

Central Asia's Quest for Warm Waters: From the Caspian Sea to Gwadar Port

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Abstract

Central Asia presents a mosaic of cultures and religions which, due to its fertile land and energy resources, has attracted many invaders since the 19th century and even before. The struggle between the UK and erstwhile Russia, former Soviet Union, to capture land started the 'Great Game.' The involvement of the regional and extra-regional countries transformed it into the competing ground over oil and gas; adding geo-political sensitivities to the region. The Central Asian Republics (CARs) are finding it difficult to stay out of the Russian influence. Due to geo-economic strategies of various powers involved in Afghanistan and Iran, the land-locked CARs are finding it hard to export oil and gas through the Arabian Sea. Gwadar port, linking to China and the Wakhan Corridor, emerges to be the most suitable option for the CARs and Russia to export their energy resources.

Keywords: Warm-Waters, Energy Politics, Central Asia, Gwadar Port, New Great Game.

Introduction

It is estimated that by 2020, global gas and oil demand will be 162 trillion cubic meters and 145.6 million barrels a day respectively. The Asia Pacific Region (APR) alone consumes half of the world's energy. The growing economies like China and the US are looking for alternative energy sources to meet their energy needs. Around 51 per cent of the US oil demand (19.5 million barrels per day) is being met through imports. It is estimated that by 2020, the US will have to import 64 per cent of its oil (25.8 million barrels per day) requirements. Presently, the US is importing most of its oil from Venezuela and the Persian Gulf. Similarly,

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Europe imports its oil from the Persian Gulf and the North Sea.¹ Considering the depletion of these reserves, hydrocarbon resources of the Caspian region have emerged as a substitute to the existing resources. It has compelled the US and the regional economies to make use of the Central Asian energy resources. The CARs and Azerbaijan are estimated to have 7.5 trillion cubic meters of known and 20 trillion cubic meters of undiscovered reserves of natural gas. Turkmenistan's undiscovered oil and gas reserves are estimated at 37 billion barrel and have discovered 17 new natural gas fields with 60 to 80 billion cubic meters of gas respectively.² The CARs also wanted to export its energy resources to other countries and regions as they are already selling these to China and Europe under the Russian influence. Due to the US involvement in Afghanistan and Iran, the CARs and Russia are finding it difficult to reach out to the Arabian Sea (Warm Waters) for a prudent export base through the Indian Ocean. Gwadar port linking to China and the Wakhan Corridor emerges to be the most suitable option for the CARs and Russia to export their energy resources.

Central Asia: Demography and Historic Relations with Pakistan

Central Asia stretches from the Caspian Sea to the Pamir Mountains in the east, consisting of five states including Uzbekistan with an area of 447,400 sq km; Turkmenistan 488,100 sq km; Kyrgyzstan 98,500 sq km; Tajikistan 143,100 sq km and Kazakhstan 2,717,300 sq km. Kazakhstan, in terms of size is as large as India.³ The region is landlocked and routes to the sea are arduous. Only Pakistan provides the shortest route to the much-desired warm waters.

During the World War II, the Soviet Union established huge military industry in the region, which remained there even after the independence of the CARs in the early 1990s. All of them influenced the region and added to the regional cultural mosaic which still exists as all the regional countries are a blend of various ethnic and religious groups. The 70 years of the Soviet Communist rule added yet another layer of influence

¹ David J Brown, *Bridges*. (London: Macmillan Publishing House 1993).

² Rebecca L Busby, *International Petroleum Encyclopaedia* (Santa Calara: Penn Well Pub Co, 2004).

³ W Gordon East, *The Changing Map of Asian Political Geography* (London: Read Books, 2007), 51.

to the legacies of the past.⁴ The history of the region reveals that it has been an agricultural and economic hub since the fourth century with an increasing geo-economic global value. A few noteworthy civilisations and ruling tribes like Kushans, who had common linkages between Central Asia and Pakistan, have encouraged large-scale urbanisation.⁵ The period of the Great Kushans (second century BC-third century A D) was the Golden Age in the ancient history of Pakistan and Central Asia, manifested by the Gandhara civilisation. At Termez, large numbers of inscriptions in the Buddhist settlements, indicate their links with the people of the Indus Valley. Many Buddhist sites have been excavated in the northern parts of Pakistan and are part of the region's geographical history, which is being taught in many institutions. The Persians brought this region under their control. In the present day Pakistan and Iran, two neighbourly Muslim states striving for good politico-economic relations, have concluded an agreement of Iran-Pakistan gas pipeline.⁶ This long perspective of history has left deep historical links between the peoples of Central Asia and Pakistan. In the first century BC, the Scythians entered the area, now Pakistan, from Kyrgyzstan and the Tajikistan side across the Pamirs towards Gilgit and Taxila. These historic relations will be helpful to revitalise the Wakhan Corridor, a vital part of the approach to warm waters by the CARs and the Russians. The Wakhan Corridor is having an increasing strategic value is surrounded by mainland Afghanistan, China, Pakistan and Tajikistan. In the future, this demographic harmony between the CARs and Pakistan can prove to be a regional economic hub.

Internal Dynamics of the CARs

Central Asia is rich in natural resources such as oil, gas, and minerals. It also possesses a considerable reservoir of literate and skilled manpower. Since independence, the CARs have been striving to find their rightful place in the region's political and economic configuration. Their efforts

⁴ Beatrice F Manz, ed., *Central Asia in Historical Perspective* (Lahore: Vanguard Books, 1996), 47.

⁵ Edgar Knabloch, *Monuments of Central Asia* (London: IB Tauris Publishers, 2001), 15.

⁶ Khaleeq Kiani, "Gwadar Port to be Transferred to Chinese Firm; Cabinet Ratifies Iran Pipeline Agreement," *Dawn*, January 31, 2013.

are mostly directed towards shaping statehood under new circumstances and becoming active members of the world community.⁷

The region's population is around 65 million, which represents a sizeable consumer market.⁸ Its oil and gas reserves are estimated at 23 billion tonnes of oil and 3,000 billion cubic metres of gas. Given the cultural affinity with Pakistan and Afghanistan, it can emerge as one of the powerful economic centres in the world. The fertile land, abundant water for irrigation and rich mineral reserves in the region could benefit the entire region. Deposits of gold, silver, chromium, uranium and the hydel power potential can boost up the economic rehabilitation of the CARs. The region is at the crossroads of Asia, Europe, the Persian Gulf, the Middle East and the Far East. It will surely gain significance in the global economic landscape. During the Soviet era, the CARs were utilised as a source of raw materials for the capital and consumer goods industries. Nowadays, the CARs are pursuing a strategy of 'transition based economy.' They are inviting foreign investment as they are opening up their economies.⁹ In the present-day scenario, to improve the economies of the regional states there should be a well-knit system of mutual exchange and sharing of resources.¹⁰

It is clear that the future of the national armed forces and the military strategic relations in Central Asia will be fashioned primarily by general political developments in this region.¹¹ The CARs have raised their armies and developed their own strategic forces as per agreements concluded between 11 members of the Commonwealth of Newly Independent States (CIS) on forces and border troops on December 30, 1991.¹² China and Kazakhstan have also agreed to enhance the military

⁷ Statement by Nurmurad Duradayev in an International Seminar on Central Asia, Area Study Centre, Peshawar University, Peshawar, October 7-9, 1997.

⁸ Muhammad Javed Omid Varnia, "Security in Central Asia and the Caucasus in the 21st Century," *Amu Darya*, vol. 6, no. 10 (2001): 395-396.

⁹ Bushra Hamid, "Pakistan's Trade and Economic Relations with Central Asian Republics: A Strategic Perspective," *Central Asia*, no. 48 (Summer 2001): 141-145.

¹⁰ Fasahat H Syed and Nadeem Siddiqui, "Prospects of Future ECO Relations Between Pakistan and Central Asian Republics," *National Development and Security*, vol. III, no.1 (August 1994): 85.

¹¹ Hafeez Malik, *Central Asia: Its strategic Importance and Future Prospects* (Austin: St Martin Press), 275.

¹² *Ibid.*, 26.

cooperation among both countries. The agreement was finalised between the Defence Ministers of China and Kazakhstan, Liang Gounglie and Adit Baik, respectively, at Astana.¹³

Energy Resources of CARs: Potentials and Development

The Central Asian region owes its geo-political significance to the presence of hydrocarbon resources, which largely remain untapped so far and the Caspian Sea is still a sea of hydrocarbons.¹⁴ The states' wealth including gold, copper, and an unlimited supply of cotton, in addition to oil and gas reserves, have attracted strong western interest in the region.¹⁵ During the first two months of 2002, Turkmenistan had produced 413 billion cubic feet of natural gas with possible oil reserves of upto 1.7 billion barrels and Turkmenistan has some of the world's largest deposits of natural gas with proven reserves of approximately 101 trillion cubic feet. Uzbekistan claims to have the largest gold deposits in the world and is currently the eighth largest gold producer and fourth largest cotton producer in the world. Minerals of Kazakhstan include coal, gold, titanium, aluminium, and iron ore with a better communication infrastructure. Kazakhs were preparing for joint ventures with foreign companies and ever since the ownership and development rights at the sea, 69 major oil and gas projects have been called into question.¹⁶ A few of the major oil and gas pipeline projects of the CARs are mentioned below:¹⁷

- i Russian Gazprom's Alta pipeline from Russia to China will strengthen the ties with the Shanghai Cooperation Organisation (SCO) ;
- ii Trans Caspian Gas pipeline from Turkmenistan to Azerbaijan would extend further to the Eastern European countries and it will diminish the Russian influence;
- iii Kazakhstan-China oil pipeline has been completed;
- iv Baku-Tbilisi-Ceyhan oil pipe line, covering 1768 Km with a maximum discharge capacity of 1 million barrels a day. The project

¹³ "China and Kazakhstan have Decided to Enhance Military Cooperation," *Express Tribune*, May 31, 2010.

¹⁴ A G Kastianoi, *The Caspian Sea Environment* (Moscow: Birkhauser, 2005),13.

¹⁵ Lieutenant Colonel Asim Salim Bajwa, "Power Game in Central Asia," *The Citadel* (2002): 26.

¹⁶ Yelena Kalyuzhnora, *Economics of the Caspian Oil and Gas Wealth* (Moscow: Palgrave Maomillan, 2008), 69.

¹⁷ www.worldpress.org/specials/pp/pipelines.html

was signed on November 18, 1999, and was commissioned on June 4, 2006;¹⁸

- v Trans Asian Gas pipeline, the project will transport natural gas from Turkmenistan to China by expending US\$6.7 billion and is extendable to Shanghai and Hong Kong in East and South with a maximum discharge capacity of 40 billion cubic meter.

Global and Regional Interests

In the 19th century, the UK and Russia competed with each other to enhance their influence in Central Asia, Afghanistan, India and Iran, which later involved interest of many regional and extra regional powers like Turkey, China,¹⁹ the European Union (EU), the US,²⁰ the UK, Japan, South Korea, Malaysia and other neighbouring states.

EU's Interests

The CARs are looking towards Europe, China and South Asia for economic, technological, and political assistance to reduce their dependence on Russia. The EU is manifesting itself in the provision of generous financial aid, aiming at consolidating the market economy and democracy in the CARs. The emerging European presence in the region will offset the Russian influence.²¹ The EU policy towards the CARs has focused on regional resource allocation to promote democracy and stability in Central Asia, provision of technological assistance to the CARs and to become a trading partner of the CARs to share energy resources.²²

Iranian Interests in the Caspian Region

Iran enjoys economic and ideological advantages with the CARs and the Caucasus region. It is interested in obtaining a substantial share of the

¹⁸ www.telegraph.co.uk/sponsored/russianow/business/736101/

¹⁹ Lutz C Kleveman, *The New Great Game: Blood and Oil in Central Asia* (New York: Atlantic Monthly Press, 2003), 113.

²⁰ *Ibid.*, 1.

²¹ Naveed Ahmed Tahir, ed., *European Union-Asian Relations in the 21st Century* (Karachi: BCCT Press, 2001), 315.

²² Jenniver Shering, *The European Union and Central Asia* (London: Taylor and Francis, 2010), 30.

Caspian oil and gas resources despite its own energy reserves. Iran has strongly supported the stance of the Soviet-Iranian Treaty for common distribution of the Caspian Sea among all littoral states. Iran's interests in Central Asia are based on its ties with Persian-speaking Tajiks, which can help it to break off its international isolation.²³ Tehran seeks to establish a sphere of influence in a region of great importance in its neighbourhood.²⁴ Russia, being an influential regional power, has always tried to influence the Iranian energy transportation links with Europe, especially against the US interests. As Europe and China have already constructed the energy pipelines from the CARs, hence, in order to share resources, the US has sought out the help of the European countries to settle the issue of economic sanctions against Iran, while the US and Iran has been already establishing a trade link with the CARs through Afghanistan across the Oxus River.

Turkish Interests

Turkey has strong historical, cultural, and economic ties with the CARs. Four of the Central Asian states were originally established by the Turks Khaganate, since 593 BC, and they still speak Turkic dialect. These ties, however, were considerably weakened during the Soviet period. Turkey's interest in the region involves its stake in the Central Asian energy reserves. In October 1992, Turkmenistan and Turkey initiated an accord for the construction of a pipeline. Turkey, being a growing economy, needs to make an investment in regional oil and gas sectors for enhancement of its role as a regional power and advancement of cultural and political ties with Central Asia.²⁵

²³ Anoushiravan Ehteshami, *From Gulf to Central Asia* (London: University of Exeter Press, 1994), 47.

²⁴ Olga Olikier, *Faultlines of Conflicts in Central Asia and South Caucasus* (New York: Rand Corporation, 2003), 226.

²⁵ Michael Mandelbaum, *Central Asia and the World: Kazakhstan, Uzbekistan, Tajikistan, Kyrgyzstan and Turkmenistan* (New York: Council of Foreign Relations, 1994), 52.

Indian Concerns

India is seeking avenues to derive economic benefits from Central Asia bypassing Pakistan with interest to counter Pakistan.²⁶ Soon after the agreement was signed between Turkmenistan, Afghanistan, and Pakistan for the construction of a gas pipeline from Turkmenistan to Pakistan via Afghanistan, India announced a counter proposal to construct a 2300 km long Russia-China-India (RCI) pipeline.²⁷ The proposal is unlikely to materialise because proposed alignment involves glaciers and a volatile Kashmir region between two arch nuclear rivals, Pakistan and India.²⁸ India is also developing the Chahbahar port to have an access to the CARs. India will also be using the Iranian approach as an access to Afghanistan to reach to the CARs.

Russian Concerns

Currently, Russia has four policy goals. Firstly, Moscow fears that individuals with religious extremist ideologies, revolutionaries, drug dealers and common criminals can enter into Russia.²⁹ Secondly, ethnic Russian minorities have a cultural and political affinity with the new Russian state.³⁰ So Moscow's policy goal marks the growing concern over the security of ethnic Russians living in the 'Near Abroad.'³¹ Thirdly, the CARs have deep rooted historical and cultural links with Turkey and Iran. Since the disintegration of the Soviet Union, Turkey, and Iran have been following a proactive policy to establish a friendly relation with the CARs which is a concern for Russia.³² Fourthly, Russia

²⁶ Kuldeep Singh, *South-Central Asia: Emerging Issues* (Amritsar: Guru Nanak Development University, 2005), 89.

²⁷ Jyostna Bakshi, *Russia China Relations: Relevance for India* (New Dehli: Shipra, 2004), 131.

²⁸ Aftab Kazi, "Is the Proposed Russia-China-India Pipeline Feasible," *Central Asia-Caucasus Analyst*, Johns Hopkins University, July 3, 2002.

²⁹ Roy Alison and Lena Johnson, *Central Asia Security: The New International Context* (London: Brockings Institution Press, 2001), 5.

³⁰ Revel R Hanks, *Central Asia: A Global Studies Hand Book* (London: ABC Publishing, 2005), 185.

³¹ Steven W Hook and John W Spanier, *American Foreign Policy since World War II* (New York: CQ Press, 2007), 246-247.

³² Zbigniew Brzezinski, Zbigniew K Brzinski and Paige Sullivan, *Russia and Commonwealth of Independent States*, (Moscow: ME Sharpe, 1997), 22.

is prepared to allow the flow of oil and gas from the region only if it is under its influence as per its national objectives. Hence, in order to make a maximum profit it has pitched Turkey and Iran against each other to its advantage and has successfully overthrown unfriendly governments in Azerbaijan and Georgia.³³ Russian diplomats have cooperated with Iran in raising environmental issues against any Trans-Caspian pipelines. Russia's strong influence over Georgia makes any oil pipeline through that country without Moscow's consent least probable. Presently, the North Atlantic Treaty Organisation (NATO) under the US influence is also pressuring Russia due to the Ukrainian issue in Europe and North Baltic, so Russia will also need an access to warm waters may it be through the CARs.

US Policies for the CARs

Washington has three main policy goals in the Central Asian region. Firstly, to ensure the 'sovereignty' and 'independence' of regional countries. Secondly, to share their oil and gas reserves. Its third goal is to concentrate on neutralising Russian and the Chinese influence in the region. Its policy-makers are also trying to contain the Chinese influence in the region.³⁴ In a speech in October 1996, the then Special Advisor to the Secretary of State indicated that the US has new and growing interests in Central Asia so it is vital for the US to continue its interests there.³⁵ The US security concerns relate not to the nuclear weapons alone but also include nuclear research and power reactors in Central Asia.³⁶ Secondly, the US intends to help the CARs develop their oil and gas industry, guaranteeing their economic growth, while hoping to keep them out of the Russian sphere of influence.³⁷ The US is actively supporting American companies involved in oil development as well as in the construction of pipelines that could channel the Central Asian oil to the West.³⁸ The US

³³ Thomas Hoving and Andrew Wyeth, *Art for Dummies* (London: IDG Books Worldwide, 1999), 63.

³⁴ Mark Bures, *Chinese Policy Towards Russia and Central Asian Republics* (New York: Rand, 1999), 62.

³⁵ Chevron's Richard Matzke, "Pipeline Politics in Central Asia and the Caucasus," www.soros.org/Central-Euroasia.htm.

³⁶ *Ibid.*, 13.

³⁷ Olga Oliker and David A Shlapa, *US Interests in Central Asia: Policy Priorities and Military Roles* (New York: Rand Corporation, 2005), xix.

³⁸ Anoushiravan Ehteshami and Emma C Murphy, "The Non-Arab Middle East

is also interested in bolstering the Turkish and Chinese influence in the region so it has adopted 'US Defence Strategy' of 2012 to counter the Chinese String of Pearls strategy.

Politics of Oil and Gas Routes

The problem for foreign investors in the CARs is the prudent transportation of oil to foreign markets. Azerbaijan and Kazakhstan have signed an agreement for oil-field development but being landlocked need a pipeline route. The existing oil pipeline from Azerbaijan and Kazakhstan lead to the port of Novorossiysk on the Black Sea.³⁹ Following the agreement between Chevron and Kazakhstan, Moscow refused to allow the flow of crude oil through its pipeline system and later placed restrictions on the amount of oil that could be transported through its pipelines and imposed a series of high tariffs. All these manoeuvres resulted in a deal which allowed Russia to become a member of the Caspian Pipeline Consortium to construct a US\$2 billion pipeline from Kazakhstan to Novorossiysk. The new pipelines could go in almost any direction. The northern routes could enhance the existing network and serve Russia's needs. Western routes could serve Europe, while southern or eastern routes could serve the Asian markets. Main options available for pipeline routes out of the region are as follows:⁴⁰

- i The northern route is favoured by Russia. According to this option, Kazakhstan would expand its existing pipelines by linking them with the Russian network and Azerbaijan would construct a pipeline from Baku to Novorossiysk.⁴¹ This option will enhance the Russian control over the pipeline;
- ii The western route is favoured by Azerbaijan, Turkey, Georgia and the US. This pipeline route would bring the oil to the Georgian port of Supsa and then will ship it through the Black

States and the Caucasian/Central Asian States: Iran and Israel," *International Relations*, vol. 12, no. 1 (April 1994): 103.

³⁹ Zvi Ben-Dor Benite, *The Ten Lost Tribes: A World History* (New York: OxfordUniversity Press US, 2009), 150-151.

⁴⁰ Constantine Aravintopoulos, "The Geopolitics of Oil in Central Asia," <http://www.soros.org/Central-Euroasia.htm>.

⁴¹ Bertil Nygren, *The Rebuilding of Greater Russia: Putin's Foreign Policy towards CIS Countries* (New York: Routledge, 2007), 21.

Sea and the Bosphorus to Europe.⁴² Turkey insisted that straits could not cope with increased tanker traffic and proposed to construct a pipeline from Baku to the Port of Ceyhan on the Turkish Mediterranean coast. Despite excessive costs of US\$2.9 billion and serious security concerns, as this route passes through unstable Kurdish territory, Baku-Tbilisi-Ceyhan (BTC) pipeline is a reality today;

- iii The pipeline from the eastern route transports oil from Kazakhstan to China. It is the shortest pipeline (covering 2,000 km in Kazakhstan alone). The Chinese side considers it as a strategic decision and have implemented it;
- iv The southern approach: it emanates from the Arabian Sea and passes through Pakistan or Iran and Afghanistan and terminates in the north and is further sub-divided into the Silk Route, emanating from Gwadar port and passing along the Indus River. It joins Karakoram Highway (KKH) to Kashgar in China. Pakistan Route; emanating from Gwadar, passes through Quetta-Kandahar or Peshawar-Kabul and terminating in northern Afghanistan. Iran Route; emanating from Chahbahar passes through Zahedan and Herat and terminating in northern Afghanistan.

All the highlighted routes have a few implications for the CARs in accordance with the current regional scenario, situation and tribal culture of Afghanistan and quagmire created by the US; the Iranian route in the south will not be suitable for the CARs and other regional countries in the near future, and the eastern approach will be very long due to its 16,000 km distance. Although the Russian-dominated western route is being utilised by European nations but with a very limited acceptance by the Russian; and important aspect is that how much Russia is ready to share with the CARs. As it will be in the interest of the CARs to share with China, the Silk Route option seems to be one of the best options in near future as it is the shortest and the most suitable choice for the CARs with Pakistan route in the south.

⁴² Hooman Peimani, *The Caspian Pipe Line Dilemma: Political Games and Economic Losses* (London: Greenwood Publishing Group, 2001), 25.

China's Relations with the CARs

Centuries ago, ancient residents of China and Central Asia began to trade with each other, while they established diplomatic relations later on in 200 BC. Today, China and Central Asia are building an even closer political relationship because they not only have a 3,300 km long common boundary but also share cultural ties.⁴³ As Central Asia is increasingly relying on China for trade therefore, China's western province is also becoming more dependent on trade with the CARs. The CARs expect that China can offer them an easy access to enter the Asian-Pacific markets. Lacking own international ports and convenient transport to the sea, the capitals of the Central Asian countries are more than 3,000 km from the nearest seaport (except Ashgabat, which is 1,700 km). Uzbekistan has to pass through two countries to reach the sea, therefore, the CARs strongly need to construct 'new Silk Routes.' China's long-term national objective is to match and eventually surpass the American global economic power.⁴⁴ The Chinese role in Central Asia is shaped by four principal sets of interests:⁴⁵

- i China's engagement with Central Asia, and creation of the SCO on June 15, 2001, is a diplomatic strategy of fostering a stable and productive international environment around the country's periphery, while ensuring a more widely accepted Chinese regional leadership role;
- ii Beijing's primary security goal in Central Asia is prohibiting the region from becoming an external base of support for separatist Uyghur elements in China's north-western Xinjiang province;⁴⁶

⁴³ Robert G Sutter, *Chinese Foreign Relations: Power and Policy since the Cold War* (Bostonway Lanham: Rowan & Littlefield, 2008), 63.

⁴⁴ Stephen Blank, *Natural Allies: Regional Security in Asia and Prospects for Indo-America Strategic Cooperation* (New York: DIANEL Publishing, 2005), 75.

⁴⁵ Bates Gill, "China's New Journey to the West: A Report of the CSIS Freeman Chair in China Studies," <http://www.soro.org/Central-Euroasia.htm>

⁴⁶ Yangbin Chen, *Muslim Uyghur Students in a Chinese Boarding School: Social Recapitalisation as a Response to Ethnic Integration* (East Lansing: Lexington Books, 2008), 11.

- iii China shares a 7,000 km long border with Russia, Kazakhstan, Kyrgyzstan and Tajikistan. China has expended a lot of money in demarcating and demilitarising its boundaries. This has allowed China to divert resources and attention to its domestic economy and relations with its neighbours;
- iv The CARs represent a vital source of oil and gas to fuel China's rapidly growing economy. The CARs offer a budding market and export routes.

China is one of the principal trade partners of the CARs. In 1997, the Chinese oil and natural gas company won International Competitive Bids (ICB) for the operation of the Aktyubinsk Oil Refinery and the Uzen Oil Field in Kazakhstan. In addition, China is also constructing a petroleum pipeline from Kazakhstan to China. They have also signed a general protocol to exploit oil fields and construct pipelines. Moreover, the Chinese oil companies helped Turkmenistan to repair one hundred year old oil wells. The stable politics and advanced transportation facilities in China have inspired the CARs in establishing strong trade ties with China.

Geographically, China shares a common border with three (Kazakhstan, Kyrgyzstan and Tajikistan) out of the five states of CARs and also shares a long-border with Russia. Its geographical position obliges it to play a major role with regard to the maintenance of peace and security in Central Asia. Being the largest emerging global economy, China's future demands for oil and gas have also increased to a great extent. In the context of Central Asia's connections with the world markets, Turkey, Iran and China are in the inner triangles and the West (principally the US) and Russia are in an outer triangle. China is positioned at an intersection of the two triangles, where it can interface with both Russia and the West. China immediately established diplomatic relations with newly independent states, its foreign policy towards the region evolved systematically. After resolving some territorial disputes, China cultivated good relations with these countries since their independence. China's basic policy objectives towards Central Asia are as follows:⁴⁷

⁴⁷ Bates Gill, Matthew Oresman and Zbigniew, *China's New Journey to the West* (Washington DC: CSIS Publishing, 2003), 13.

- i Non-confrontation, good-neighbourly relations with Central Asia in the interest of peace and stability on its periphery;
- ii Prevention of the Central Asian interference in its internal affairs especially in the Xingjian (Muslim) and Tibet regions;
- iii Good relations with Russia on the international issues and improvement in trade relations;
- iv Development of diversified transportation corridors from the region to facilitate flow of trade energy and mineral resources;
- v Promotion of internal stability in Central Asia and limiting the role of extra-regional powers in the region.

Besides these objectives, China's One Belt One Road (OBOR) initiative promises to go a long way in its relations with the CARs.

OBOR: The Project of Inter-Regional Connectivity

OBOR will be a trade link between 65 countries across the globe. Salient linkages are appended below:

- i Around 8,000 miles long inter-continental trade link from Madrid to Shanghai.
- ii Around 5,700 miles long continental railways to link Moscow to Vladivostok;
- iii Connecting Leipzig to Chongqing for transporting goods between Germany and China thus reducing the travelling time to 20 days as compared to 35 days via sea;
- iv Around 4,300 miles rail link between Beijing and Moscow;
- v Beijing is also enhancing its influence by establishing energy pipe lines from the Caspian Sea to China and from Turkmenistan to China;

- vi Around 1,500 miles long oil pipeline with Myanmar;
- vii In May 2014, Beijing concluded a US\$400 billion deal with Russian Giant Gazprom;
- viii From 2007 to 2014, Beijing has crisscrossed 9,000 miles high speed railways within and has planned to enhance it up to 16000 miles by 2030, with a train running at speed up to 240 miles per hour.

OBOR is a project of immense social, economic and diplomatic value, which will not only boost the bilateral economic and diplomatic ties between the various friendly nations but will also usher in opportunities for friendship, trade and diplomacy in the region.

While following a policy of non-confrontation, China seeks to strengthen its economic and political ties with the CARs.⁴⁸ In this context, the Chinese leadership has played a leading role in the formation of the SCO to counter American influence and to gain economic benefits from the CARs.

Significance for Pakistan

The future of Pakistan's economy lies in the development of cordial relations with the CARs. In this regard, there is a need to formulate short and long-term strategies for Pakistan. The neighbouring countries from the Oxus to the Indus give access to one another for trade and commerce.⁴⁹ The nearest sea port for the landlocked CARs in the Arabian Sea is Gwadar port. The nearest rail heads in Central Asia are at Kuchka and Tirmiz from where passengers and goods can go south to Herat, Kandahar, and Quetta to reach out to Karachi or Gwadar. The land route from Tirmiz across the Salang Pass to Kabul, Jalalabad, Peshawar and Lahore and down to Multan and Gwadar or Karachi is the best option. Another route is from Tajikistan through historical Badakhshan (the Wakhan Corridor) across the Panj River to Peshawar, Islamabad and Lahore and further to the sea port. The next route is via KKH; Kashgar to Gilgit and along the Indus right up to the sea. North-

⁴⁸ Tang Tsau and Ping-TiHo, *China in Crises: China's Policies in Asia and America's Alternatives* (Chicago: University of Chicago Press, 1968), 19.

⁴⁹ Knobloch, *Monuments of Central Asia*, 127.

westward, the road goes through the Turbat Pass and reaches Bishkek via Naryn and onward to Almaty. These routes open prospects for the outflow and also for inflow of global trade through the ports of Karachi and Gwadar. Pakistan provides a gateway wide enough to break the isolation of Central Asia. In the 21st century, Pakistan has the potential to become the quickest and safest artery for trade between the outside world and the countries of Central Asia.⁵⁰ Pakistan can have long term investment such as import of up to 10,000 mega watts of electricity from Tajikistan and Kyrgyzstan, which can double the existing power supply within Pakistan and in return can provide these states much needed investment. The industrial base of the CARs is strong and needs complete overhauling and Pakistan in this regard can provide engineers as well as other allied resources. Pakistan can also provide defence equipment to the CARs and in return it can import oil and gas. Pakistan must make efforts to set a forum in which a deliberate strategy must be executed to lay pipelines from CARs to its ports to facilitate the import of oil and gas from the CARs and further export to the west as well as other parts of the world.

Since independence, there has been a perceived threat to Pakistan from the Indian designs.⁵¹ These security concerns have compelled Pakistan to look for the strategic depth on its northern and western borders. Therefore, the CARs can provide an opportunity to act as a counterweight the Indian threat. The CARs should not be expected to come to Pakistan's assistance in the event of a conflict with India, however, friendly ties could help impose some kind of caution on the Indian leadership, as they are equally interested in friendly ties⁵² with the CARs, making it imperative for India to maintain good relations with its western neighbour for regional peace and stability. Pakistan wants to diversify its sources of weapon supply.⁵³ Efforts have been made to set up banking and insurance companies as well as stock markets and import-export ventures. The Indus River has provided an access to warm-waters for adjacent parts of Central Asia during various historical epochs under the Indian, Persian, Turkic, Mughal, and the British empires. The Indus Basin corridor as a north-south land-sea transportation

⁵⁰ Professor Ahmad Hasan Dani "Central Asia Today,"
<http://www.soros.org/Central-Eurosoia.htm>

⁵¹ Shuja Nawaz, *Crossed Swords*, (Karachi: Kagzi Printers, 2008), 20.

⁵² Samay, 46.

⁵³ Korotchenya, 12.

route facilitator enhances the significance of Pakistan in the expansion of future gas and oil pipeline routes toward South Asia and remains vital for Central Asia and China. The term ‘corridor’ was conceptualised during the 1992 Quetta conference of the Economic Cooperation Organisation (ECO) foreign ministers, in an attempt to partly change the status of the landlocked state of CARs. In March 1995, China, Pakistan, Kazakhstan and Kyrgyzstan signed an agreement for the construction of the Almaty-Karachi roads to connect Central Asia with the Arabian Sea.⁵⁴ In addition to the north-south route via Iran, a new road link via the Chinese region of Xingjian and the part of the KKH which lies in Pakistan (now part of the CPEC) was proposed. A rail and road network connecting Almaty, Bishkek, and Kashgar to Islamabad and the Pakistani seaports of Karachi and Gwadar offered a relatively viable alternative to other routes. This would reduce distances by approximately 1,200 to 1,400 kilometres. Considering the continuing disturbances in Afghanistan, an alternative energy corridor through KKH has an important role to play in relieving transition problems and allowing Central Asia new opportunities to develop trade in various directions so Pakistan should cooperate closely with the CARs, particularly with Uzbekistan and Kazakhstan, on combating terrorism and religious extremism. In order to develop a sustainable relationship, the following issues merit attention:

- i Respect sensitivities of the CARs and their leadership. Promises and commitments made must be implemented;
- ii Meet security requirements of the CARs by offering training facilities and supply of military hardware at concessional terms;
- iii Highlight the importance of Gwadar port as an important trade route for all the major key players and the CARs
- iv Pakistan should write off loans and credit provided to the CARs in the past. Pakistan has extended credit facilities worth an amount of US\$13 million to Tajikistan and US\$10 million each to Turkmenistan, Kazakhstan, and Kyrgyzstan. US\$ 30 million credit line offered to Uzbekistan has not yet been utilised;

⁵⁴ S Frederick Starr, *The New Silk Road : Transport and Trade in Greater Central Asia* (New York : Johns HopkinsUniversity – SAIS, 2007), 121.

- v Prioritise the completion of Turkmenistan-Afghanistan-Pakistan and India (TAPI) gas pipeline project.

Wakhan Corridor: The Link between Central Asia and Gwadar

- i Strategic value of the Wakhan Corridor has its influence on the Central Asian countries as these countries are geo-politically attached to the corridor. The Wakhan Corridor has always been used as a trade route to the Indian plains and coasts for centuries by the Europeans and Chinese. During competition between the Soviet Union and the UK; the Soviets wanted to use it as a viable route to the warm waters.
- ii However, presently China enjoys comparatively much more dominance over it as it can regulate it through the Wakhjir Pass leading to the Arabian Sea via Gwadar. This Corridor also provides an alternate route for China to the Arabian Sea through Afghanistan and Gwadar for its trade.
- iii Being at the crossroads of different regions, this corridor links the trade and energy rich Caspian Region and the establishment of energy transportation linkages within the region in form of oil and gas pipelines as well which enhances the geo-political value of this region.
- iv For timely utilisation of the opportunities, Pakistan must try to open all its passes in the Hindu Kush, south of the Wakhan Corridor including Ochkili, Khan Khun, Broghal, Darwaz and Karambar to serve an alternate route to Afghanistan with Xingjian Province on the other side from the Gwadar port will provide pragmatic sea route to Africa, Europe, China and Australia.

Analysis

- i Encouragement of the CARs to participate in the development of Gwadar port by offering them joint ventures in the exploitation of our Exclusive Economic Zone (EEZ) is important.
- ii Future prospects of the Gwadar port are directly related to a stabilised situation in Afghanistan as most of the routes from the

CARs and Gwadar have to pass through Afghanistan, so peace and stability in Afghanistan are prerequisite.

- iii Pakistan's strategic importance is linked to trade, geo-political configuration and the establishment of the strategic relations with various littoral states of the Indian Ocean,⁵⁵ as Pakistan serves as a bridge between South and South West Asia.
- iv The Karakoram stretches over Central Asia for 300 miles near Pakistan-China border. The KKH, built on the 2000 year-old Silk route is an inter-link between Afghanistan, Tajikistan, China and Pakistan.⁵⁶
- v The CARs are in dire need of access to warm waters through a modern sea port facility for the purpose of trade and transit and Pakistan offers the shortest route for CARs to the Indian Ocean through its Gwadar port which is only 1,600 km away.⁵⁷
- vi Feasibility plans for trade routes from Almaty, Turgat, and Kashgar via the KKH to Karachi or from Tashkent, Termez, Kandahar, Chaman and Quetta to Karachi including Chaman–Herat and Kuchka rail-link are being prepared.
- vii The growing Indian influence in Iran will provide substantial leverage to India to exploit Pakistan's internal security and economic interests. Pakistan should develop better relations with Iran not just on the foundation of Muslim brotherhood but also keeping in mind significantly changing geo-economic and geo-political needs of Iran.
- viii Pakistan should involve Beijing as much as it can because anchoring Beijing in Gwadar would enhance the prospects of its success. Nonetheless, too much reliance on China or for that matter any other country may not be in Pakistan's interest. While

⁵⁵ Vivian Louis Forbes, *The Maritime Boundaries of Indian Ocean Region* (London: NUS Press, 1995), 19.

⁵⁶ Frances Wood, *The Silk Road: Two Thousand Years in the Heart of Asia* (Los Angeles: University of California Press, 2004), 147.

⁵⁷ Shaukat Durrani, "CARs — Power Potentials and Future Directions," *Pakistan Defence Review*, December 1992, 132.

involving the Chinese Navy in the area may be sensible in the short-term, there is an obvious need for Pakistan to develop its own naval strength. Although Pakistan has handed over the functioning of the Gwadar port to China, there is a need to bring in more than one country on board.

- ix For better socio-economic development, energy pipeline from the CARs should be extended to India and the Far East, which demands good relations with Pakistan, India and Russia. The visit of the Pakistan Army Chief to Russia in September 2012, and Russian assurance to help in revival of Pakistani industry have paved way for further social and economic development. Opening of a trade route between Russia and Pakistan will ease out the Central Asian concerns regarding the Russian influence.
- x The CARs are in the process of reorganising their defence forces. Pakistan can help them by providing all possible assistance in restructuring their armies and offering them to participate in joint military exercises and training in the military institutions of Pakistan.

Conclusion

Russia, China, Iran, the Turkey, India, Pakistan and the US are all key players in unfolding the Central Asian panorama. The internal and external dynamics of the transitional phase are very complex. The CARs are accepting assistance from their neighbours in restructuring their economies and political systems. Pakistan must understand its true place in the Central Asian scenario and build strong bonds and offer all possible assistance. Hence, a pragmatic policy combined with bold steps is necessary for judicious gains. The presence of the 5th US Naval Fleet in the Persian Gulf strengthens the US multidimensional influence in the Central Asian region. However, the Chinese policy of String of Pearls is proving to be an offset for the US. Therefore, Pakistan should seize this opportunity. The Port of Gwadar will remain a corner stone for the future development or progress towards the CARs not only for Pakistan but for all the regional key players as it will usher in an era of prosperity for Pakistan and the Central Asian region in particular.