

# **Leveraging Regional Supply Chains for Strategic Connectivity: Pakistan's Path to Middle Power Status**

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## **Abstract**

*This paper explores Pakistan's potential to emerge as a middle power by taking advantage of its strategic geographic position at the crossroads of South Asia, Central Asia, and the Middle East. Focusing on economic regional integration, it assesses Pakistan's participation in various development projects such as China-Pakistan Economic Corridor (CPEC), and memberships in ECO and SCO, which aim to boost regional connectivity through trade routes, maritime assets/resources, and infrastructure projects. Despite institutional weaknesses and geopolitical hurdles, Pakistan's commitment to regional integration, optimisation of its maritime and overland corridors, holds the key to enhance its economic and strategic influence in the region. This paper argues that Pakistan's true strategic value lies in integrating these domains into a unified connectivity framework. The land-maritime connection suggests that Pakistan can fully capitalise economically by synchronising overland trade routes with maritime resources economy and elevate its regional influence. This paper explores how Pakistan can leverage regional supply chains particularly through China-Pakistan Economic Corridor (CPEC), trade with Central Asia, and connectivity with South and West Asia to enhance its strategic influence. By integrating into regional production networks, Pakistan can transition from a passive transit economy to an active supply chain hub, fostering economic resilience and geopolitical relevance. This research contributes to three academic discourse: i. middle power studies by introducing material connectivity as an influencing path; ii. regional integration literature by demonstrating how physical infrastructure enables institutional cooperation; and iii. development economics by showing how transit states can escape the landlocked mentality. The findings suggest that middle power status in the 'Asian Century' may depend less on traditional*

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*military or economic domains /parametres, and more on a state's ability to position itself as the indispensable connector between emerging economic spaces.*

**Keywords:** Middle Power, Pakistan's Connectivity, Maritime and Land Corridors, Regional Integration, CPEC, SCO, ECO.

## Introduction

Pakistan's strategic location along the Arabian Sea, connects West Asia, Central Asia, Africa, and the Indian subcontinent. Their regional historical ties rooted in trade, migration, and cultural exchange along the Silk Road. As China's economic growth and South Asia's growing importance for trade and innovation intersect, the strategic significance of connecting the Central Asia with Pakistan presents both opportunities and challenges, reflects geopolitical manoeuvring, cultural diplomacy, and infrastructural ambition.<sup>1</sup>

Pakistan holds a crucial location on the larger Eurasian chessboard, sharing borders with China, India, Iran, and Afghanistan. It is also located only a few hundred kilometres from the Persian Gulf. Pakistan's closeness to Afghanistan made it an essential component of the post-9/11 'war on terror' and later counterterrorism operations, particularly as a conduit for intelligence and supplies. Pakistan also had diplomatic clout thanks to this position, Pakistan provided reach, risk appetite, and strategic utility. Islamabad's location makes it impossible to overlook in the changing regional order that has resulted from the United States (U.S.) departure from Afghanistan.<sup>2</sup>

Common institutional and physical infrastructure can support regional integration. In particular, regional integration necessitates collaboration among nations in: Infrastructure related to transportation, ICT, and energy;

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<sup>1</sup> Faisal Javaid, Uzma Siraj and Arkadiusz Żukowski, "Pakistan's Infrastructural & Domestic Challenges to Connectivity with Central Asia: Role of Regional & Global Powers," *Policy Perspectives*, 21:1 (2024): 74.

<sup>2</sup> Rahul Bedi, "How Pakistan's Charm Offensive Helps Keep Its Bilateral Ties Alive," June 14, 2025, <https://thewire.in/diplomacy/india-pakistan-diplomacy-style-us-asim-munir>

trade, investment, and domestic regulation. The supply of more common public goods, such as security, education, and shared natural resources, as well as macroeconomic and financial policies. Different institutional arrangements, varying degrees of shared sovereignty and policy commitments, and varying priorities across global regions have all been used to facilitate cooperation in these areas.<sup>3</sup>

According to a number of the United Nations' resolutions, regional integration serves as a vehicle for the development of its member states. For instance, General Assembly Resolution 70/1 on "Transforming our world: the 2030 Agenda for Sustainable Development" acknowledges "the importance of the regional and sub-regional dimensions, regional economic integration and interconnectivity in sustainable development. Regional and sub-regional frameworks can facilitate the effective translation of sustainable development policies into concrete action at the national level."<sup>4</sup>

The table below compared the Pakistan intra-trade value (exports/imports) by percentage aggregated with its integrated region Economic Cooperation Organization (ECO), South Asian Association for Regional Cooperation (SAARC) and Shanghai Cooperation Organisation (SCO). The five-year average has been calculated for 2018-2022 and compared Pakistan trade flow with its integrated region. The values show that after becoming a permanent member of the SCO, Pakistan trade flow significantly increase with SCO region as compared to the other two regions. The exports flow of Pakistan with the SCO for the last five-year average is 10.25 percent and imports flow are 28.61 per cent both are higher than the other regions.<sup>5</sup>

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<sup>3</sup> Regional Integration, World Bank Group

<https://www.worldbank.org/en/topic/regional-integration/overview>

<sup>4</sup> Making Sense of Regional Integration Indexes, African Trade Policy Center, 4, [https://arii.uneca.org/Reports/en-US/ARII\\_UserGuide\\_2019.pdf](https://arii.uneca.org/Reports/en-US/ARII_UserGuide_2019.pdf)

<sup>5</sup> Muhammad Waseem Shahzad et al., "Regional integration and export performance of Pakistan: Empirical evidence from the Shanghai Cooperation Organization (SCO)," Plus One, October 17, 2024, <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0311984>

**Table No. 1**  
**Pakistan Intra-Trade with ECO, SAARC and SCO Countries**

Organizations	X/M	2018	2019	2020	2021	2022	5-year average
Economic Cooperation Organization (ECO)	Exports	7.63	6.80	5.95	4.80	5.21	6.08
	Imports	2.11	3.00	2.85	2.62	3.36	2.79
South Asian Association for Regional Cooperation (SAARK)	Exports	12.17	10.05	7.74	6.97	7.12	8.81
	Imports	4.35	3.39	1.96	1.65	1.97	2.66
Shanghai Cooperation Organization (SCO)	Exports	10.56	9.96	9.44	12.00	9.29	10.25
	Imports	28.64	28.32	29.98	30.59	25.52	28.61
Source: Author's compilation based on ITC (International Trade Center)							
<a href="https://doi.org/10.1371/journal.pone.0311984.t001">https://doi.org/10.1371/journal.pone.0311984.t001</a>							

*Source: "Regional integration and export performance of Pakistan: Empirical evidence from the Shanghai Cooperation Organization (SCO)," PLOS ONE: 19(10), file:///C:/Users/Saira%20Ijaz/Downloads/journal.pone.0311984.pdf*

During the fiscal year 2023-24, the Pakistan's exports increased to US\$ 30.67 billion, marking a 10.65% increase compared to the US\$ 27.72 billion recorded in the previous fiscal year, 2022-23. This growth successfully surpassed the export target of US\$ 30 billion set for the year. On the other hand, its imports remained relatively stable, totaling US\$ 54.79 billion, a slight decrease from the US\$ 55.19 billion registered in the previous year. Consequently, the trade deficit narrowed to US\$ 24.1 billion in FY 2023-24, down from US\$ 27.47 billion in the same period of the previous fiscal year. Country-specific export trends shows both successes and struggles across various markets. Major export destinations or countries include the U.S., UK, UAE, Afghanistan, Saudi Arabia, Malaysia, Indonesia, Poland, Vietnam, and Canada which saw notable increases in export value, rising by 0.9%, 3.7%, 13.9%, 9.5%, 23.8%, 63.4%, 269%, 20.5%, 74.1%, and 7% respectively during FY 2023-24 compared to the previous fiscal year. These upward trends indicate resilience in certain markets, driven by targeted efforts by exporters and favorable policy adjustments. Interestingly, conversely, key export markets such as China, Germany, the Netherlands, Spain, Italy, Bangladesh, Belgium, France, Turkey, and Australia experienced declines in export values during FY 2023-24. Although these declines were more moderate compared to other challenges faced by the country, they are significant in highlighting the broader economic difficulties Pakistan encountered. For instance, exports to China decreased by 2.1%, to Germany by 1.2%, to the Netherlands by 6.1%, to Spain by 0.6%, to Italy by 3.6%, to Bangladesh by 1.5%, to Belgium by 10.7%, to

France by 5.8%, to Turkey by 8.9%, and to Australia by 6.1% when compared to the previous fiscal year. These negative growth trends indicate a number of underlying issues. A major factor behind these declines or decrease is the weakening global demand for Pakistani products. As economic conditions softened in many of these countries, consumer demand for imports from Pakistan fell. This was compounded by Pakistan's own internal economic challenges.<sup>6</sup>

Pakistan's engagement with the ECO, a regional bloc comprising ten Asian nations, including Iran, Turkey, and Central Asian states, the ECO, headquartered in Tehran aims to promote economic integration, trade liberalisation, and infrastructure development among the member states. Pakistan, as a founding member, plays a pivotal role in shaping the organisation's agenda, particularly in trade, transport, and energy cooperation.

Pakistan's geographic location makes it a crucial bridge between South Asia, Central Asia, and the Middle East, enhancing ECO's connectivity goals<sup>7</sup>

The country actively participates in key ECO initiatives, such as the ECO Trade Agreement (ECOTA) which seeks to reduce tariffs and boost intra-regional trade. There are challenges in this matter such as non-tariff barriers, bureaucratic hurdles, and banking restrictions (especially with Iran due to U.S. sanctions) limit trade growth. Discussing Transports and Communications Plan, Pakistan is a key player in ECO's Transports and Communications Plan, including the Islamabad-Tehran-Istanbul (ITI) corridor and ECO Railway Network.<sup>8</sup>

At the beginning of November 2023, Interim Prime Minister of Pakistan, Anwar-ul-Haq Kakar, while addressing the 16<sup>th</sup> Summit of ECO in Tashkent, emphasised Pakistan's unwavering dedication to the ECO's

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<sup>6</sup> Trade Development Authority of Pakistan, *Pakistan Trade Perspective: TDAP Annual Report FY 2023-24*, (Islamabad: TDAP, January 2025), 4-5. Available at [TDAP-Annual-Report-PAKISTAN-TRADE-PERSPECTIVE-FY-23-24-new.pdf](https://tdap.gov.pk/wp-content/uploads/2023/06/Article-Pakistan-and-Economic-Cooperation-Organization-ECO-by-Ambassador-Rahim-Hayat-Qureshi.pdf)

<sup>7</sup> Rahim Hayat Qureshi, "Pakistan and Economic Cooperation Organization (ECO)," June 13, 2023, 2-4, <https://issi.org.pk/wp-content/uploads/2023/06/Article-Pakistan-and-Economic-Cooperation-Organization-ECO-by-Ambassador-Rahim-Hayat-Qureshi.pdf>

<sup>8</sup> Qureshi, "Pakistan and Economic Cooperation Organization (ECO)," 3.

agenda for regional growth and development. He highlighted the crucial role of promoting regional growth, trade, investment, connectivity, and sustainable economic development among the member states, aligning with the ECO Vision 2025. This could be expanded not only by promoting the corridor-based concept but also by engaging in the networking of different economic corridors into each other, like CPEC and ECO networks. Such networks are connected through the proposed initiatives like Mainline or the ML-1 railway project. Under CPEC, initiatives like the Islamabad-Tehran-Istanbul Rail and Road Corridor would bring greater regional advantages.<sup>9</sup> The ECO Heads of State/Government Summits are normally held every two years. Türkiye hosted the 2nd ECO Summit in 1993, the 7th ECO Summit in 2002, the 10th ECO Summit in 2010 and 14th ECO Summit in 2021. 15th ECO Summit was held on 28 November 2021 in Ashgabat. The 16th ECO Summit was held in Tashkent on November 9, 2023. The 17th ECO Summit is expected to be held in Khankendi, Azerbaijan, on July 3-4, 2025.<sup>10</sup>

By improving or mitigating these challenges, such as efforts for tariff reductions and dispute-resolution mechanisms, facilitating the ITI corridor and Gwadar's integration with Central Asia, by seeking alternative financing for the IP Gas Pipeline and expand electricity trade, according to Ambassador Qureshi's analysis underscores Pakistan's strategic role in ECO.<sup>11</sup>

If the Central Asia Regional Economic Cooperation (CAREC) Program is implemented sooner under the Belt and Road Initiative (BRI), it may serve as a commercial gateway through Corridor No. 5 which links Central Asia with Pakistan's two ports, i.e, Gwadar and Karachi.<sup>12</sup>

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<sup>9</sup> Tauseef Javed, "Pakistan's Geoeconomic Footprint in the ECO Region," Centre for Strategic and Contemporary Research (CSCR), December 3, 2023, <https://cscr.pk/explore/themes/trade-economics/pakistans-geoeconomic-footprint-in-the-eco-region/>

<sup>10</sup> Economic Cooperation Organization (ECO), [https://www.mfa.gov.tr/turkiye-and-the-economic-cooperation-organization-\\_eco\\_.en.mfa](https://www.mfa.gov.tr/turkiye-and-the-economic-cooperation-organization-_eco_.en.mfa)

<sup>11</sup> Rahim Hayat Qureshi, "Pakistan and Economic Cooperation Organization (ECO)" (contributed article, Economic Cooperation Organization [ECO], Tehran, June 13, 2023), <https://issi.org.pk/wp-content/uploads/2023/06/Article-Pakistan-and-Economic-Cooperation-Organization-ECO-by-Ambassador-Rahim-Hayat-Qureshi.pdf>

<sup>12</sup> Kazakhstan Trade Profile, Research Society of International Law, <https://rsilpak.org/about/>

11 nations and development partners, including Pakistan and Afghanistan, are part of the CAREC Program which aims to accelerate economic growth and reduce poverty by fostering cooperation. By assisting in the establishment of multimodal transportation networks, boosting energy efficiency, and other measures essential to sustained economic growth and regional prosperity, the program may operate as a proactive facilitator of realistic, outcomes-based regional projects and policy initiatives. Trade and security, enabling unrestricted travel of people and goods, and creating the framework for the growth of economic corridors through the institutions which mainly include Asian Development Bank (ADB), Islamic Development Bank (IsDB), Agricultural Development International Fund (IFAD) are crucial. The Quetta-Taftan railway link with Iran and the Gwadar Port project are critical for regional trade but require further infrastructure upgrades. Pakistan imports electricity and natural gas from Iran (despite sanctions) and has discussed energy projects with the Central Asian states. The Iran-Pakistan (IP) Gas Pipeline remains stalled due to geopolitical pressures or challenges. The Quadrilateral Traffic in Transit Agreement (QTTA) 1995 is a trade deal, for the purposes of facilitating transit trade and traffic, between Pakistan, Kazakhstan, China and Kyrgyzstan.<sup>13</sup> This road project is a part of the CPEC, which will offer access to the ports of Pakistan for Central Asia and China. Due to the political and security issues as well as the recurrent border closures with Afghanistan, its importance for Pakistan has grown.<sup>14</sup>

SAARC, a platform for economic and cultural integration in South Asia, has been dysfunctional due to India's refusal to engage with Pakistan. However, recent reports suggest Pakistan, China, and Bangladesh may explore a new regional bloc. Islamabad has reiterated its commitment to SAARC, signalling its belief in inclusive regionalism. India must recognise that reviving the forum is crucial for unlocking South Asia's untapped potential.<sup>15</sup>

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<sup>13</sup> Kazakhstan Trade Profile, Research Society of International Law, <https://rsilpak.org/about/>

<sup>14</sup> Kazakhstan Trade Profile, Research Society of International Law, <https://rsilpak.org/about/>

<sup>15</sup> "SAARC's Future," *Dawn*, July 6, 2025, <https://www.dawn.com/news/1922427>

## Theoretical Framework

Middle power states are those that may not have the strength of great powers, still exert significant influence at the level of regional or global policy through diplomacy and coalition building.<sup>16</sup> The concept of middle powers is not new. However, it has gained new significance in the contemporary geopolitical environment, which is characterised by growing multipolarity and the strategic rivalry between the U.S. and China. The expanding body of literature is divided on the definition of middle powers. Since these nations have the capacity to affect geopolitics, it is generally acknowledged that they are neither little powers nor superpowers. This is because of their militaristic strength, economic stability, soft power, regional influence, demographics, and diplomatic behaviour. As a result, they are able to establish numerous connections and have considerable influence on international affairs. Developed and Global South nations like Germany, Japan, Canada, Brazil, India, South Africa, Turkiye, Saudi Arabia, Singapore, and Indonesia are among them. These nations are diverse in terms of their political and strategic goals, as well as their systems of governance.

There's no single definition of what makes a country a "middle power," but international relations experts generally look at it from three main angles. First, the functional view says a country is a middle power if it plays a meaningful role in specific areas of global affairs like Canada did during the World War II. Second, the behavioural view focuses on how a country acts for example, if it supports cooperation, seeks compromise in conflicts, and behaves like a responsible global citizen, it fits in the middle power definition. Third, the hierarchical view is more about hard facts like the size of a country's economy, military, population, and trade.

If those numbers are in the middle range globally, the country is considered a middle power. Historically, this idea has been around for centuries. In fact, even in 1815, during peace talks after the Napoleonic Wars, certain countries like parts of Germany were officially recognised as middle powers because they were strong enough to stand on their own

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<sup>16</sup> Adam Chapnick, "The Middle Power," *Canadian Foreign Policy Journal* 7, no. 2 (January 1999): 73-82, <https://doi.org/10.1080/11926422.1999.9673212>



without being major powers.<sup>17</sup> Major powers, such as China, France, Russia, the UK, and the U.S., hold permanent seats on the United Nations Security Council (UNSC) and exert economic, political, and military dominance. Middle powers, including Global North and Global South nations, have extensive diplomatic, economic, multilateral, and military clout but are not defined definitively. The term “states with global influence” could be more accurate assumption to define ‘middle powers’. Middle powers, a subset of superpowers and great powers, could play a crucial role in fostering a new multilateralism to tackle global challenges. This debate has been discussed in the Davos 2024 session ‘Middle Powers in a Multipolar World.’<sup>18</sup>

Middle powers are distinct in international relations due to their preference for diplomacy, coalition-building, and multilateralism, rather than acting alone. Lacking the capabilities of great powers, they often pursue focused foreign policy goals through what’s called “niche diplomacy.” Unlike superpowers, they do not seek to disrupt the global system but instead work within it. During the Cold War, countries like Canada, Sweden, and the Netherlands were identified as middle powers because they influenced global politics without being superpowers. In International Relations theory, middle powers are seen as stabilisers and supporters of global order, playing a crucial role in upholding international institutions that may be created by larger powers but rely on middle power cooperation to survive and function effectively.<sup>19</sup>

Although their material capabilities and position in the global system still have an impact on their international roles, Cooper, Higgott, and Nossal contend that middle powers are best recognised by their foreign policy behaviour, which stems from intentional, context-specific actions. A variety of elements are frequently taken into account while attempting to define middle powers, such as state capability, international standing, domestic

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<sup>17</sup> Dong-Min Shin, “A Critical Review of the Concept of Middle Power,” E-International Relations, December 4, 2015, <https://www.e-ir.info/2015/12/04/a-critical-review-of-the-concept-of-middle-power/>

<sup>18</sup> David Elliott, “Middle Powers: What Are They and Why Do They Matter?,” World Economic Forum, January 30, 2024, <https://www.weforum.org/stories/2024/01/middle-powers-multilateralism-international-relations/>

<sup>19</sup> Melton Muftuler Bac, “Middle Power,” Encyclopædia Britannica, <https://www.britannica.com/topic/middle-power>.

socioeconomic structure, class interests, and the function of foreign policymakers. While realists emphasise material power, liberals emphasise the agency of states, and neo-Gramscians emphasise the global economy's structural position and the role of elites in promoting neoliberalism. The latter approach is preferred in this analysis.<sup>20</sup>

Pakistan, as a middle power aiming for neutrality, finds itself navigating complex global dynamics, notably between China's economic pull and the crucial support of the U.S. However, its ability to leverage great power rivalries is hindered by internal weaknesses such as political instability, economic mismanagement, and governance issues. These domestic issues not only undermine Pakistan's global standing but also limit its capacity to pursue an effective foreign policy. To regain relevance and achieve sustainable socio-economic progress, Pakistan must prioritise structural reforms at home while expanding its foreign policy focus beyond traditional partners. Economic diplomacy should lead outreach to under-engaged regions like Africa and Latin America, while regional coordination is essential to counter threats like the TTP and to expose destabilising actors. Ultimately, Pakistan's success as a middle power depends on internal resilience, strategic diversification, and aligning its diplomacy with national interests under a unified, economy-driven approach.<sup>21</sup>

## **Pakistan as a Middle Power**

In the regional South Asian context, Pakistan has all the characteristics of a middle power. Prominent features of Pakistan include: i. it has strategic value with its nuclear status, ii. geo-strategic location, and iii. effective participation in regional initiatives like the CPEC, the SCO, and various multilateral forums. Determining Pakistan as a middle power frames the issue concerning its capability to shape regional economic integration and connectivity, particularly through the strategic use of maritime and trade assets.

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<sup>20</sup> Eduard JORDAAN, "The Concept of a Middle Power in International Relations: Distinguishing between Emerging and Traditional Middle Powers," *Politikon: South African Journal of Political Studies*, 30(1), 165-181, [https://ink.library.smu.edu.sg/soass\\_research/394](https://ink.library.smu.edu.sg/soass_research/394)

<sup>21</sup> S. Mushfiq Murshed, "Pakistan, Middle Powers and a Multipolar World," *Criterion Quarterly* 19, no. 1 (January/March 2024), <https://criterion-quarterly.com/pakistan-middle-powers-and-a-multipolar-world/>.

The port is located in the city of Gwadar, which is part of the Pakistani state of Balochistan, adjacent to the Arabian Sea. It is approximately 460 km away from Karachi, 72 km from the Iranian port of Chabahar, 320 km from Ras Al Hadd Oman, and 400 km from Hormuz. It covers an area of 1.52 million square hectares, and the waterfront of the port is 600 km.<sup>22</sup> In the form of Gwadar Port Pakistan possesses a strategic approximately 1,100 km-long coastlines that plays a crucial role in global trade and economic connectivity. About 95 per cent of the country's annual trade amounting to approximately 38 million tons passes through its seaports, primarily Karachi Port and Port Qasim, which handle 68 percent and 32 per cent of the load, respectively.<sup>23</sup> In this context, the development of Gwadar Port holds transformative potential for Pakistan's economy. Located further west, it expands the country's strategic depth by 460 km away from India, enhancing security and enabling Pakistan to better monitor the critical Sea Lines of Communication (SLOC) originating from the Persian Gulf and the Strait of Hormuz.<sup>24</sup>

### **Comparison of Performance of All Three Major Ports of Pakistan**

The Karachi Port's best performance was in 2023-24 with 64.15 million tonnes of cargo handled, and with the highest share held among all 3 ports for the most time. Port Qasim's peak was in 2020-21 with 57.99 million tonnes of cargo and numbers improving steadily during these 14 years. In simple words, the Gwadar Port's best figures were during 2011-12 at 1.43 million tonnes, and overall performance declined over time, especially after 2014-15.<sup>25</sup>

There is a decrease in Gwadar Port's Performance in the last decade performance. It has declined substantially from 2014 onwards. Imports amounted to a total of 3.06 million tonnes from 2010-11 to 2014-15, and

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<sup>22</sup> Vian Ahmed Mohamed, "The Geopolitical Significance of the Port of Gwadar: Challenges and Future Visions," *Review of International Geographical Education Online (RIGEO)*, November, 2021: 3.

<sup>23</sup> Fakhr ul Munir, Nelofar Ihsan and Sanaullah, "Strategic and Economic Importance of Gwadar for China and other Regional and Western States." *Global Economics Review*, VI (III): 22-30, doi: 10.31703/ger.2021(VI-III).03

<sup>24</sup> Hasan Yaser Malik, "Strategic Importance of Gwadar Port," *Journal of Political Studies* 19, no. 2 (2012): 57-58.

<sup>25</sup> Performance of Pakistan's Ports from 2010-11 to 2023-24, *Gallup Pakistan*, <https://gallup.com.pk/post/36832>

only 1.38 million in the decade proceeding 2014-15 (inclusive), a net negative change of 1.68 million.<sup>26</sup>

Comparison shows that Karachi Port has seen a higher volume of imports and exports both, relative to Port Qasim. Karachi Port's total imports have been higher by a rate of 29 million tonnes, while their total exports (205 million tonnes) have been double those of Port Qasim's (101 million tonnes) during the 14-year period.<sup>27</sup>

Gwadar Port offers multiple strategic and economic advantages. Its proximity to major international shipping lanes and its transshipment potential make it ideal for regional trade. Unlike Karachi, Gwadar's location provides greater warning time in case of military threats and offers natural protection from harsh weather. It is better suited for trade with Afghanistan and Central Asian states like Kazakhstan, Kyrgyzstan, Turkmenistan, and Uzbekistan. The port's facilities can support both regional and global actors, including the UAE and European countries. For landlocked Central Asian nations, Gwadar offers a closer and more efficient export route 1,400 km, which is 400 km shorter than the Caspian route facilitating the movement of both dry and liquid cargo to global markets.<sup>28</sup>

CPEC also holds great strategic and economic value for China. The three proposed routes will not only strengthen China-Pakistan ties but also reduce the trade distance between China and the Persian Gulf from 2,500 km to 1,300 km and cut shipping times from 45 to 15 days. This alternative to the Malacca Strait offers China more secure and efficient access to the energy-rich Middle East, as well as markets in Africa and Europe. Additionally, development in Xinjiang where China faces challenges from separatist movements could be accelerated. The port of Gwadar began handling private cargo in May 2015, signalling the start of a broader transformation in

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<sup>26</sup> Performance of Pakistan's Ports from 2010-11 to 2023-24, *Gallup Pakistan*, <https://gallup.com.pk/post/36832>

<sup>27</sup> Performance of Pakistan's Ports from 2010-11 to 2023-24, *Gallup Pakistan*, <https://gallup.com.pk/post/36832>

<sup>28</sup> Asia Maqsood, "China-Pakistan Strategic Partnership and India's Regional Ambitions in South Asia," *Strategic Studies*, vol. 41, no.3: 55-56, <https://issi.org.pk/china-pakistan-strategic-partnership-and-indias-regional-ambitions-in-south-asia/>

regional trade dynamics.<sup>29</sup> CPEC was initially projected to cost US\$46 billion from 2015 to 2030, of which 71 per cent was to be invested in energy, 4 per cent in the Gwadar port, 8 per cent in rail, 13 per cent in road links and 4 per cent in other miscellaneous projects (McCartney, 2018). The amount was later increased to \$62 billion in 2017. CPEC was initially projected to cost US\$46 billion from 2015 to 2030, of which 71 per cent was to be invested in energy, 4 per cent in the Gwadar port, 8 per cent in rail, 13 per cent in road links and 4 per cent in other miscellaneous projects (McCartney, 2018). The amount was later increased to US\$62 billion in 2017.<sup>30</sup>

This connectivity not just promotes bilateral trade but also become regional transit points, especially for landlocked CARs, to connect to international markets.

To further consolidate its position in regional integration, Pakistan has embarked upon various policies targeted towards enhancing infrastructure, trade facilitation, and digital connectivity. These are, among others, the Pakistan Vision 2025, which emphasises regional collaboration, and strategic programs under the Ministry of Commerce targeting enhanced trade with Central Asia, the Middle East, and Africa. Additionally, Pakistan's sea strategy focused on the growth of the maritime economy and port facilities, aims to enhance its regional competitiveness in shipping and logistics industries.

With a 1,050 km coastline and an Exclusive Economic Zone (EEZ) extended by 278 km, Pakistan ranks 74th among 142 coastal nations in terms of coastline length.<sup>31</sup> Yet, while neighbouring South Asian countries like India and Bangladesh earn billions annually from maritime activities, Pakistan's maritime corridors/assets generates only around US\$450 million, despite a potential estimated at over US\$100 billion. The majority of Pakistan's trade (95 per cent) and all of its mineral imports rely on maritime

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<sup>29</sup> Maqsood, "China-Pakistan Strategic Partnership and India's Regional Ambitions in South Asia," *Strategic Studies*: 60-62.

<sup>30</sup> Niaz Murtaza, "CPEC: Unfulfilled Promise," in *Discourse on China Pakistan Economic Corridor* (Pakistan Institute of Development Economics, January-March 2025), 8, <https://file.pide.org.pk/pdfpideresearch/discourse-2025-01-china-pakistan-economic-corridor.pdf>

<sup>31</sup> Muhammad Usman Askari, Muhammad Tahir and Nafisa Shaheen, "Blue Economy of Pakistan: Challenges and Prospects," *Journal of the Punjab University Historical Society* vol. 33, no. 02 (July December 2020): 5.

routes, making the sector vital to the national economy. Moreover, the presence of 160,000 hectares of mangrove forests and access to rich marine biodiversity provide a strong foundation for sustainable economic development. In recognition of these prospects, Pakistan restructured its Ministry of Ports and Shipping into the Ministry of Maritime Affairs, signalling greater policy focus on maritime growth.

The CPEC is central to unlocking Pakistan's maritime and blue economic potential. As a key component of China's BRI, CPEC enhances the strategic and economic significance of the Gwadar Port, which connects the Arabian Sea to Western China. The project has accelerated Pakistan's commitment to maritime security and infrastructure, with the Navy playing a crucial role in securing trade routes against piracy, smuggling, and other maritime threats.<sup>32</sup>

## **Pakistan's Maritime Sector**

Pakistan possesses a coastline spanning 1050 kilometers and an Exclusive Economic Zone EEZ covering 290,000 square kilometers of maritime territory, which possesses a substantial potential for unexplored and underutilised fish populations, minerals, and other unique marine resources. The maritime industry in Pakistan has enormous growth potential, but in order to make the idea of sustainable development a reality, it needs sufficient funding and supportive laws.

The largest portion of maritime resource-related economic activity is concentrated in ports. Pakistan is blessed with deep sea ports. The development and establishment of these ports can offer numerous work prospects and can help a lot in overcoming the exiting economic challenges if used to their maximum. Three main ports of Pakistan are: First, the largest and busiest port in Pakistan is the Karachi Sea Port which handles around 60 per cent of the country's cargo activity.<sup>33</sup> It has been in function since

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<sup>32</sup> Muhammad Usman Askari, Muhammad Tahir, Nafisa Shaheen, "Blue Economy of Pakistan: Challenges and Prospects," *Journal of the Punjab University Historical Society* vol. 33, no. 02, (July-December 2020): 5-6.

<sup>33</sup> Sahibzada Muhammad Usman, "Pakistan's Port Potential: Strategic Hubs in Regional Trade," *The Diplomatic Insight*, <https://thediplomaticinsight.com/pakistans-port-potential-strategic-hubs-in-regional-trade/>

1887 and is the oldest port in the country. It has a combined total of 33 berths, Karachi port is functioning since 1887. Initially, it had two wharves West and East, which have 33 berths including 3 oil piers.<sup>34</sup>

Another growing port situated in the Arabian Sea beyond the Persian Gulf is the Gawadar Port widely known as a deep sea water port. It is the only port in Balochistan which is 635km away from Karachi and just 120km away from Iran.<sup>35</sup>

From a military and strategic perspective, it is prudent and essential to keep critical national resources spread out. Thus, Gwadar port offers a relief by alleviating the burden of traffic along with the valuable vessels and other related technology are concentrated at the Karachi and Port Qasim ports. Despite the fact that the Pakistani government has designated Gwadar as a commercial port, the chief of the Pakistan Navy has claimed that Gwadar serves as Pakistan's third naval base, enhancing the nation's defence.<sup>36</sup>

## **Regional Economic Integration Partnerships**

### **China-Pakistan Economic Corridor (CPEC)**

One of the most notable projects of the BRI is the CPEC, which is a network of ports, railroads, and roadways.<sup>37</sup> Through this network, the Arabian Sea-based Gwadar Port in Pakistan and the northwest region of China are connected. Because it gives China a quicker and more direct path to the Arabian Sea, bypassing the Strait of Malacca, the Gwadar Port is

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<sup>34</sup> Anjum Sarfraz, "Economic Improvement by Enhancing Operations of Pakistan's Ports," March 25, 2023, <https://modern diplomacy.eu/2023/03/25/economic-improvement-by-enhancing-operations-of-pakistans-ports/>

<sup>35</sup> Sana Alam and Maryam Azam, "View of Challenges and Prospects of Blue Economy for Pakistan," *Journal of Asian Development Studies* 12, no. 3 (2023):1518, <https://poverty.com.pk/index.php/Journal/article/view/222/206>

<sup>36</sup> Naheeda Naseem, "Geopolitical Value of Gwadar for the Region (Mainly for Pakistan, China and the Region)," *A Research Journal of South Asian Studies* vol. 29, no.2, (July - December 2014): 519.

<sup>37</sup> Hassan Daud Butt et al, "Migration Letters Leveraging CPEC for a Thriving Blue Economy and Coastal Development," 21, no. S8 (2024), [www.migrationletters.com](http://www.migrationletters.com)

strategically crucial.<sup>38</sup> Under CPEC, a number of energy projects are being developed with the goal of reducing Pakistan's ongoing energy shortages, promoting industrial expansion, and raising the standard of living for Pakistani citizens as a whole.<sup>39</sup>

Through the China-Pakistan Economic Corridor (CPEC), Pakistan will have significant opportunities to develop its maritime economy and make the most of its coastal resources. The China-Pakistan Economic Corridor (CPEC) has the potential to boost Pakistan's blue economy in a number of ways. These include:

**Maritime Infrastructure Development:** By extending and enhancing port infrastructure and coastline connectivity, the China-Pakistan Economic Corridor (CPEC) will increase Pakistan's capacity for maritime trade and transit. Improving ports, building container terminals, and improving coastal infrastructure will increase maritime operations, expedite logistics, and attract shipping businesses. Improving the Gwadar Port as well as other ports can encourage shipping enterprises, expedite logistics, and boost marine operations.<sup>40</sup> Enhancing Pakistan's port facilities will bolster its pivotal regional commerce hub position. Increasing container handling capacity will enhance trade efficiency, decrease turnaround times, and boost the quantity of items handled.<sup>41</sup> Constructing coastal infrastructure, such as enhanced roadways and railway connections to harbours, will facilitate uninterrupted access and enhance economic endeavors along the coastline.<sup>42</sup>

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<sup>38</sup> Naeem Shahzad et al, "View of Opportunities And Challenges Of The China-Pakistan Economic Corridor (CPEC): A Game Changer in South Asian Countries and Impact of CPEC on Pakistani Economy," *Journal of Positive School Psychology* 7, no. 5, <https://journalppw.com/index.php/jpsp/article/view/16891/10694>.

<sup>39</sup> Naeem Shahzad et al, "View of opportunities and challenges of the China-Pakistan Economic Corridor (CPEC)."

<sup>40</sup> Hassan Daud Butt et al., "Migration Letters Leveraging CPEC for a Thriving Blue Economy and Coastal Development," *Migration Letters* 21, no. S8 (2024), [www.migrationletters.com](http://www.migrationletters.com).

<sup>41</sup> Khalid Mehmood Alam, Xuemei Li, and Saranjam Baig, "Impact of Transport Cost and Travel Time on Trade under China-Pakistan Economic Corridor (CPEC)," *Journal of Advanced Transportation* 2019 (February 2019): 1-16, <https://doi.org/10.1155/2019/7178507>

<sup>42</sup> Timothy F. Smith et al, "Impacts of Tourism on Coastal Areas," *Cambridge Prisms: Coastal Futures* 1 (2022), <https://doi.org/10.1017/cft.2022.5>



**Fisheries and Aquaculture:** Pakistan's fisheries and aquaculture industry could benefit from the development of the China-Pakistan Economic Corridor (CPEC). Chinese expertise and investment may help modernise fishing methods, advance sustainable aquaculture approaches, and make value addition in seafood processing easier. This might boost productivity, expand export potential, and reinforce the fishing sector's overall influence on the blue economy.<sup>43</sup> Prioritising sustainable fishing and aquaculture practices will guarantee the long-term sustainability and environmental preservation of marine resources.<sup>44</sup>

**Coastal Tourism Development:** Pakistan's coastal tourist industry has the potential to grow and improve greatly with the successful implementation of CPEC projects. Improved infrastructure, which includes resorts, lodging, leisure centers, and transit systems, might draw tourists from abroad to the nation's beautiful coastline areas. This can create job opportunities, increase revenue from international trade, and encourage adopting sustainable tourist practices that save natural habitats.<sup>45</sup> The development of coastal tourism can create job opportunities, increase foreign currency profits, and encourage sustainable tourism practices that save natural habitats.<sup>46</sup>

**Renewable Energy Generation:** CPEC prioritises the advancement of sustainable energy initiatives, specifically focusing on the implementation of wind and solar power projects in the coastal areas of Pakistan. These projects have the potential to enhance a clean and sustainable energy combination, hence decreasing dependence on fossil fuels. Renewable energy initiatives have the potential to provide employment, draw in

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<sup>43</sup> Jayanath Colombage. "Sustainable Fisheries Management in the India Ocean: The Way Forward," March 16, 2021, <https://polaris.bahria.edu.pk/index.php/ojs/article/view/9>.

<sup>44</sup> Hassan Daud Butt et al, "Migration Letters Leveraging CPEC for a Thriving Blue Economy and Coastal Development," *Migration Letters* 21, no. S8 (2024), [www.migrationletters.com](http://www.migrationletters.com).

<sup>45</sup> Hassan Daud Butt et al, "Migration Letters Leveraging CPEC For a Thriving Blue Economy and Coastal Development," *Migration Letters* 21, no. S8 (2024), [www.migrationletters.com](http://www.migrationletters.com)

<sup>46</sup> Hassan Daud Butt and Urooj Aijaz, "Bolstering Sustainable Growth through Blue Economy," *Pakistan Journal of International Affairs* 4, no. 1 (2021), [https://www.academia.edu/107498577/Bolstering\\_Sustainable\\_Growth\\_through\\_Blue\\_Economy](https://www.academia.edu/107498577/Bolstering_Sustainable_Growth_through_Blue_Economy)

financial investments, and alleviate ecological consequences, thereby promoting sustainable development in coastal areas.<sup>47</sup>

## Recommendations

Pakistan's potential as a regional middle power can be enhanced by unlocking the value of its maritime sector through a comprehensive and integrated maritime economy strategy. This includes modernising port infrastructure at Gwadar, Karachi, and Port Qasim to support regional trade, strengthening fisheries management for sustainability and export growth, and upgrading the national shipping fleet to meet international standards. Reforming the shipbreaking industry, promoting maritime tourism, and unifying fragmented regulatory frameworks under a single authority are essential steps toward coherence and efficiency. A consistent, long-term policy approach, coupled with strengthened maritime security and active regional maritime diplomacy, can help Pakistan overcome integration challenges, ensure safe trade routes, and boost cooperation with key regional players, positioning the country as a pivotal hub in South and Central Asia's economic and maritime landscape.<sup>48</sup>

## Conclusion

Pakistan's geographic position as both a land bridge and maritime state has a potential to give an underexplored opportunity to craft a unique middle power strategy. While this paper predominantly examines CPEC's land corridors or Gwadar's port argues that Pakistan's true strategic value lies in integrating these domains into a combined connectivity framework. This Land-Maritime connection suggests that only by synchronising overland trade routes with maritime resources economy can Pakistan fully capitalise

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<sup>47</sup> Muhammad Bilal et al, "A Multifaceted Evaluation of Hybrid Energy Policies: The Case of Sustainable Alternatives in Special Economic Zones of the China Pakistan Economic Corridor (CPEC)," *Sustainable Energy Technologies and Assessments* 52 (August 1, 2022), <https://doi.org/10.1016/j.seta.2022.101958>

<sup>48</sup> "Pathways to a Sustainable Blue Economy, Role of Financial Institutions," Report by Bank of Punjab and SDPI, June 2022, 26-28, [https://www.bop.com.pk/Documents/Resource\\_Center/Blue.pdf](https://www.bop.com.pk/Documents/Resource_Center/Blue.pdf)

on its geographic legacy and enhance its regional influence beyond its current role.

The land connectivity component, often overemphasised in current debate or literature, requires critical reassessment beyond mere infrastructure development. Pakistan's transit potential remains constrained not by physical gaps but by a fragmented policy approach exemplified by the underutilisation of key routes like the Quetta-Taftan corridor to Iran and persistent blockages at the Chaman border crossing.

This paper introduces the concept of connectivity where transit routes become instruments of economic growth. statecraft. The Afghanistan-Pakistan Transit Trade Agreement (APTTA), if expanded to Central Asian states through innovative protocols like bonded trucking and digital customs clearance, could give Pakistan an opportunity to be an indispensable logistics hub for Eurasian commerce.

As far as Maritime connectivity is concerned, it demands re-conceptualisation as a force multiplier. The paper highlights Gwadar's value lies not merely in handling transshipment but in hosting export-oriented manufacturing zones fed by maritime resources such as fisheries etc.

The intersection of land and maritime domains manifests most powerfully in energy connectivity, an aspect neglected in current literature. Pakistan's coastline offers untapped potential for floating LNG terminals that could receive Central Asian gas via the TAPI pipeline and redistribute it regionally by ship. Similarly, the Makran coast's solar and wind resources could power not just Pakistan but, through cross-border grids, Afghanistan's mining sector creating interdependencies that enhance Pakistan's strategic relevance. This positions Pakistan as the critical node in a web of energy flows between resource-rich Central Asia and energy-deficit South Asia. Middle power theory typically examines diplomatic mediation or institutional leadership, however, this paper creates a link between connectivity framework and role of middle power. Pakistan's ability to provide or withhold transit access grants it leverages disproportionate to its economic size. Iran's interest in connecting its rail network to CPEC suggests how connectivity assets can reshape regional alignments.

The proposed National Connectivity Authority would transcend this divide by combining ports, transit trade, and energy corridors under a single policy umbrella. This research contributes to three academic conversations: i. middle power studies by introducing material connectivity as an influencing path; ii. regional integration literature by demonstrating how physical infrastructure enables institutional cooperation; and iii. development economics by showing how transit states can escape the landlocked mentality. The findings suggest that middle power status in the ‘Asian Century’ may depend less on traditional military or economic domains /parametres, and more on a state’s ability to position itself as the indispensable connector between emerging economic spaces.