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Issue Brief

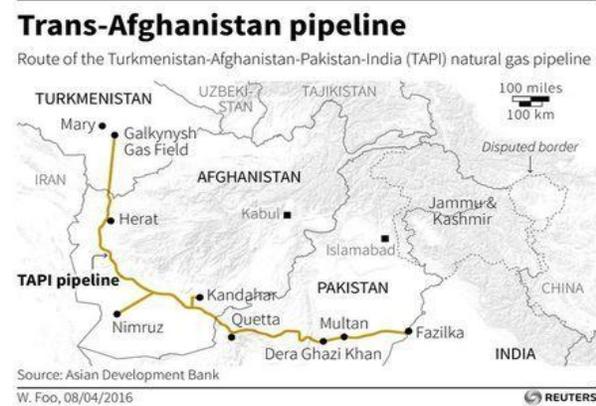
Turkmenistan-Afghanistan- Pakistan-India (TAPI) Gas Pipeline

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A high level delegation from Turkmenistan is due in the month of February. The delegation will be in Pakistan to hold a series of meetings with Pakistan's security agencies to sought out a plan ensuring security of the mega project of TAPI gas pipeline.¹

Both sides of the agencies are expected to discuss the route of the pipeline in detail and carve out arrangements to provide fool proof safety to the pipeline that will enter from Quetta in Balochistan and pass through Dera Ghazi Khan, Multan and touch Fazilka, a city at Indian border which is 150 km away from Multan. From Fazilka, the pipeline will enter India.



Turkmenistan's company Turkmengas was earlier scheduled to achieve a financial close on the mega project by December 2016, but now it is supposed to attain it in June 2017. This has actually delayed the commissioning of the project till 2020.

Turkmengas being the consortium leader for TAPI project is to contribute up to 85 per cent of equity, and the rest of TAPI members namely Afghanistan, Pakistan and India would make 5 percent each equity share in the project company. From the Galkynysh and adjacent gas fields in Turkmenistan, the gas will be imported to Afghanistan, Pakistan and India.

The TAPI Natural Gas Pipeline Project aims to export up to 33 billion cubic meters (bcm) of natural gas per year through a proposed approximately 1,800-kilometer pipeline from Turkmenistan to Afghanistan, Pakistan and India.² Under the project, Pakistan and India will be provided 1.325 billion cubic feet per day (bcfd) gas each and Afghanistan will be getting a share of 0.5 bcfd gas under this mega project.³ The Asian Development Bank is acting as facilitator and coordinator for the project.

TAPI is a mutually beneficial long-term solution for the four countries. With the opening up of new markets, landlocked Turkmenistan will be able to diversify its gas exports to the East where there is already a tremendous and growing demand for energy. Through TAPI, Afghanistan, Pakistan, and India will gain a steady supply of affordable gas to power their growing industries. TAPI will go through

southern Afghanistan, providing job opportunities during construction and operation and an enabling environment for developing industrial capacities in the area.

Despite Turkmenistan's huge gas reserves, the sixth largest in the world, it only has access to the Russian, Iranian, and Chinese markets. Neighbouring gas scarce countries like Afghanistan, Pakistan and India would be huge potential markets. Afghanistan needs a secure energy source to increase both its capacity to generate electricity and the current electrification rate from 20 per cent to 33 per cent. Pakistan's acute power shortage is over 7,000 megawatts.⁴ Frequent power disruptions are due to several factors, including depletion of the domestic gas supply increased competition for gas, and a lack of affordable and reliable alternative energy sources. India experienced a power deficit of approximately 7,556 megawatts.⁵ This project of regional cooperation will not only promote economic growth through increased investments and trade, but will also help alleviate energy shortfall in these countries. It will also help align the interests of the four countries, which will consequently help bring about regional stability and security. Increasing the use of natural gas to generate electricity will also reduce damage to the environment, as natural gas emits 43 per cent fewer carbon emissions than coal, commonly used in India, for each unit of energy delivered.

TAPI therefore, presents an opportunity for regional cooperation on an unprecedented scale, linking not only the interests but also the economies of the four countries. The strategy for regional cooperation in the energy sector identifies TAPI as one link in the inter energy relationship among the Central Asia Regional Economic Cooperation (CAREC) countries. TAPI's aims are strategically aligned with CAREC's objectives of ensuring (i) energy security through balanced development of regional infrastructure and institutions, (ii) stronger integration of markets, and (iii) economic growth through enhanced energy trading. TAPI is a high priority flagship project in the energy sector under CAREC 2020. For India, the South Asia Regional Cooperation Strategy and Programs 2011-2015 also make the energy sector a priority.

Security Challenges

The project is politically complex, requiring cooperating governments. It is logistically challenging, as the pipeline would pass through areas of Afghanistan and Pakistan plagued by Taliban and separatist insurgents. Balochistan could be the other major concern for the company because of law and order situation in that province. Afghanistan has already agreed to raise a 7,000-member security force to guard the TAPI gas pipeline project.⁶ Afghan mines and petroleum Minister Daud Shah Saba told the

country's upper House of Parliament that the force will provide security during the implementation of the project and demining the route of the pipeline.

TAPI gas pipeline will be a great step towards regional integration and economic development of the member countries. More importantly, the pipeline can play an important role to mitigate the hostilities between Pakistan and India, as both countries will have an opportunity for working together to ensure the security, and hence the mutual benefit that this pipeline will bring to the two countries.

Notes and References:

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- ¹ Khalid Mustafa, 'Tapi gas project delayed by one year,' *The News*, January, 26, 2017, <https://www.thenews.com.pk/print/181835-TAPI-gas-project-delayed-by-one-year>
 - ² <https://www.adb.org/projects/44463-013/main>
 - ³ Ibid.
 - ⁴ <https://www.theguardian.com/environment/2014/jan/20/pakistan-parliament-turns-to-solar-power>
 - ⁵ <http://indianpowersector.com/home/tag/power-deficit/>
 - ⁶ '7000 strong Afghan security force to guard TAPI gas pipeline,' *Dawn News* 28, December 2015, <http://www.dawn.com/news/1229154>