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BLUE ECONOMY: **A CASE STUDY OF SHIPPING SECTOR AT THREE** **PORTS OF PAKISTAN**

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Abstract

Blue economy is considered important for social development and progress. This paper examines the case of shipping sector of three ports of Pakistan. This paper also aims at analyzing the hurdles in Pakistan's industry and Why Pakistan has not explored enough on blue economy ground instead of having huge coastline? This paper applied the theory of the paradigm shift and examination of Pakistan's policies towards blue economy as Pakistan has geo-strategic importance, and in the changing dynamics of Indian Ocean Pakistan has pivotal position. This research consists of understanding significance of maritime trade and role of shipping sectors in the framework of Blue Economy to recommend new perspectives for evolution of shipping sectors.

Introduction:

The core argument of this study is following: *“Blue Economy can prove a tool for future prosperity and countries can achieve economic sustainability by increasing their international trade.”* Pakistan is a developing



country with emerging economy and it has been maneuvering to increase its share in international trade. Oceans cover two-third of earth. Mankind's relationship with oceans is spanned over a period of thousands of years and due to curiosity in nature mankind has explored and conquered the seas and oceans. Now, humans know the fact that the oceans are rich in natural resources, therefore they have been exploring sea treasures and have shaped several professions to use the wealth of the oceans. These



professions include fishing, deep sea drilling exploration, collection of salt, transportation, jewels, and bullion collection etc. The largest body on Earth is ocean forming beautiful growing population and inconceivable world beneath it. Oceans are obtaining its gravity and significance. Ocean got their attraction by the people of world over the years.

Business activities through water have been increasing day-by-day and thus trade dependency on sea transport has been increasing too. All littoral states have developed their seaports and fleets to ease their economies. Pakistan is also trying to get its bigger share in international markets through its exports. Therefore, Pakistan has set its wider vision to achieve this goal. Currently, Pakistan has three big and important ports; Bin Qassim Port, Karachi Port, and Gwadar Port. These ports are for sea liners, cargo ships, and oil and gas vessels, container vessels. The historical jetties of Manora, Thatta, Jiwani and Sonmiani own roots of the blue economy of Pakistan and are being used for fishing purpose.

This research paper is analytical and explanatory. The aim of this research is to assess value of maritime trade to understand role of shipping sector in setting Blue Economy to recommend newer perspectives for evolution of shipping sectors and blue economy of Pakistan and to analyze hurdles and opportunities.

Understanding the Concept of Blue Economy:

The blue economy is a known worldwide idea that encompasses the interconnectedness of the seas, climate change, and the health of all organisms. The term "blue economy" refers to all economic activities that take place on or near water. Gunter Pauli, a well-known economist, coined the phrase "Blue Economy" in 1994. This effort was part of a global shift away from traditional economic development and toward human-centric development, which promoted environmental stewardship and resilience. In



2010, he published "The Blue Economy." "The Blue Economy; ten years, a hundred innovations, a thousand million jobs" was the slogan that made him famous around the world. In reaction to the RIO+20 summit on resilience development in 2012, the notion of blue economy has gained traction.

The blue economy was established in response to ecological needs, new economic demand, and global climate change dynamics. In contrast to previous methods that focused on resource extraction and financial gains, the blue economy aims to establish a balance between ocean-based prosperity and environmental protection. Blue Economy has been used interchangeably with "marine economy," "coastal economy," "ocean economy," and "green economy," although each phrase has its own meaning. According to Gunter Pauli, the aim of Blue Economy is "to allow eco systems to maintain their evolutionary path so that all can benefit from nature's endless flow of creativity, adaptation and abundance."¹ According to The Economist, "a sustainable ocean economy emerges when economic activity is imbalance with the long-term capacity of ocean ecosystems to support this activity and remain resilient and healthy"² According to research and information system for developing countries (RIS) "As a subset of the economy, the blue economy covers all ocean related activities including direct and indirect supporting activities needed for functioning of these economic sectors, while adjusting to the costs of environmental damage and ecological imbalanced caused due to exploitation of ocean resources for consumption. Their fore the scope of blue economy is much wider and inclusive. According to United

¹ "The Blue Economy." Gunter Pauli. Accessed January 22, 2022. <https://www.gunterpauli.com/the-blue-economy.html>

² 1. "World Ocean Day Explores Blue Economy and Private-sector Impact," World Ocean Initiative, accessed January 22, 2022, <https://ocean.economist.com/blue-finance/articles/world-ocean-day-explores-blue-economy-and-private-sector-impact?linkId=100000052359074>.

2. "short title."

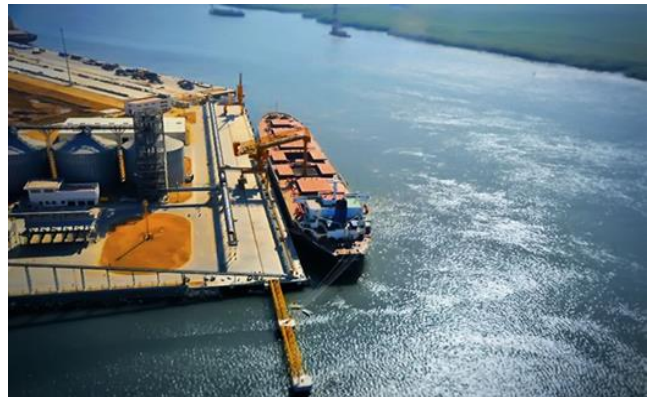
Nations’ “Blue Economy is a marine-based economic development that leads to improve human wellbeing and social equity, while significantly reducing environmental risks and ecological scarcities

In the light of the theory of neo-functionalism, one can design the future paradigm of Blue Economy of Pakistan about its significance in region through multination coalition in trade, transit, and setup of industrial zones to boost their products and their exports to the beneficiary countries. Implementation of strategies of blue economy would spillover from low profile politics to high profile politics and causes expansion of projects.

Three ports of Pakistan:

a. Bin-Qasim Port:

Bin-Qasim port handled a huge amount of external trade of Pakistan. Port Qasim was set up in 1973 in Karachi and started operation in 1980. The port presently has eighteen berths (fifteen in private sector) with yearly handling volume of eighty-nine million tons. All merchandises ranging from minerals oils, edible oil, coal, rice, wheat, cement to fertilizers, general cargo, containers, and LNG are



being grasp in the port at ultramodern terminals. It is the energy center and only LNG Port of Pakistan. It has four terminals, 273 industrial units, and 45% import export rate. Port Qasim is well connected to the hinterland by all modes of transport, with direct access to the national highway, the motorway network heading to Afghanistan, the CARs, and the CPEC routes. The National Railway network is also

connected to the Port. Port Qasim is one of Pakistan's most important economic contributors, handling 51 percent of the country's sea traffic.³

b. Karachi Port:

Karachi Port is located on a crucial spot along the 600-mile-long coastline that stretches from the Straits of Hormuz to the Indian border. It offers excellent connections to Afghanistan, Western China, and Central Asia, as well as a strategic location. The moniker "gateways to the region" is well-deserved. KPT has consistently taken advantage of its potential through progressive measures. Modern



container vessels, tankers, bulk carriers, and general cargo ships up to 75,000 DWT are all served by Karachi port, which is open 24 hours a day, seven days a week. The port features 30 dry cargo berths and three liquid cargo berths, as well as a privately operated container terminal, Karachi International Container Terminal (KICT), which is fully equipped with contemporary machinery. The port of Karachi assists roughly 1600 ships per year, and there is ample space to accommodate more goods, as the current occupancy is only about 45 percent. It is the busiest and most important deep-water port in South Asia.

Karachi port receives 60 percent of the country's cargo. It features a navigable channel that is 11.5 kilometers long and a depth of 12.2 meters.

³ 1. Port Qasim Authority - PQA, last modified January, <https://www.pqa.gov.pk/>.

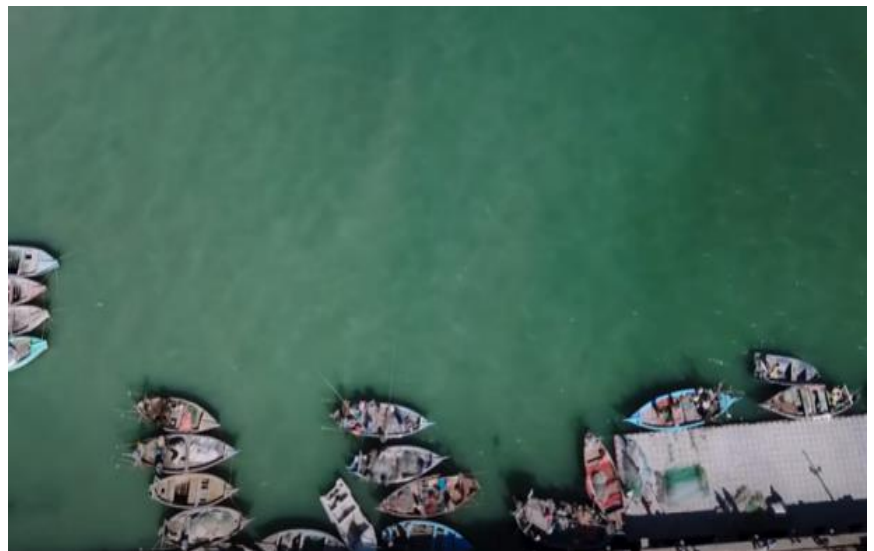
2. "short title."

c. Gwadar Port:

Gwadar, in the western region of Baluchistan, is located on the Arabian Sea's coastline. It's 533 kilometres from Karachi and 120 kilometres from the Iranian border. Gwadar Port is located at the mouth of the Persian Gulf, just outside the Straits of Hormuz, close to the Persian Gulf's main maritime routes in and out. The port can currently handle 50,000 DWT bulk vessels with a maximum depth of 12.5

metres. Because of its depth, Gwadar is extremely important. It can work as a global trade hub for

Pakistan. China invested on Gwadar port. Gwadar Free Zone has capacity of around 10 billion per annum economic activities, a huge number of jobs, and improvement in the shipping sector of Pakistan. Before CPEC, people of Gwadar had less access to modern



facilities to evolve and contribute with increasing percentage in states economy but now shipping sector of Pakistan will evolve. Pakistan is connecting East and the West from Karakoram to Gwadar with the CPEC project as an alternate passage to central and East Asia. All states are invited to join CPEC for win-win situations. The China-Pakistan Economic Corridor (CPEC) provides China with the quickest route from the Persian Gulf and Africa to Western and Northern China, cutting the distance by over 12500 kilometres, with Gwadar serving as the hub. Gwadar Port facilitates the free passage of people, food, capital, and commerce while saving billions of dollars in costs.



Pakistan's Approach to Blue Economy and Suggestions:

Pakistan needs to enhance efforts to mitigate the environmental issues. i.e., Climate change. The role of leadership is most important in this regard. Pakistan crossed the water scarce country in 2005 and by this time Pakistan is becoming an absolute water scarce country. Thereby, the focus must be on these non-traditional security threats. These factors are also affecting ports and shipping processing. Robust Maritime policies are also a dire need of time. Thereby, we need to recognize and take up the tremendous opportunities that our ocean resources can deliver to us if we plan, manage and care for in a responsive way. We must use our sea's tremendous potential. Moreover, there is a need to make efficient and manageable systems to achieve sustainable growth in future.

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