). More recent sanctions have further targeted these companies.⁴³ "The U.S. warned that the commercial and maritime industries doing business with Iran must use carriers or shipping methods other than IRISL or E-Sail or risk exposure to U.S. sanctions".⁴⁴ These

⁴² Ibid.

⁴³ The Maritime Executive, "US Targets Iran's Metals and Shipping Industries with New Sanctions." *The Maritime Executive*. January 6, 2021, <https://www.maritime-executive.com/article/us-targets-iran-s-metals-and-shipping-industries-with-new-sanctions>.

⁴⁴ Ibid.

sanctions have painfully hurt Iran's shipping activities and impacted its maritime potential and growth.

However, the Iranian government has "underlined plans to increase the capacity of the Iranian ports, huge cargo ships will be able to dock at a new port which is being planned by the country to build at Makran coastline".⁴⁵ This also seems to counter the increasing regional influence of Pakistan's Gwadar port.

POTENTIAL OF OMAN'S MARITIME TRADE

Oman is a maritime Gulf country, situated in the Arabian Peninsula. It faces the Arabian Sea and the Gulf of Oman towards its south-eastern and north-eastern boundaries, respectively. It shares land borders with United Arab Emirates, Saudi Arabia, and Yemen, while Pakistan and Iran become its maritime neighbours. Ships that enter Gulf of Oman from the Arabian Sea, find Sultanate of Oman on the left side, while on the right side, they find Pakistan's coastline. "Geographically, Oman is the closest country to Pakistan among the six nations of the Arabian Peninsula. Ethnically, almost 30% of Omanis are of Baloch origin from Baluchistan province of Pakistan, having settled in Oman over a hundred years ago".⁴⁶ Strategically, Oman's location is highly significant as it is situated at the edge of the Arabian Peninsula and at one of the world's most crucial maritime chokepoints, the Strait of Hormuz, a crucial passage that handles over a third of the world's oil supplies. Historically, "there is evidence of boats that headed to Egypt and embarked in Dhofar region in the southern Arabian Peninsula, around 3000 B.C. During the reigns of Egyptians Pharaohs, ships from the Arabian Peninsula transported goods from Dhofar to Egypt" and "by the mid-9th century, Omani vessels from the Arabian Peninsula started sailing towards South China".⁴⁷

Oman's population is 4.975 million. Its current GDP is US\$ 93,065 million with a growth rate of 0.90 percent. Having a coast/area ratio of 9.1 m/km², Oman's coastline is significantly long, i.e. 3,165 km. Exclusive Economic Zone (EEZ) of Oman is stretched over an area of 533,180 km². These figures make Oman an important and influential

⁴⁵Ibid.

⁴⁶UNESCO, "Did you know?: Oman region, a Hub on the Maritime Trade Routes." December 8, 2020, <https://en.unesco.org/silkroad>.

⁴⁷ Ibid.

maritime nation. Oman Shipping Company (OSC), established in 2003, looks after the maritime shipping affairs of the government of Oman, with over 50 vessels, having 8 million DWT capacities. As an arm of ASYAD group which manages Oman's logistics, OSC's operations are "driven by the support of Oman Ship Management Company (OSMC), an independent ship management company that allows OSC to offer full-fledged maritime transportation services". "Oman Container Line (OCL) plays a critical role in connecting Omani ports to regional hubs through its regional network".⁴⁸

Fleet	No. of Vessels
Very Large Crude Carriers (VLCCs)	17
LNG Carriers	6
Container fleet	5
Very Large Gas Carriers (VLGCs)	1
Chemical Tanker	14
Methanol Carrier	2
Very Large Ore Carriers (VLOCs)	4
LPG	2

Table 5: Oman's Shipping Fleet⁴⁹

Shipping traffic to and from Oman is handled primarily by five major ports, which are stated in table 6, and further, figure 4 shows their location.

⁴⁸ Ibid.

⁴⁹ OSC. 2020. *About Us, Oman Shipping Company*, Accessed May 20, 2021, <https://www.omanship.co.om/About/About-OSC>.

No.	Seaport
1.	Sohar Industrial Port
2.	Salalah
3.	Al-Duqm
4.	Sultan Qaboos
5.	Khasab

Table 6: Major Omani Seaports



Figure 4: Location of Major Omani Ports and Terminals⁵⁰

During the year 2018, Oman had exported 3,184 products of worth 41,761 million US\$, to its 161 trade partners, whereas, 4,132 products of worth 25,770 million US \$, were imported from 139 states. In both exports and imports, petroleum products were top of the list. So, major ports have been busy accommodating sea traffic and shipments, especially container ships. Figure 5 specifies the ever-growing traffic of twenty-foot equivalent containers (TEUs) to Omani ports.⁵¹

⁵⁰ Searates. 2020. "Oman" <https://www.searates.com/maritime/oman.html>.

⁵¹ The Global Economy, *Oman: Port traffic*. May 24, 2021 https://www.theglobaleconomy.com/Oman/Port_traffic/.

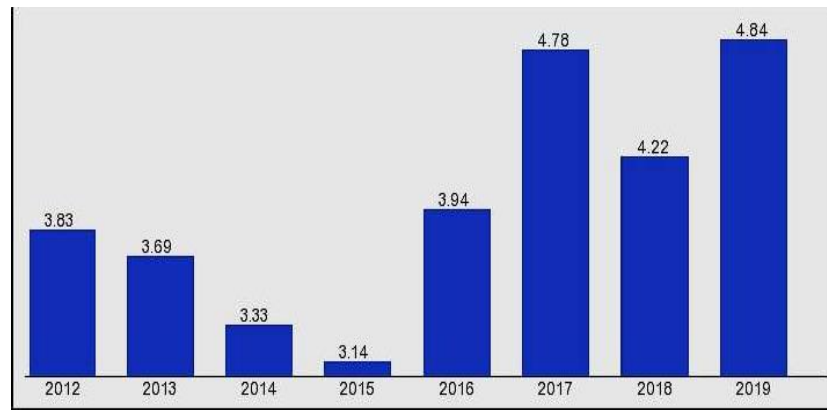


Figure 5: Number of TEUs (in millions) Passing through Omani Ports 2012-2019⁵²

PAKISTAN'S MARITIME TRADE

Pakistan's coast/area ratio is 3.4 m/sq km,⁵³ whereas its coastline is more than 1000 km which involves the provinces of Sindh and Balochistan.⁵⁴ The maritime area (290,000 sq. km), which includes 240,000 sq. km of Pakistan's Exclusive Economic Zone (EEZ) and 50,000 sq. km of the continental shelf, exceeds 30 percent of the total land area.⁵⁵ These figures are truly encouraging because Pakistan can exploit resources contained beyond its EEZ, in the form of Continental Shelf, a facility which most of its maritime neighbours do not have. The only thing that Pakistan lacks is a planning that can create futuristic corridors in order to further its economy, enhance its regional connectivity and increase bilateral trade using the sea. Figure 6 shows three major ports along Pakistan's coastline.

⁵² Ibid.

⁵³ Ibid

⁵⁴ Sajid Mehmood Shahzad. *Impact of Pakistan Maritime Affairs on Blue Economy in Backdrop of CPEC*, (Lahore: MQI Printers, 2021).

⁵⁵ NIOP, April 22, 2021 <http://www.niopk.gov.pk/introduction.html>.

No.	Port	Location
1.	Karachi Port Trust (KPT)	Sindh Coast
2.	Port Bin Qasim (PQA)	Sindh Coast
3.	Gwadar Port	Makran Coast

Table 7: Major Ports of Pakistan

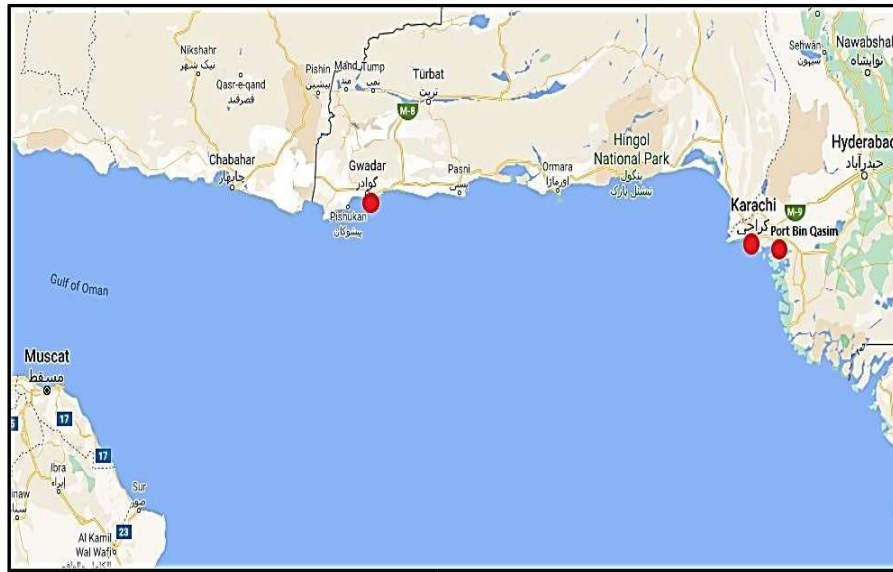


Figure 6: Location of Major Ports of Pakistan⁵⁶

Maritime trade of any country primarily depends upon maritime transport and Pakistan does not possess encouraging figures, in this regard. The number of vessels, currently in use with Pakistan National Shipping Corporation, significantly decreased and now PNSC has only 11 ships in service (including 2 oil tankers that were purchased in 2019), as described in the following figure.

⁵⁶ <https://www.google.com/maps>.

Name	IMO #	Gross Tonnage	In Service	Year Built
Tankers				
M.T. Khairpur	9594872	42,411	2019	2012
M.T. Bolan	95994884	42,411	2019	2013
M.T. Quetta	9270555	58,118	2008	2003
M.T. Lahore	9277541	58,157	2010	2003
M.T. Karachi	9257814	58,127	2010	2003
M.T. Shalamar	9336842	55,894	2014	2006
Bulk Carriers				
M.V. Chitral	9272876	26,395	2010	2003
M.V. Malakand	9304198	40,040	2010	2004
M.V. Hyderabad	9278789	29,365	2011	2004
M.V. Sibi	9519224	17,018	2011	2009
M.V. Multan	9241671	27,986	2012	2002

Table 8: Tankers, and Bulk carriers of PNSC⁵⁷

Pakistan falls far behind its neighbours in shipping fleet India has over 1200, Iran over 300, and Oman has a fleet of over 50 vessels.

⁵⁷ PNSC. 2020. Accessed April 20, 2021 <https://www.pnsc.com.pk/services-tanker.html>.

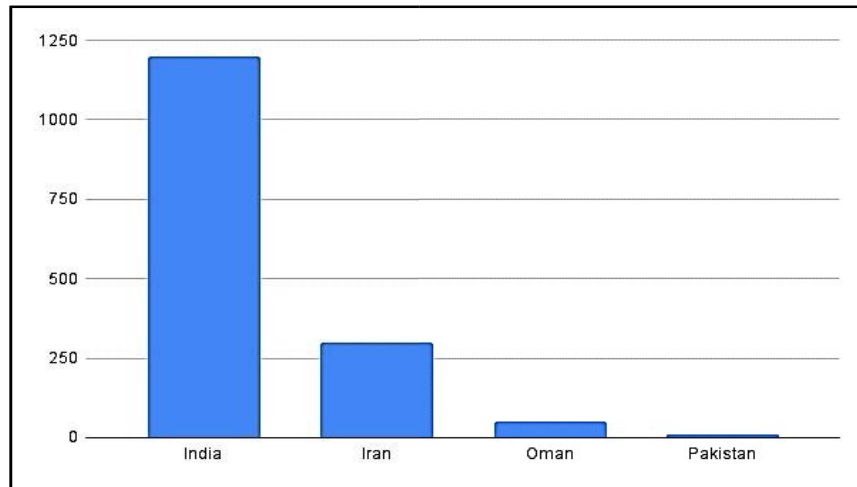


Figure 7: Pakistan's Shipping Fleet Comparison with its Maritime Neighbours⁵⁸

Besides, in 2011, the country had 5 general cargo vessels and currently, there is none.⁵⁹ By flag of registration, Pakistan's annual share of the world merchant fleet was only 0.002 percent in 2020, previously it was 0.001 percent. It is interesting to note that even Bangladesh has a 0.10 percent share value of the global merchant fleet. According to the United Nations Conference on Trade and Development statistics department, Pakistan's fleet growth rate is 0 percent, which is unacceptable for a maritime nation. As part of the Public Sector Development Program (PSDP), the total budget allocated for Pakistan's Maritime Affairs Division was rupees 2,683 million (US\$ 16 million), which is a 46 percent decrease as compared to the previous (revised) allocation of rupees 4,324 million for the fiscal year 2019-2020.⁶⁰ So, largely, the financial capacity is weakening, and it has impacted Pakistan's total merchandise trade, which is just a bit higher than Oman but still lags Iran.

⁵⁸ Constructed by the author.

⁵⁹ UNCTAD. 2020. *Maritime Profile: Pakistan*, February 12, 2021, <https://unctadstat.unctad.org/CountryProfile/MaritimeProfile/en-GB/586/index.html>.

⁶⁰ GoP Finance Division, *Federal Budget 2020-21*. Islamabad: Government of Pakistan, July 30, 2020, http://www.finance.gov.pk/budget/Budget_in_Brief_2020_21_English.pdf.

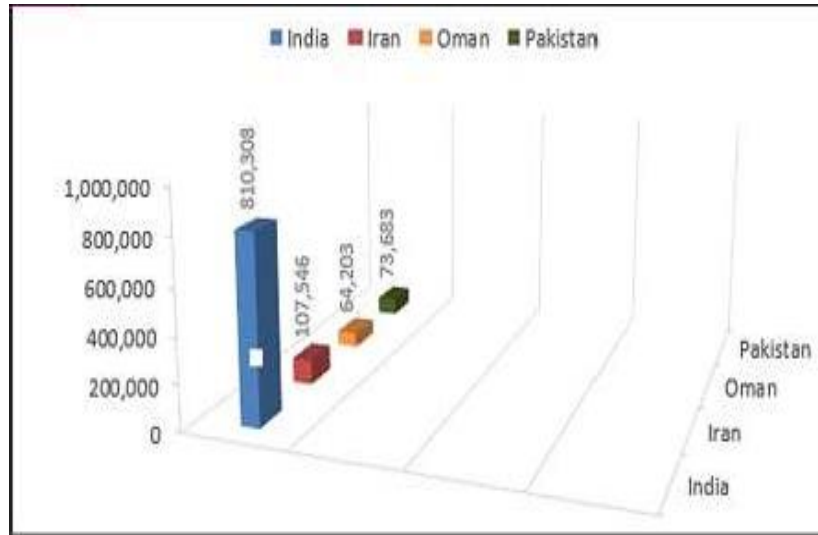


Figure 8: Pakistan's Total Merchandise Trade Comparison with Maritime Neighbours (in US\$ million)⁶¹

Pakistan's capacity of merchant fleet recycling has decreased significantly. In 2017, the country had a total of 4,136,530 gross tonnage recycling capacity which went down to 272,674 after a destructive 175 percent decrease within a short span of 3 years. Pakistan was also efficiently building merchant fleets until 2014 when merchant seagoing ships of 306 gross tons (GT) were built. However, merchant shipbuilding in Pakistan faced a sudden decline from 2015 to 2020, Pakistan did not even reach the minimum criteria (100 GT and above) of Clarkson Research Centre for the data to be calculated and recorded on yearly basis. It is interesting to note that even Bangladesh has become exceedingly efficient in merchant shipbuilding. As compared to Pakistan, its industry is flourishing and progressing. It can be noted from the fact that in 2014, ships of 15,220 GT were built by Bangladesh's shipbuilding industry, which in 2019 went up to 56,798 GT, with a phenomenal 273 percent increase.

Until 2015, Pakistan provided many seafarers to the world maritime industry. A total of 12,168 seafarers are a part of global maritime trade, which becomes 0.74 percent of the world industry, certainly, which

⁶¹ Constructed by the author. Data retrieved from United Nations Conference on Trade and Development (UNCTAD) <https://unctadstat.unctad.org/EN/Index.html>.

is not bad. However, Pakistan has the significant potential to increase this number of seafarers to gain more in this domain.

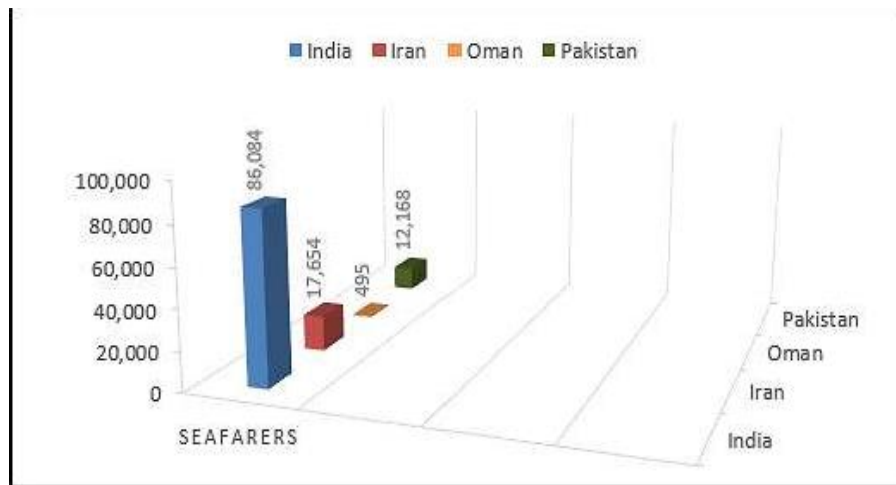


Figure 9: Pakistan's Maritime Neighbours, Number of Seafarers Comparison (in thousands)⁶²

Connectivity is the key to maritime transport and shipping. In this regard, and according to the liner shipping connectivity index (LSCI), Pakistan possesses an index rating of 41.95 for the first quarter of 2021, which was 41.77 in the last quarter of 2020.⁶³ This index is better than many Indian Ocean Region littorals, which shows Pakistan's growing connectivity, direct or indirect, for maritime transportation. Pakistan's bilateral connectivity, which is crucial for maritime trade growth, is also acceptably good and strengthening. Container handling capacity, of Pakistan's ports, has also increased by 44 percent in ten years. It was recorded at 3,367,850 TEU (twenty-foot equivalent unit) in 2019, which was 2,149,000 TEU in 2010. However, Pakistan is behind all its maritime neighbours' port calls, where even Oman is doing much better, although the container handling capacity of Pakistan has improved.

⁶² Ibid.

⁶³ MDS Transmodal, April 28, 2021 <https://www.mdst.co.uk/>.

Type	India	Iran	Oman	Pakistan
Container Ship	1.73	0.13	0.36	0.25
Liquid Bulk Carriers	1.89	00.9	0.23	0.16
Dry Break Bulk Carriers	2.19	0.41	0.05	0.03
Dry Bulk Carriers	3.85	0.19	0.36	0.21
LPG Carriers	2.67	-	0.12	0.12
LNG Carriers	3.13	-	1	0.97

Table 9: World Shares in Port Calls, Percentage Comparison of Pakistan with Maritime Neighbours⁶⁴

CONCLUSION

Pakistan is going through a continuous deteriorating condition of maritime trade, which can be assessed from the number of vessels Pakistan National Shipping Corporation currently possess. Even, Oman is growing rapidly, and with a fleet of over fifty ships, it can easily outrun Pakistan. If Pakistan's maritime neighbours continue to expand in terms of facilities and development of their trade, infrastructure and capacity, Pakistan is likely to leave far behind. Extraordinary measures for sustainable solution to maritime trade problems are greatly required.

The uplifting domestic coastal economy is the key to better growth of the mercantile marine sector. All stakeholder communities of Pakistan's coastal areas must be taken on board to develop a comprehensive joint framework to enhance the trade capacity. It is important that the federal government of Pakistan and governments of both coastal provinces, i.e. Sindh, and Balochistan, should work together for planning and strategy development. Reservations of provinces, or vice versa, would lead to

⁶⁴ Constructed by the author. Data retrieved from United Nations Conference on Trade and Development (UNCTAD) <https://unctadstat.unctad.org/EN/Index.html>.

hurdles, and negatively affect country's maritime trade. Pakistan's maritime affairs are currently dealt by many different departments, which lack coordination, and liaison. For a sustainable maritime sector and trade growth, the establishment of a maritime governance system, under one umbrella, would be a key to an improved and efficient maritime sector. It will resultantly become the basis of a better trade.

Pakistan has not succeeded so far, in fully harnessing the geographic advantage as a maritime nation, which has led to more weaknesses in handling this domain properly. As a result, the operational integrity of the whole maritime sector is compromised. However, if Pakistan follows global initiatives of a blue economy, it may significantly and positively impact Pakistan's maritime trade growth and capacity.