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Navigating the Legal Governance of Gwadar Port under CPEC: An International Maritime Law Perspective

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ABSTRACT

Although much of the existing literature on Gwadar discusses its economic and strategic significance, there is a need to examine the international maritime-law implications of its growing importance. This article critically evaluates the law governing maritime development in connection with CPEC at Gwadar, with a particular focus on the UN Convention on the Law of the Sea (UNCLOS), international maritime law instruments of the International Maritime Organization (IMO), as well as the domestic maritime and environmental laws of Pakistan. The analysis is based on primary legal materials, such as UNCLOS, IMO Conventions, national laws and port regulations of Pakistan, and related literature on international maritime law, port management, CPEC, and maritime geopolitics. The paper contends that the CPEC has not created an independent legal regime for Gwadar, and rather the development of the port continues to be within the purview of the jurisdiction of Pakistan and its international maritime obligations. Furthermore, the increasing economic and strategic importance of Gwadar makes it necessary to balance economic development with freedom of navigation, environmental sustainability, maritime security, and the rights of the coastal population. The paper thus concludes that the legal sustainability of Gwadar in the long run depends on the coordination of institutions, harmonization of domestic law and international obligations, improved environmental and fisheries regulations, foreign commercial regulation and increased maritime cooperation in the region and internationally.



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1.1 CPEC and Regional connectivity of Gwadar port

The strategic importance of Gwadar Port, situated in the southwestern region of Pakistan near the Arabian Sea, cannot be overlooked in the context of Pakistan's maritime development strategy. The development of this port is linked to the China-Pakistan Economic Corridor (CPEC), which is an essential part of the China's Belt and Road Initiative (BRI). CPEC plays an important role in improving connectivity and economic cooperation between China and Pakistan; however, due to the strategic location of Gwadar, the importance of CPEC goes beyond that as well.¹ According to Hilal, the growth and strategic location of CPEC and Gwadar have regional connectivity implications and have caught the attention of countries like Saudi Arabia, thus extending the regional dimensions of the project.² By developing infrastructure for the port, transportation, logistics services, and other maritime facilities, CPEC has enhanced the importance of Gwadar port as a possible gateway that links South Asia, Central Asia, the Middle East, and maritime routes.³ In addition, the increasing maritime activity at Gwadar brings with it many issues related to port management, freedom of navigation, maritime security, marine environmental protection, fisheries, jurisdiction, and rights of coastal states. These developments mean that there are implications not just for the Pakistani legal management but also for international maritime law, specifically the United Nations Convention on the Law of the Sea (UNCLOS). In looking at the Gwadar Port from the perspective of CPEC, it would provide an important

starting point to study the interaction between maritime infrastructure projects and international law.

Scholarly Literature Review

Many literatures have been written regarding CPEC and Gwadar, which mainly focus on geopolitics, geo-economics, and strategies. For instance, the works of Muhammad Khan and Taufiq Nawaz look at CPEC as a tool of regional integration and connectivity as it can link Pakistan and China with other regional countries but at the same time create many other geo-political issues.⁴ However, on the other hand, Zia Ur Rahman, Muhammad Naeem Kohsar and Muhammad Ishaq equally highlight the importance of geo-economics and geopolitics of Gwadar, especially regarding the ability of increasing China's access to markets of Central Asia, Europe and others along with improving Pakistan's maritime and economic status.⁵ Similar is the approach adopted by Maira Hilal who stresses the importance of Gwadar's ability to link Pakistan to the Middle East region as well as other regional markets.⁶

Later research has looked more into Gwadar as a subject of maritime security research, looking into such aspects of CPEC as port security, institutional cooperation and maritime cooperation between China and Pakistan as well as other issues. Altogether, all these studies prove Gwadar's importance not only as a commercial gateway but also as an important maritime strategic site.

Nevertheless, there is still one very important doctrinal gap in all these works. All studies usually consider such aspects of Gwadar's development as

¹ Azhar Rashid and Safdar Ali Shirazi, "Gwadar Port-Pakistan as an Axis for Regional Connectivity under CPEC: A Geographer's Perspective," *Journal of Politics and International Studies* 9, no. 1 (2023): 105–120.

² Maira Hilal, "CPEC and Saudi Arabia: Economic Implication for China and Pakistan," *Scientific Journal of Research and Reviews* 2, no. 2 (2019): 2–4.

³ Ishtiaq Ahmad, "Gwadar: China's Future Gateway to the Middle East," *Strategic Studies* 43, no. 2 (2024): 1–20.

⁴ Muhammad Khan and Taufiq Nawaz, "Regional Connectivity through China Pakistan Economic Corridor: Challenges and Prospects," *Journal of Pakistan-China Studies* 2, no. 1 (2021): 1–3.

⁵ Zia Ur Rahman, Muhammad Naeem Kohsar, and Muhammad Ishaq, "The Geo-Economics and Geopolitical Significance of Gwadar Port in the Changing Maritime Scenario," *FWU Journal of Social Sciences* 16, no. 4 (2022): 121–132.

⁶ Hilal, "CPEC and Saudi Arabia," 2.

geopolitics, trade, security and environmental issues separately from each other without paying sufficient attention to the role that the international law of the sea plays in their interaction. Particularly, the relation between the development of Gwadar and coastal State jurisdiction and freedom of navigation, marine environmental protection, international commercial involvement and dispute settlement at sea under the regime of UNCLOS have not been sufficiently considered yet. This paper is intended to fill the gap considering the issues of geopolitics and maritime security in connection with the legal materials of the Convention on the Law of the Sea and its supplementary documents, as well as the Pakistani domestic legislation on maritime issues.

1.2 International Maritime Laws and the Legal status of Gwadar Port

The legal regime that applies to the development of Gwadar Port is mainly based on the United Nations Convention on the Law of the Sea (UNCLOS). The convention delineates the rights and obligations of a coastal state and other states in different maritime areas.⁷ Being a coastal state, Pakistan has sovereign rights in its territorial waters. Under international law, Pakistan is entitled to exercise jurisdiction over navigation, maritime traffic, fishing, customs, and the protection of the environment of its territorial sea. The right of innocent passage of foreign ships is safeguarded under the convention.⁸

In the region beyond the territorial sea, the EEZ of Pakistan grants it sovereign rights for the purpose of exploring and exploiting natural resources as well as jurisdiction with respect to installations,

marine scientific research, and preservation of the marine environment, while other states enjoy significant freedom of navigation etc.⁹ This helps establish a critical balance from the law point of view regarding CPEC maritime development: The legality to develop Gwadar exists in favor of Pakistan, but that development should not be considered unlimited sovereignty.¹⁰ Consequently, port expansion, shipping lanes, offshore installations, and infrastructure must be in conformity with Pakistan's international obligations, especially the navigation rights of other nations under the UNCLOS.¹¹

However, the legal regime of the international law of the sea goes beyond UNCLOS and includes various other conventions and standards, which have been set up via the International Maritime Organization (IMO). In respect to Gwadar, the key point here relates to security measures at sea and ports based on the SOLAS Convention and its ISPS Code.¹² The ISPS Code provides a mandatory security regime for relevant states, port facilities, and ships involved in international commerce by requiring security assessments, assigned roles, security plans, and proportionate measures based on the identified risks.¹³ It is equally important that such development adheres to the environmental duties prescribed under Articles 192 to 194 of the UNCLOS, which obligates states to ensure protection and preservation of the marine environment and control marine pollution.¹⁴ CPEC does not change Pakistan's legal international maritime rights; instead, it raises the practical significance of implementing its international maritime rights in accordance with the restrictions

⁷ United Nations, United Nations Convention on the Law of the Sea, December 10, 1982, 1833 U.N.T.S. 3, Parts II and V.

⁸ United Nations, United Nations Convention on the Law of the Sea, arts. 17, 19, 21, 22 and 25.

⁹ United Nations, United Nations Convention on the Law of the Sea, arts. 55–58.

¹⁰ United Nations, United Nations Convention on the Law of the Sea, arts. 55, 56, para. 2, and 58.

¹¹ United Nations, United Nations Convention on the Law of the Sea, arts. 58, paras. 1–3, and 60.

¹² International Maritime Organization (IMO), International Convention for the Safety of Life at Sea (SOLAS), 1974, chap. XI-2, "Special Measures to Enhance Maritime Security," and International Ship and Port Facility Security (ISPS) Code.

¹³ Ibid.

¹⁴ United Nations, United Nations Convention on the Law of the Sea, December 10, 1982, 1833 U.N.T.S. 3, arts. 192–194.

set forth by UNCLOS and other international maritime law regimes.

So the legal issue for Gwadar in terms of CPEC is not only about promoting more maritime business activities but ensuring that development, shipping, safety, and environment are all carried out within the context of an international legal regime. Expansion of Gwadar port, therefore, enhances the requirement of bringing Pakistan's port legislation in line with UNCLOS, SOLAS/ISPS, and other international maritime environment laws.

1.2.1 Legal Status and Governance of Gwadar Port

The legal standing of Gwadar Port lies fundamentally in the sovereign nature of Pakistan, as well as its port laws. The Gwadar Port Authority (GPA) came into existence through the enactment of the Gwadar Port Authority Ordinance, 2002. This legislation establishes the framework within which the functions of GPA can be performed.¹⁵ This legal framework mandates the GPA to perform tasks related to planning, developing, operating, managing, and maintaining the port, as well as having jurisdiction to regulate traffic inside the harbor and port area, making appropriate security arrangements.¹⁶ Moreover, the members on the GPA board confirm that port governance is a federal-provincial and an inter-agency mechanism, which includes representatives of various ministries of Pakistan, Balochistan, transportation department, railways, and chamber of commerce. The importance of this institutional arrangement lies in the fact that any foreign participation in Gwadar does not deprive Pakistan of its sovereignty over the port. It means that

foreign participation exists in the legal framework set up by Pakistan.¹⁷

The governance system of Gwadar Port is also based on the landlord-port and concession model, thereby drawing a crucial distinction between regulatory control and operations management. The GPA explains that the landlord model was followed by Pakistan, wherein the Authority continues to be responsible for overall development of the port and its basic infrastructure, while private entities conduct terminal development and operations through concessionaires.¹⁸ The master plan for the port spanning 50 years was agreed upon in 2006, and the operational rights were initially awarded to Port of Singapore Authority International on the basis of a 40-year concession agreement in 2007, which later changed hands to COPHC in 2013.¹⁹ As far as the legal aspect is concerned, the above scenario would be a case of a dual control system: where Pakistan continues to exercise its regulatory functions by virtue of the GPA and other relevant laws and institutions, the concessionaire acts based on the agreement made and subject to the laws of Pakistan. The key question then does not become one of the presence or absence of foreign participation but rather that of Pakistan being able to separate its sovereign regulatory powers from the commercial ones. As Gwadar develops within the CPEC framework, such distinction will be crucial in addressing issues of port security, environment, customs, navigation, taxation, labour relations and dispute resolution. The continued status of the GPA as a statutory port authority becomes important in this regard.

¹⁵ Pakistan, Gwadar Port Authority Ordinance, 2002, Ordinance No. LXXVII of 2002, October 17, 2002, secs. 1–6.

¹⁶ Pakistan, Gwadar Port Authority Ordinance, 2002, secs. 10–13.

¹⁷ Pakistan, Gwadar Port Authority Ordinance, 2002, secs. 10–13.

¹⁸ Gwadar Port Authority, "Gwadar Port Master Plan," Gwadar Port Authority, accessed October 2, 2026, <https://gwadarport.gov.pk/masterplan.aspx>.

¹⁹ Gwadar Port Authority, "Gwadar Port Master Plan," Gwadar Port Authority, accessed at October 2, 2026, <https://gwadarport.gov.pk/masterplan.aspx>; Ministry of Planning, Development and Reform, Government of Pakistan, "Spokesman of Ministry of Planning, Development & Reform Clarified about the Misinterpretation Reported Regarding Gwadar Port Operations," China-Pakistan Economic Corridor (CPEC) Secretariat, accessed October 2, 2026, <https://cpec.gov.pk/news/75>.

1.3 CPEC and freedom of Navigation

The connection between the CPEC project and the issue of navigational rights needs to be considered in relation to the balancing act provided by the UNCLOS between the jurisdiction of the coastal state and navigational rights of the other states. According to Yoshifumi Tanaka, navigational rights under UNCLOS work in all maritime areas, with the EEZ being a compromise between coastal and international interests.²⁰ In the same vein, Donald Rothwell and Tim Stephens highlight how the EEZ increased the rights of coastal States concerning maritime resources but retained vital freedoms for other States.²¹ The differentiation is especially relevant for CPEC in view of the fact that the increasing economic relevance of Gwadar port does not mean an extension of jurisdiction over international navigation in itself. In relation to the territorial sea, foreign ships have the right of innocent passage under Articles 17-19 of the UNCLOS, while Article 58 provides the freedom of navigation in the Exclusive Economic Zone (EEZ).²² One must note that while the rights of the coastal state could affect the freedoms of navigation in the EEZ, any restriction must stay within the jurisdiction conferred under UNCLOS, be done in good faith and not create undue interference in navigation. This means that while Pakistan can regulate its maritime traffic for reasons such as security in ports and protection of the environment, it cannot restrict navigation because of the significance of the CPEC. Therefore, the core question is whether the actions taken around Gwadar stay within UNCLOS jurisdiction.

The problem becomes even more complicated once aspects of maritime security and geopolitics are included. For example, navigational freedom is seen by scholars such as Dale Stephens and Timothy Quadrio as one of the remaining contested issues in the law of the sea, especially in regard to the connection between the security concerns of the coastal State and the freedom of foreign ships.²³ Similarly, B.H. Oxman and other academics specializing in law of the sea have pointed to the conflict that continues to exist between the jurisdiction of coastal States and international navigation.²⁴ The theory can thus be analyzed using realist and liberal institutionalist perspectives. While analyzing CPEC under the realism paradigm, one must consider the strategic importance of the location of Gwadar port as well as the possibility of the commercial infrastructure taking on geopolitical significance. The liberal institutionalist paradigm, on the other hand, would place more emphasis on the fact that even such strategically important infrastructure is always part of an institutionally and treaty-created set of rules. The latter paradigm is especially convincing when viewed from a legal perspective since the UNCLOS does not give strategic importance precedence over the division of maritime rights. The "balancing" theory propounded by Zhen Sun clearly states that the disputes involving coastal State jurisdiction and navigation need to be settled by the allocation of rights, due regard, good faith, and international rules.²⁵ Thus, CPEC should not be viewed merely as a geopolitical undertaking, which could lead to a threat to freedom of navigation, but rather as an example of the clash of strategic ports development and the maritime legal order. It is

²⁰ Yoshifumi Tanaka, *The International Law of the Sea*, 4th ed. (Cambridge: Cambridge University Press, 2023), 117–20, 145–49.

²¹ Donald R. Rothwell and Tim Stephens, *The International Law of the Sea*, 2nd ed. (Oxford: Hart Publishing, 2016), 231–35, 245–50.

²² United Nations, *United Nations Convention on the Law of the Sea*, arts. 17–19, 58(1)–(3).

²³ Dale Stephens and Timothy Quadrio, "Do as I Do, not as I Say"—Navigational Freedom and the Law of the Sea Convention," in *Law of the Sea in South East Asia: Environmental, Navigational and Security*

Challenges, ed. Donald R. Rothwell and David Letts (Abingdon: Routledge, 2020), 163–79.

²⁴ Bernard H. Oxman, "The Regime of Warships under the United Nations Convention on the Law of the Sea," *Virginia Journal of International Law* 24, no. 4 (1984): 809–26.

²⁵ Zhen Sun, "The Impact of Coastal State's Rights on the Navigational Freedoms," in *Finding a Balance in the Exclusive Economic Zone: Conflict and Stability in the Law of the Sea* (Cambridge: Cambridge University Press, 2025), 77–141.

more legally sound to argue that Pakistan can advance the interests of Gwadar in terms of both economy and security without hindering navigational freedom, so long as the relevant port regulations, security arrangements, environmental regulations, and other such measures adhere to UNCLOS and other international maritime law.

1.4 Maritime Security and port facility Implications

With the development of Gwadar Port under the CPEC initiative, the need for security of the maritime zone of Pakistan will become different from what it is now since the development of a commercial port involves the presence of ships, cargoes, infrastructure, personnel, and international investments, thus port security cannot be separated from the success of maritime development. The legal problem is not only that of how security could be provided but how much it is permissible for Pakistan to ensure security without violating international maritime laws. The ISPS Code is the international law governing the protection of ships and port facilities involved in international business. UNCLOS on the other hand gives jurisdiction over which Pakistan could act as a coastal State.²⁶ This results in a double duty, with Pakistan having to safeguard Gwadar from threats like terrorism, piracy, trafficking, sabotage, among others, without letting security considerations be used as an excuse for restricting legal navigation in any way possible. Terrorism, coordination problems, and the unique management of the port have all been noted in recent studies as being major security concerns facing Gwadar, showing that the issue isn't just about external marine threats.²⁷ The legal implication is thus important: for CPEC to

work, Pakistan needs to shift its maritime security governance from being merely protective to a comprehensive system, where all port authorities, maritime security agencies, customs, navy and the private sector have well-defined roles. The more important the role of the port in international business transactions, the more relevant becomes the need to guarantee that maritime security measures are proportionate, transparent, coordinated and in line with international law governing maritime security. In other words, maritime security measures should not be seen as a way of increasing the state's control but rather as a regulative measure in itself.

1.5 CPEC Marine Environmental Protection and Governance issues

The maritime development of CPEC raises a much deeper legal issue: whether the economic gains that come from developing Gwadar can be achieved without passing on the environmental costs of the development project to the marine environment of Pakistan. UNCLOS does not regard environmental protection as a mere discretionary matter; Articles 192 and 194 impose on the states a duty to protect and preserve the marine environment and take steps to prevent and control marine pollution.²⁸ As a result, the right of Pakistan to develop its coastal facilities cannot be divorced from its obligations towards the environment in the international community. The construction of the port, dredging, greater maritime traffic, waste production, and industry as a result of CPEC have a possibility of exerting pressure on marine ecosystems and fish stocks.²⁹ Most likely, Zhang et al. (2025) will be the most relevant piece in relation to the argument you are going to make. The article

²⁶ International Maritime Organization, "SOLAS XI-2 and the ISPS Code," International Maritime Organization, accessed October 3, 2026, <https://www.imo.org/en/ourwork/security/pages/solas>.

²⁷ Asif Khan, Congmei Shi, and Fayyaz Ali, "An Integrated Approach to Strengthening Maritime Security: A Case Study of Gwadar Port of Pakistan," *Marine Development 2*, art. 14 (2024): 1-14.

²⁸ United Nations, United Nations Convention on the Law of the Sea, December 10, 1982, 1833 U.N.T.S. 3,

arts. 192-194, https://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf.

²⁹ Shijun Zhang, Qian Wu, M. Jahanzeb Butt, Minerva Batool, and Muhammad Murad Zaib Butt, "Developing an Ocean Governance Regime for China-Pakistan Economic Corridor: A Comparison of the Marine Environmental Legislation and Policy Framework by Utilizing CRILL Methodology," *Frontiers in Marine Science* 12 (2025): 1577975.

looks into China-Pakistan ocean governance in light of the CPEC project. The authors discuss the legislation and policy frameworks on marine environment protection of both countries and the threats to marine habitat posed by the project.³⁰

CPEC's maritime development needs to be regarded within the context of legal obligations as opposed to policy considerations. Research on Gwadar shows that there are some major environmental governance issues that include activities such as dredging, increased shipping, industrial activities, inadequate enforcement, low institutional capacity, and lack of stakeholder participation. The comparative research on China-Pakistan ocean governance suggests that there are more challenges to marine ecosystems resulting from CPEC infrastructure development and there is need for improved coordination in marine environmental governance. This raises an important legal issue that the power granted to Pakistan in developing Gwadar is matched with responsibility in mitigating and controlling any environmental damage that may arise from its development. According to articles 192 and 194 of UNCLOS, environmental protection should be considered an inherent element of the exercise of rights by the coastal state, and not as an obligation which merely needs to be dealt with only after the establishment of infrastructure. Thus, it follows that environmental impact assessment, pollution prevention, regulation of dredging and shipping activities, fisheries protection, and enforcement should be made a part of planning for Gwadar right from the start. This is also supported by the precautionary approach to international environmental law, which dictates that scientific uncertainties do not provide justification for delaying preventive action against environmental harm.³¹ Thus, the legal sustainability of CPEC's maritime development cannot only be measured

by its ability to promote trade and investments but by how Pakistan can show that its development and regulation powers are consistent with its international responsibility to safeguard the marine environment.

1.6 Fisheries, Coastal Communities and Maritime Rights

With the construction of Gwadar port by CPEC, there is an intersection of law on the issue of marine infrastructure, jurisdiction, and the livelihood of the coastal population. According to Article 61 of UNCLOS, Pakistan enjoys the sovereignty rights in its Exclusive Economic Zone (EEZ) in terms of exploring, exploiting, conserving, and managing the living resources.³² The above-mentioned powers give Pakistan a legal framework for controlling fishing activities and management of marine resources; however, there is also a reciprocal duty to avoid unnecessary damage to fisheries in the process of any other form of maritime development. Such a matter becomes relevant for Gwadar due to fishing being already a legitimate source of income and employment for the local population. The main legal question here would thus be whether the right of the state to engage in maritime development conflicts with the needs of the resource-dependent communities. Maritime development, port construction, dredging operations, increasing number of vessels and restricted access to certain maritime zones might affect fishing grounds or raise costs of the fishery industry in the absence of any legal prohibition on fishing activity. One cannot thus talk about the conflict between the CPEC project and local fishermen but about the adequacy of the measures which Pakistan takes in exercising its right to maritime jurisdiction. Internationally, fisheries law favors conservation approach to the use of marine resources.³³ Thus, the issue before the law for

³⁰ Ibid.

³¹ United Nations Conference on Environment and Development, Rio Declaration on Environment and Development, June 14, 1992, Principle 15.

³² United Nations, United Nations Convention on the Law of the Sea, December 10, 1982, 1833 U.N.T.S. 3, arts. 56, 61–62.

³³ United Nations, United Nations Convention on the Law of the Sea, arts. 56, 61–62; Food and Agriculture Organization of the United Nations,

Gwadar is the need to have port development in tandem with fisheries management, environmental protection, and taking into account the socioeconomic reliance of the coastal population on marine resources.

The matter of coastal livelihood also poses the issue of how competing maritime claims may be balanced out in terms of law and governance. The UNCLOS offers the overall jurisdictional context, but it does not offer a compensation regime or livelihood regime for the affected communities with respect to port development. It is here that Pakistan's own legislation, environmental laws, fisheries law, port laws, and administration become important.³⁴ It would need environmental and social impact assessment prior to launching any large port projects, transparent determination of fishing communities affected, securing reasonable access to fishing areas where compatible with navigation and security requirements, and mechanisms of consultation, compensation, and redress. This concept of equitable and sustainable use provides an analytical framework which may prove useful here: port development is a proper activity for the exercise of Pakistan's jurisdiction in coastal and economic zones of the sea, but that jurisdiction should not be exercised in such a way so as to create unnecessary or excessive harm to existing users of marine resources. If it is not possible at the same time to take into account interests of navigation, port security, conservation and fishing, then it should be done through clear rules and proportionality principles, scientific knowledge, and transparent procedures rather than ad hoc prohibitions. It seems that Gwadar's maritime development is not only successful when it results in high volumes of cargo transportation and high revenues of port management; its legitimacy will depend on whether it is possible to develop infrastructure while preserving lawful use of marine resources and affected communities.

1.7 International Trade and Commercial Maritime Laws

Development of the Gwadar Port within the framework of CPEC is important in regard to international commerce and maritime law because the purpose of this port is to make possible transportation of goods between Pakistan, China, Central Asia, Middle East, and other international markets. In terms of the law, increased port activity implies that there should be legal principles that regulate the access to ports, ships, cargo, customs procedures, and relationships of various commercial parties such as shipper-carrier agreements. Access to the port can hardly be considered as mere physical access because it presupposes certain regulatory principles regarding vessel entry, customs clearance, cargo handling, documentation, safety, and maritime security. When the goods become involved in international carriage by sea, then there are also certain international maritime principles regulating carrier obligations and cargo interests.³⁵ Where relevant, instruments like the Hague-Visby Rules provide significant guidelines on the duties of the carrier, seaworthiness, care of the goods, and liability in case of loss or damage.³⁶ As far as Gwadar is concerned, this growth of international cargo business means that there should be more clarity with regard to the application of the relevant regime of liability in the context of individual cargo movements, as well as the allocation of liability among the shipowner, the carrier, the freight forwarder, the terminal operator, and the port authorities. This issue becomes particularly significant in cases when cargo moves through multiple jurisdictions before arriving at its final destination.

Dispute resolution and customs control make up another important element in the commercial marine environment of Gwadar Port. A modern international port involves the interaction of port management, customs management, shipping

Code of Conduct for Responsible Fisheries (Rome: FAO, 1995), paras. 6.1–6.4.

³⁴ Pakistan Environmental Protection Act 1997 (Act XXXIV of 1997), s 12-13.

³⁵ Carriage of Goods by Sea Act 1925 (Act No XXVI of 1925), ss 2–5.

³⁶ Hague Rules as amended by the Brussels Protocol 1968, arts I–IV.

firms, terminal operators, and various regulatory agencies, especially with regard to cargo declaration, inspections, duties, prohibited cargo, transshipment cargo, and movements from and to free zones.³⁷ Thus, the legal importance of CPEC is that the greater flow of goods may highlight discrepancies between the internal regulations of Pakistan with respect to customs and ports and the rules of international maritime business under the contract. In addition, the issue of dispute settlement is equally important. Business disputes related to damaged cargo, delays, detention, charterparty duties, terminal services, port dues, or concessions agreements may include persons incorporated in different jurisdictions, and jurisdiction and applicable law would be among the primary concerns. Arbitration may serve as a means to settle the disputes when the contract includes arbitration clauses, while the recognition and enforcement of arbitral awards could be covered by the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, of which Pakistan is a party.³⁸ It is thus necessary from a legal perspective that the success of Gwadar cannot be contingent upon physical expansion alone but must also rest in an environment of certainty where traders and marine carriers can establish their rights and responsibilities before any disputes come up. In this sense, the maritime development of CPEC will push Pakistan to ensure that its customs laws, port laws, maritime contracts, liability laws, and arbitration provisions run in sync with each other in order to decrease legal uncertainty and increase the international commercial capabilities of Gwadar Port.

1.8 CPEC and Gwadar Regional and Geopolitical Dimensions

CPEC's regional perspective is due to Gwadar Port's location in the Arabian Sea, which leads to the larger maritime system of the Indian Ocean. Gwadar Port aims to connect Pakistan with its trading routes heading to the Middle East, East Africa, and South Asia, whereas the CPEC transportation network is a potential link to the Western part of China and even Central Asia.³⁹ This geographic location has been a subject of much academic discussion regarding whether Gwadar is better defined as a commercial connectivity or a geographically significant piece of infrastructure. The legal difference is that being geopolitically significant in itself does not confer any further rights at sea. The power that Pakistan holds over Gwadar continues to be based on the national laws of Pakistan as well as international maritime law, such as the UN Convention on the Law of the Sea.⁴⁰ This means that the existence of foreign business activity brings up many issues regarding port concessions, investments protections, customs authority, taxation, labor legislation, security on waterways, and environmental considerations. The existence of Chinese companies or other foreign businesses does not affect Pakistan's sovereign rights over the port since their operations are still governed by the legal regime created by Pakistan.⁴¹ Accordingly, the key question in terms of law concerns how Pakistan could balance its need for foreign investments and regional connectivity with its need to retain regulatory independence, openness, and compliance with international rules. The location of Gwadar means that the business activities of the

³⁷ Pakistan, Customs Act, 1969 (Act IV of 1969), secs. 15–16, 25, 30, and 32, Federal Board of Revenue, Government of Pakistan.

³⁸ United Nations Commission on International Trade Law (UNCITRAL), Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958), June 10, 1958, United Nations Treaty Series. Pakistan acceded to the Convention on July 14, 2005, and it entered into force for Pakistan on October 12, 2005.

³⁹ Ministry of Planning, Development and Special Initiatives, Government of Pakistan, "China-Pakistan Economic Corridor (CPEC)," accessed October 3, 2026, CPEC Official Website.

⁴⁰ United Nations, United Nations Convention on the Law of the Sea, December 10, 1982, arts. 2–3, 17–19, 56, and 58; Pakistan, Territorial Waters and Maritime Zones Act, 1976 (Act No. LXXXII of 1976).

⁴¹ Pakistan, Gwadar Port Authority Ordinance, 2002; Pakistan, Foreign Investment (Promotion and Protection) Act, 2022.

port are related to the use of the maritime space by a number of states for trading, navigating, fishing, and other legitimate activities.

The regional context further implies that CPEC should be looked at in conjunction with existing maritime cooperation frameworks and regional legal regimes, rather than as an independent infrastructural project. More shipping between Gwadar and markets of the Middle East, Africa, and possibly Central Asia may require more cooperation in the area of maritime safety, port security, environmental protection, search and rescue, information exchange, custom clearance, as well as combating piracy and maritime crime.⁴² The involvement of Pakistan in international maritime institutions and conventions is the main basis for cooperation, but regional organizations and agreements might help in ensuring coordination in practice. On the other hand, the strategic importance of Gwadar Port presents the case of a possible contradiction between economic connectivity and regional security considerations. The economic importance of the port might lead to cooperation due to trade and connectivity, while its strategic importance might give rise to apprehensions amongst neighbouring countries about maritime security and strategic activities.⁴³ International law offers a significant stabilizing factor because the legal implications of the development of Gwadar need to be based on treaties, international custom, bilateral treaties, and national laws and not just on geopolitics.⁴⁴ In summary, the biggest legal issue faced by CPEC in relation to the legal aspects of Gwadar is how to make sure that the rising importance of Gwadar as a port does not clash with the maritime legal framework and principles of navigation and

peaceful use of the sea, protection of the environment, and interstate collaboration. In this context, regional maritime collaboration becomes a legal issue, in addition to being a diplomatic one.

1.8.1 Potential Legal Dispute

Possible legal dispute creates several possible legal disputes due to the introduction of another category of possible legal disputes by the maritime development especially when such incident involves foreign ships, port facilities, security agencies, or any Challenges. The development of Gwadar Port via CPEC creates several possible legal disputes due to the involvement of multiple jurisdictions, international business persons, regulatory agencies, and different legal systems. The legal structure for the development of Gwadar Port includes the Gwadar Port Authority Ordinance 2002 while other maritime issues are covered by the legal system of Pakistan.⁴⁵ Disputes may thus be raised regarding the powers of the Gwadar Port Authority, the customs authorities, maritime security agencies, and other similar organizations with jurisdiction over ports. Disputes may also arise in connection with navigation and access in case port security, restricted areas, control of ship traffic or environmental regulations interfere with the interests of the foreign vessels. In accordance with the UNCLOS, ships from all the States have the right of innocent passage through the territorial sea, while the coastal State can adopt legislation regarding navigational safety, maritime traffic, environmental protection, fisheries and customs regulations, as long as such regulations conform to the Convention. In the exclusive economic zone, Pakistan has sovereign rights and jurisdiction, although the rights and jurisdiction are not

⁴² International Maritime Organization (IMO), International Convention for the Safety of Life at Sea (SOLAS), 1974, as amended; International Convention on Maritime Search and Rescue, 1979, as amended; International Convention for the Prevention of Pollution from Ships (MARPOL), 1973, as modified by the Protocol of 1978; United Nations, United Nations Convention on the Law of the Sea, arts. 98, 100–107, 192–194.

⁴³ United Nations Convention on the Law of the Sea, arts. 17–19, 58, and 88–89.

⁴⁴ United Nations, United Nations Convention on the Law of the Sea, December 10, 1982; Pakistan, Territorial Waters and Maritime Zones Act, 1976 (Act LXXXII of 1976); Pakistan, Gwadar Port Authority Ordinance, 2002 (Ordinance XLVII of 2002).

⁴⁵ Pakistan, Gwadar Port Authority Ordinance, 2002, Ordinance No. LXXVII of 2002, §§ 3–4, 17–18.

inconsistent with the freedom of navigation and other lawful use of the sea by the other States.⁴⁶ Disputes involving the environment can be caused by similar factors such as dredging, construction of ports, pollution, degradation of coasts, or affecting marine life because of development activities that require an environmental assessment or violation of environmental standards.⁴⁷ These problems illustrate that the problem lies not so much in the lack of legal provisions but in the fact that several legal systems apply to one and the same maritime activity. Investment in CPEC creates another dimension of difficulties because the disputes may include not only concession agreements but also construction agreements, port operation agreements, transportation agreements, and foreign investment agreements. The question of applicability of law, liability, jurisdiction, arbitration, and enforcement may be especially relevant where the disputing parties are incorporated under the laws of different states.

Another set of problems is presented by the incidents of maritime security, in particular, when the incident involves foreign ships, port facilities, security agencies, or alleged crimes. In such cases, there may be questions about jurisdiction, about where the events have taken place—in the territorial waters or the EEZ—and about applicability of legal rules.⁴⁸ Pakistan's approach should therefore ensure that there is a distinction between what is acceptable when enforcing maritime security laws and actions that would constitute a violation of navigation rights. Dispute resolution in such a situation would therefore necessitate the use of a combination of both domestic and international approaches. This would involve using administrative proceedings, Pakistani courts, regulatory approaches, and arbitration. Arbitration may also arise from commercial contracts.⁴⁹ At an international level,

some of the methods that have been provided by UNCLOS for dispute resolution in peaceful ways include negotiation, arbitration, and judicial and tribunal proceedings among others where jurisdictional conditions are met.⁵⁰ The Permanent Court of Arbitration, the International Tribunal for the Law of the Sea, or any other appropriate international body might come into the picture based on the type of dispute and the parties in question.⁵¹ As such, the foremost legal consideration is undoubtedly the prior determination of jurisdiction and dispute resolution procedures. The CPEC contracts and port regulations will need to be unequivocal about the law to be followed, the relevant forums for the resolution of the dispute, the process of arbitration, liability and enforcement. In doing so, it would minimize the possibility that any dispute arising from commercial, environmental, navigational or security issues becomes a larger interstate dispute. For Gwadar, consequently, a sound dispute resolution regime cannot be a reactive process but a proactive one.

1.9 Pakistan's Legal and Regulatory Framework

However, Pakistan does have a fairly robust national legal framework for the regulation of Gwadar's maritime activities; however, the main issue here is not that there is a total lack of laws, but that there is no effective implementation of the laws that are present. The main law at the port level for the regulation of Gwadar's maritime activities is the Gwadar Port Authority Ordinance, 2002. This statute lays down all the provisions required for planning, constructing, operating, managing and

⁴⁶ United Nations, United Nations Convention on the Law of the Sea, December 10, 1982, arts. 17–19, 21–25, 55–58.

⁴⁷ Pakistan, Pakistan Environmental Protection Act, 1997, Act XXXIV of 1997, § 12.

⁴⁸ Pakistan, Pakistan Maritime Zones Act, 2023, Act No. XLV of 2023, ss 6–8.

⁴⁹ Pakistan, Recognition and Enforcement (Arbitration Agreement and Foreign Arbitral Awards) Act, 2011, Act No. XVII of 2011, ss 3–7.

⁵⁰ United Nations, United Nations Convention on the Law of the Sea, December 10, 1982, arts. 279–287.

⁵¹ United Nations Convention on the Law of the Sea, arts. 287–288

maintaining Gwadar Port.⁵² The Pakistan Merchant Shipping Ordinance, 2001 is the main statutory instrument regulating merchant shipping at the national level. It applies to all vessels flying the flag of Pakistan as well as foreign vessels while they are in Pakistan ports, territorial waters and the EEZ.⁵³ The Mercantile Marine Department is charged with enforcing key maritime laws and standards, including international ones related to topics such as SOLAS, STCW, COLREG and other IMO regulations.⁵⁴

As a result, Gwadar is governed by a complex regulatory framework, as opposed to a specific CPEC maritime regulatory regime, whereby the Gwadar Port Authority is charged with port related responsibilities, whereas federal maritime institutions continue to be responsible for ship navigation.⁵⁵ There are implications arising out of this separation of power in relation to CPEC. In the first place, the existing system of legal order can help regulate increased commerce and international sea activities without having to introduce a totally new legal order. In the second place, there are possibilities of conflict arising from this separation of power on account of the overlapping areas of port management, maritime safety, customs, environment, security, and ship control.⁵⁶ Gwadar's increasing involvement with CPEC trade and international shipping means that regulation cannot rely simply on the mere presence of statutory powers, but also on the clarification of jurisdictional boundaries, the sharing of information between agencies, enforcement, and conflict resolution within the relevant institutions. In this context, the basic legal issue lies in whether the current maritime institutions in Pakistan will be able to transform their powers defined through statutes into a

cohesive regime regulating Gwadar's maritime activities.

Recommendations and Discussion

There is a need for the strengthening of the institution and laws concerning Gwadar by enhancing coordination between the Gwadar Port Authority, Mercantile Marine Department, Pakistan Maritime Security Agency, custom departments, and environmental institutions in Balochistan. The domestic legislation relating to the maritime sector must be reviewed from time to time and brought in line with UNCLOS and international laws of the IMO in the fields of navigation, ports, maritime security, and environmental protection. While on the one hand, there is a need for incorporation of environment-friendly measures in the process of port development through EIA, marine pollution prevention, constant monitoring, and stringent compliance.

Pakistan must also clarify the regulations regarding foreign commercial participation, port concessions, ship activities, and investment schemes in Gwadar. The contracts must contain clear regulatory obligations, liabilities, environmental obligations, laws, and dispute resolution mechanisms without undermining the sovereign regulatory jurisdiction of Pakistan. Special care must be taken to ensure that fisheries and coastal communities are protected through consultation, sustainable management of fisheries, and avoiding any disproportionate impact of port development on coastal communities. Lastly, Pakistan must enhance its collaboration in regional and international level in terms of maritime security, environmental protection, navigation, fisheries, and search and rescue operations.

⁵² Pakistan, Gwadar Port Authority Ordinance, 2002, Ordinance No. LXXVII of 2002, ss 3–5, 10–12, 19, 72–73 (October 17, 2002).

⁵³ Pakistan, Pakistan Merchant Shipping Ordinance, 2001, Ordinance No. LII of 2001, ss 1(3) (October 3, 2001).

⁵⁴ Mercantile Marine Department, Ministry of Maritime Affairs, Government of Pakistan, "Functions," accessed October 3, 2026.

⁵⁵ Gwadar Port Authority Ordinance, 2002, Ordinance No. LXXVII of 2002, ss 3, 5 and 13; Pakistan Merchant Shipping Ordinance, 2001, Ordinance No. LII of 2001, ss 1, 3–5.

⁵⁶ Pakistan Merchant Shipping Ordinance, 2001, Ordinance No. LII of 2001, ss 403–421 (navigation, collisions and accidents) and ss 552–562 (prevention of pollution from ships), pp 136–141 and 188–194.

Conclusion

Gwadar Port Development Project in the context of CPEC is more than just an extension of maritime infrastructure in Pakistan; rather it is a crucial test case of whether the issues of economic connectivity, coastal state jurisdiction, international law of the sea, environmental protection, and geopolitics can coexist in a legal system. As the analysis shows, CPEC does not establish a separate legal system in the context of Gwadar Port. Instead, Gwadar Port operates within the domestic legal system of Pakistan and the overall legal system of the international law of the sea, especially UNCLOS and corresponding IMO regimes. The key legal implication here is that Gwadar Port's development and regulation must go hand in hand with the fulfillment of obligations regarding freedom of navigation, maritime security, marine environmental protection, fisheries, etc.

Because of the growing commercial and strategic importance of Gwadar, it makes more sense now to have transparent and predictable rules of the game. This said, the primary legal problem does not lie in the presence of divergent interests, but rather in the ability of Pakistan's regulatory bodies to manage these interests in an effective manner. Sustainability of Gwadar will not be possible to

measure solely on the basis of its capacity, investment, cargo volume, and connectivity; marine ecosystems and the rights of the fishing communities have to be taken into account, too. The discussion above, therefore, shows that the legal legitimacy of CPEC's maritime development in the long-run will be contingent upon institutional coordination, alignment of domestic laws with international commitments, environmental and fishery protection measures, and proper regulation of foreign actors and dispute resolution procedures. It is fair to conclude that Gwadar Port will serve as an experiment of the sustainable maritime governance model in the coastal developing country of strategic importance. In other words, Gwadar will be successful in becoming not just a CPEC Port but also a legally robust regional maritime connectivity point provided that Pakistan manages to link economic development with international commitments to maritime governance. Otherwise, unaddressed issues related to jurisdiction, environmental management, security, and governance could create legal uncertainty and endanger the goals of maritime development altogether. To summarize, the success of Gwadar in the future will not depend only on the port itself but on the maritime governance framework of the state.

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