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CPEC Relevance to Central Asia

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CPEC is a grand leap forward by Pakistan's trusted friend, China, to transform the economy of Pakistan. The package of US\$ 46 billion has been increased to now over US\$ 63 billion as new projects are kept on including in this mega project ever since the package was drawn on 20 April 2015 when President Xi Jinping visited Pakistan.

CPEC is a part of the Belt and Road Initiative (BRI), which offers building of the other five corridors namely; (1) China-Central Asia Corridor, (2) Eurasian Land Bridge, (3) China-Mongolia-Russia Corridor, (4) Bangladesh-China-India-Myanmar (BCIM) Corridor, and the (5) Maritime Silk Road. In all of these five corridors at least three or more countries are involved. The CPEC, on the other hand, is an exclusive corridor between Pakistan and China to connect Kashgar with Gwadar and there is no third party involved.

The CPEC is just not a road but a network of connectivity, industrialization, trade promotion, energy generation, and much more. Besides road, a railway track will be drawn between Havelian and Kashger. Work on 820 km optic fiber line is already underway to link Khunjrab with Rawalpindi, adding a digital component to CPEC, to be completed by June next year. Bilateral trade has enhanced to US\$ 20 billion by now. Around 10,000 megawatt has been added to the national grid. Three industrial zones have carved out namely: Hattar, Faisalabad, and Dhabeji among nine identified so far. China invested over 1.1 billion in Pakistan's FDI last year.

The main purpose of the package is to create a land link between western China and Pakistan by providing access to the southern port of Gwadar in Balochistan province. This port was especially designed to cater the needs of China and Central Asian Republics. Western China and Central Asia are landlocked and since Central Asian Republics gained independence from the Soviet Union in 1991, we have been offering access to them to the Arabian Sea but nothing has been materialized so far. Gwadar and CPEC has the potential to streamline the long cherished dream between Pakistan and Central Asia.

When Pakistan offered sea access to Central Asia in the early 1990s, at that time, there were only Karachi and Bin Qasim ports and they were over loaded. Pakistan decided to build Gwadar Port and China finally offered assistance of US\$ 248 million to construct the port in 2001. The port was quickly completed by 2007 and the Singapore Port Authority (PSA) was given its management rights but it could not manage the port effectively for one or the other reason and the rights were then transferred to the China Port Holding Company (CPHC) in February 2013, which quickly built the required allied infrastructure of the port. The port became operational since November last.

It is believed that Gwadar Port and its allied road infrastructure is a Suez Canal for China and Central Asia. There is a dire need to advertise the utility of Gwadar Port for Central Asian Republics in media outlets of Central Asian Republics highlighting the benefits of trade and connectivity.

Now looking at the geo-strategic situation in the region, the important question arises that how the Central Asian Republics could be connected with Gwadar Port when the Afghan irritant is there? It is traditionally thought that all roads from Pakistan into Central Asia go through Kabul or Wakhjan and as there is turmoil inside and also relations between Pakistan and Afghanistan are not normal for the past several decades, how this opportunity of trade and connectivity would be enjoyed?

First of all it is believed that the Afghan irritant should be resolved. However, in case of problem and political instability inside Afghanistan, tense Pak-Afghan ties, instead of linking through Kabul or Wakhkan corridor, CPEC route provides an alternative solution to link up Kazakhstan, Kirgizstan, and Tajikistan, which directly border China, as well as Uzbekistan and Turkmenistan, to the CPEC route. This is even possible during the turmoil period in Afghanistan. The CPEC route provides a stable alternative option.

Afghanistan demands Wagma transit trade through Pakistan to trade with India. It is a pre-condition as recently stated by President Ashraf Ghani in case Afghanistan seeks to join CPEC . Pakistan exercises reservations. Terrorism is there since 9/11. India wants to sabotage CPEC . Terrorist activities often operate from inside Afghanistan against Pakistan. Even much more. In case of this difficulty, CPEC route provides immense opportunities to Central Asian Republics to expand trade with Pakistan and also go through China and expand their trade. Chinese Xinjiang enjoys centuries old cultural traditions and trading links with Central Asia . The ancient Chinese Silk Road first connects with Central Asia than rest of the world. Central Asia is thus central to Silk Road.

Since 1991, Pakistan-Central Asian trade has not been substantially increased. Gwadar port could become a hub-port for the Central Asian Republics. These Republics could carry out their South Asia and the Gulf trade and transit-trade through Pakistan. Unfortunately, in the past quarter century, this trade is dismal and it has not gone beyond US\$ 76 million in spite of lofty announcements and innumerable pledges committed by top leadership on both sides. CPEC offers novel solution to address Pakistan-Central Asian trading woes.

With abundance of natural resources such as oil, gas, gold, and other metals, Central Asian Republics have great potentials to investment in CPEC-related projects and also to investment in the new industrial zones. CPEC-related investment are expected to go beyond US\$ 150 billion for all projects. Out of 46 industrial zones, 9 zones have been identified and work on three industrial zones is going to start soon. Almost all Central Asian Republics have shown interest in joining the CPEC . Looking at vast trade and transit-trade and investment opportunities and potentials, Central Asian Republics should take the benefits of the CPEC .

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