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CPEC & Central Asia

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CPEC and Central Asia

Central Asia and Economic Corridor

Central Asia is an expansive region defined by its boundaries stretched to the north towards Russia, east towards Tien Shan mountains, and the sea at its west. It furthermore advances towards the western side of the Islamic countries.

Russia's conquest has shaped the course of majorly five states that make up Central Asia. While approaching the downfall of the Russian reign, the suggestion was to analyze the development of what was known as a 'post-Soviet state.' It was to be treated as separate independent countries. However, it was not as easy as it seemed. The countries were divided by boundaries and united by culture, language, and Historical traditions (Gleason, G. 1997).

Geographically, Central Asia holds significant importance in the production of raw materials, agriculture, minerals, and labor. The area was ruled by the Soviet Union for a long time until the Alma-Ata Declaration of 1991 stated that the USSR should cease to exist. Without any ruling, ratification, and opposition, it was accepted. After the rule ended, Central Asia comprised five independent states known as Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan, and Uzbekistan. Independently, they all became a part of the United Nations and joined the leading international organizations such as the International Monetary Fund (IMF).

Being a landlocked region, the China Pakistan Economic Corridor (CPEC) provides the opportunity of linking the Central Asian region with the rest of the world, providing them and the connected regions the opportunity to do economically better.



Central Asia



Economic overview of the five states in Central Asia:

Each of the 5 countries in the region contributes to their presence as a separate country in many ways. Further into the topic will be discussed the economic structure of the five states and their significance in terms of the overall region of Central Asia. Starting off with Kazakhstan, being the most populated and socio-geographical, and strategically important, the discussion will be carried on about the contribution as a state.

Kazakhstan

Kazakhstan is the largest state among all the five. Initially, it was a nomadic lifestyle structure and only in the nineteenth-century people started accepting the community lifestyle (Mandelbaum, 1994). based on its geographical position, it shares the largest border with Russia. Even the northern part of Kazakhstan is considered Russian apart from the name. Based on the World Bank data from 1992, only 42 percent of them are Kazakhs, and the rest are Russians with a 16.7 million population (Mandelbaum, 1994). according to the data provided by World Bank, 2020, its population has only increased to 18.8 million. The state has one of the lowest population graphs globally, a graph of rapid economic growth since independence and structural reforms.

As of current years, Kazakhstan has improved its country's affairs with a GDP of 171.2 billion US\$ (see the data below for reference) (World Bank, 2020). Making full use of the resources, the state has converted abundant hydrocarbon, foreign investment, and demand into economic growth and poverty reduction. Meanwhile, discussing economic growth, Kazakhstan has implemented

several policies for earnings based on the extraction of natural resources. The country also has the ninth largest oil reserve making it the highest contributor to the GDP.

Most of the county's population lives in rural areas with lower access to public services. However, in the pandemic, the economic cycle has risen by 2.3% (World Bank, 2021) and is expected to recover as the aggregate demand will increase, eventually increasing the GDP in 2022. it will regain growth and attract foreign investment, particularly in the energy and fuel sector (Focus Economics, 2022). According to Zhakenova. K, Abeniva. K, Ryskulova. M, and Andekina. R, 2017, 18 out of 31 cities in Kazakhstan specialize in agricultural activities, and within the rest, 5 of them specialize in the manufacturing industry, 7 of them are known for transportation, and the rest 5 generate revenue from tourism.

Country Context

Kazakhstan	2020
Population, million	18.8
GDP, current US\$ billion	171.2
GDP per capita, current US\$	9,106.4
School Enrollment, primary (% gross) ⁽²⁰¹⁹⁾	104.4
Life Expectancy at Birth, years ⁽²⁰¹⁹⁾	73.2

Turkmenistan

Coming from under the same rule of the USSR, there have been many similarities; however, the differences are what shape today's Turkmenistan's image, economic position, and ethnic makeup. Since the independence, rather than clinging on to the other states, Turkmenistan went on to the separate way. It did not only gain and incorporate the lessons from the Russian era; their history and culture from Turk and Mongols are rich. The country's population count was 5.8 million in 2018, and the GDP at 40.8 billion US\$ (World Bank, 2018).

It is a landlocked area, mostly dry deserts and an oasis. However, they have mineral resources, oil reserves, and natural gas, which has flipped their economic status. The central and northern part of Turkmenistan faces difficulty in irrigation due to limited water. However, in 2004, the GDP increased to 26% from 9.8% in 1997 due to agriculture. World Bank, 2018 mentions that Turkmenistan has been declared upper-middle in terms of the economy since 2012. statistics show that Turkmenistan's economic growth has increased from 6.2% in 2018 to 6.3% in 2019.

Due to its strategic location, Geo-political advances, and shares borders with Kazakhstan, Uzbekistan, and Afghanistan, it is rich in natural resources like gas and oil. The oil reserves are known to be the fourth largest in the world. Turkmenistan is also one of the biggest exporters of cotton and natural gas, of which they have the 10% of global reserves. The country is also a producer of petroleum, sulfur, iodine, and other chemicals used in the construction industry, which means that the country also excels in infrastructure building.

As of today, Turkmenistan has signed a contract with Russia and China to export hydrocarbon. Talking about economic development, the country has sped up the process and has TAPI (Turkmenistan-Afghanistan-Pakistan-India) pipeline project on the line booming the economic activity in the future.

Uzbekistan

A landlocked area with the densest population in Central Asia, it is 51% of the population resides in urban settlements. The public sector command was followed with tight controls on prices, trade, and production (Moody's analytics, 2017); however, while facing the challenge of the pandemic, the government timely removed the barriers helping in stabilizing the economic position.

Uzbekistan is populated at 34.2 million with a GDP per capita of 1751 US\$ (World Bank, 2020). The development goal is to halve the poverty. The country has not achieved the upper-middle-class status yet like Turkmenistan's; however, it is the goal to be achieved by 2030. The economic growth is restrained by not-so-business-friendly reforms, which eventually confines foreign investment.

Uzbekistan's economy is known for its production of cotton, oil reserves, petroleum, and even gold mines have been discovered. It is the source of hydroelectric energy powered by coal and petroleum; however, the country lacks water reserves and has faced shortages of water in times. It also limits agriculture to cotton cultivation and cattle raising.

Tajikistan

Over the years, the economy has faced unexpected ups and downs. With a population of 9.5 million, the independent republic state has managed to reduce poverty with a shocking change in the percentage. The rate fell from 83% in 2000 to 26.3 in 2019 (World Bank, 2020). GDP growth has been low in comparison to other Central Asian independent states. The government intervention in economic growth has limited private interference. This only limited the job opportunities.

The location of Tajikistan has increased the vulnerability to face more natural disasters. From 1992 to 2019, around 7 billion people have been affected due to natural disasters. The war from 1992 to 1997 had its effects on the country, which deteriorated economic growth and infrastructure. According to Moody's analytics, 2017, Tajikistan has the lowest GDP in all of the Soviet states. Out of all the independent Central Asian states, the most that need to be done is in Tajikistan. Although the country is high in mineral resources, due to lack of equipment, the production and exports are hardly carried out. Even the food is imported, and most of the citizens work abroad due to the increased rate of unemployment.

The business environment is hardly paid attention to, which results in less or now foreign investment. In collaboration with Russia and China, the economy has managed to raise investment for the hydropower plant. However, this can only be completed if the deadlines are being met. The exchange rate fluctuations are also restricting growth and stability (Moody's Analytics, 2017).

Kyrgyzstan

Like the other independent four states, Kyrgyzstan is also a landlocked, mineral-based economy with a population of 6.6 million and a GDP of 7.7 billion US\$ (World Bank, 2020). The country has faced much political instability after independence and for a very long time under the parliamentary form of government; finally, the governmental structure changed to presidential form due to the political unrest in the country. The new president was elected in 2020 and pledged to eliminate corruption and nepotism to restrain law and order in the country.

The economic condition is vulnerable, even though the Kyrgyz Republic is a producer of gold. To maintain order, it must lay out reforms and strictly implement them. The country is involved in other exports, for example, oil, mercury, uranium, and natural gas. In the early years of independence, the state was accepted into World Trade Organization (Moody's Analytics, 2021). despite all the positive influences, the country has faced severe downfall and growth. It is still dependent on foreign investment.

Recently the economy is not doing good since the inflation went up because of an imbalance of payments; however, the expectation s a deficit in imports and an increase in exports, eventually depicting a recovery of imports.

Overview of Economic and Social Relations of Central Asian states with Pakistan and China.

At the early stages of the newly formed independent states, due to their strategic importance and mineral resources, different countries have been enthusiastic to avail themselves of the opportunity of forming an economic relationship. Gwadar port will provide the countries with trade routes and links. To encourage the trade route, Pakistan has been providing free training sessions like basic English courses, finance, and banking. The strategic alliances and projects benefit each and every country; for instance, Pakistan and Afghanistan signed an agreement with Turkmenistan for a gas pipeline passing through Afghanistan and eventually reaching Pakistan. Meanwhile, Pakistan has made a deal with Kyrgyzstan to import electricity. Khan. A, Hussain. S, Rehman. A, 2017 states the importance of the strategic location of Pakistan, which cannot be ignored. Except for Turkmenistan and Uzbekistan, the shortest access to all the other states is through Pakistan via Afghanistan.

Central Asian possession of oils, minerals, and other resources like gas has caught the interest of the neighboring countries. United States military intervention in Afghanistan made them familiar with the advantages in Central Asia (Khan. A, Hussain. S, Rehman. A, 2017). In economic terms, Pakistan is growing its relationship with Central Asia, so both the states can mutually benefit from each other.



ERI Infographic No. 36

Orta Asya'nın Doğal Kaynak Rezervleri Natural Resource Reserves in Central Asia Орталық Азияның жерасты байылықтары



Global Natural Resource Ranks of Central Asian Countries

Kazakhstan	Kyrgyzstan	Tajikistan	Turkmenistan	Uzbekistan
12 th Oil 30 billion barrels	33 th Gold 559 tons	56 th Gold 389 tons	6 th Gas 7504 billion cubic m.	19 th Gold 1800 tons

The Top Three Largest Mineral Exports of Central Asian Countries

(% of Exports)

Kazakhstan	Kyrgyzstan	Tajikistan	Turkmenistan	Uzbekistan
1. Oil - 59.8%	1. Gold - 50.5%	1. Gold - 18.2%	1. Gas - 79.3%	1. Gold - 23.6%
2. Gas - 4.9%	2. Precious metal - 4.6%	2. Aluminum - 15.5%	2. Oil - 8.8%	2. Gas - 23.3%
3. Copper - 4.4%	3. Oil - 3.2%	3. Zinc - 14.3%	3. Peat - 2%	3. Copper - 4.9%

Source: www.statista.com
www.indexmundi.com
www.eia.gov

How to Cite: Eurasian Research Institute, (2021). Natural Resource Reserves in Central Asia. ERI Infographics No. 36

After the independence of the Central Asian region, Pakistan was one of the first few countries to recognize its independence. A delegation was led to visit the countries in person, and credits were offered as a token of goodwill. As a gift, tons of rice and \$100,000 worth of medicines were sent to all the Central Asian independent states. Pakistan's relations were majorly active with Uzbekistan. Economically, Pakistan became active with the states and signed different agreements, including education, joint ventures, and tourism. These relations were affected when Pakistan declared its support against Tajikistan and Uzbekistan in the cold war in Afghanistan when the Taliban regime was supported by Pakistan. However, the course once again took a turn when after 9/11, Pakistan was to assist the United States to remove Al Qaeda, and Pakistan offered its support, eventually distancing its support from the Taliban (Rehman. F, 2011)

The political hindrances have not specifically affected the economic interest of the countries, whereas they have been working to sign new agreements, and Pakistan is to make full use of its strategic location by continuing the trade route connecting Russia, Pakistan, the states of Central Asia, and China. Gwadar deep seaport has been developed under the contract, as well as the Karakorum Highway. The Trade transit agreement between China, Pakistan, Kyrgyzstan, and Kazakhstan is already operational. Economic and social relations have proved to be in favor of every country; in fact, these relationships are not only limited to infrastructure projects. New energy projects have been signed between Turkmenistan, Afghanistan, and Pakistan (TAP) for the oil and gas pipeline.

CPEC has opened a lot of new ways for the landlocked region to connect with the international markets. Central Asia being the land with Geo-political importance, China-Pakistan Economic Corridor has provided an opportunity to connect with regional markets and trade in a competitive market. Sher. M, Khetran. B, and Khalid. H, 2019 mentions in their article: The China-Pakistan Economic Corridor- Gateway to Central Asia that China plays a huge role in economic integration with Central Asia by offering 50 billion US\$ investment. The partnership between China and the five states has been connected through the trade route in Xinjiang, and power requirements are being fulfilled by Central Asia's mineral resources.

Opportunities for Pakistan through CPEC.

China's '**One Belt One Road**' project is expected to cover the population of 4.4 billion through one road and connect different regions so they can grow economically (Abid. M., & Ashfaq A, 2015). Fielding out the opportunities of transportation increased political and economic flexibility, and natural resources are the majorly focused agenda of OBOR. CPEC is also one of the component projects of One Belt One Road.

How much ever the emphasis on the importance of Pakistan's Geo-political location is, it is never enough to talk about the opportunities it has and might open in the future. Tajikistan has offered its support to the CPEC projects, which would increase economic activity and their relationship with Pakistan. As much as this is just a project, it has the potential to open immense opportunities as well as economic benefits. Apart from the new projects signed, for example, Pakistan China is known for their friendship. With the increasing relationship between the two countries, China has always been generous in providing Pakistan a chance to collaborate for any long-term project, providing the amount of investment. China has also agreed to develop Gwadar port into a fishing town as a part of the CPEC project. This project connected Afghanistan, Pakistan, China, and

Central Asia, which opened the country to many new resources. All of the countries are rich in resources, may it be natural or in the form of investment.

Due to the involvement of China, Pakistan has gained importance as the hub for economic activity. Pakistan has been open to power projects, mining, and transportation opportunities and has gained importance in the eyes of the whole world. Pakistan has been at the most strategic location on the map; however, the image has been restored due to the major projects Pakistan has been incorporated into. In the completion of CPEC, the Gwadar port has been reinstated too as a fully functional port that is ideal for trade as well. Basically, the Pak-China relationship has opened gateways and connected Pakistan to a whole new world of opportunities. Discussing Central Asia, through CPEC, Pakistan has restored its connections and terms with the five states that were affected by Pakistan's support for Afghanistan.

It would not be an exaggeration to say Pakistan has been, undoubtedly, open to more opportunities by being a part of CPEC as a long-term project and the increased connectivity and linkages envisioned under CPEC and the larger OBOR project, have the potential of turning this region comprising of China, Russia, Central Asia, Pakistan, Afghanistan, Iran, Turkey & the other neighboring countries into one of the leading economic blocks of the future.

Achieving Economic growth and stabilizing peace in Afghanistan:

South Asia is depicted to be one of the least incorporated areas in the world with excessive unexploited monetary and economic possibilities. Afghanistan is now considered at the crossroads of central Asia and South Asia therefore it can serve as a bridge among the mentioned regions. South Asian countries share quite a familiar and mundane history and background however political dissimilarities have proved a prime hurdle in respect of economic connectivity and cooperation. The benefits of economic cooperation are typically neglected in majority of the local countries such as Pakistan and Afghanistan. The political circumstances and the presence of conflict have rendered the region with low stages of regional integration. South Asia is the fastest developing region of the world as a result of India 's rising economic system. It has the ability to emerge as the second-largest economic system within the world if its member states broaden an incorporated economic system. A massive opportunity for the regional nations in this regard is the China Pakistan economic corridor. economic corridors play a crucial function in boosting economic efficiency and strengthening regional cooperation.

CPEC has become a focal point for economic activity within the region. It's the framework through which regional states can increase connectivity and integration. (Ullah, 2020) If used properly it can function as a prototype for economic stability and growth within the region. Its benefits don't seem to be only limited to China and Pakistan but the entire region can reap perks from it.

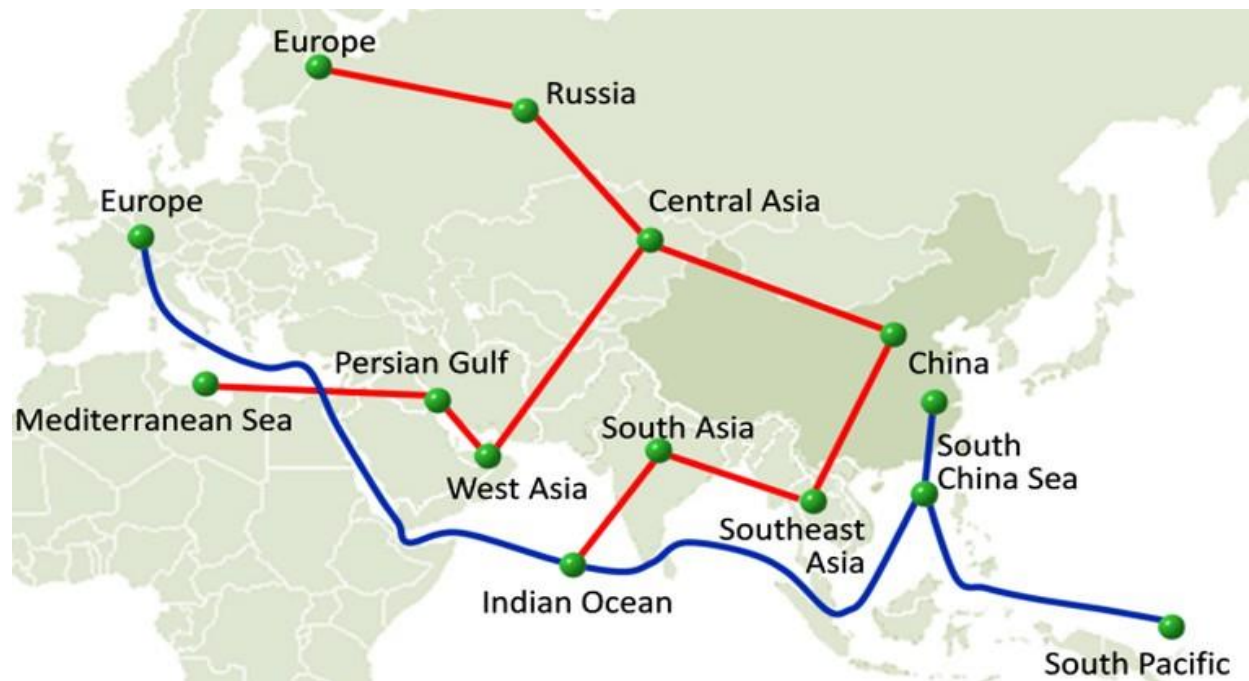
The relationship between CPEC and Afghanistan is two-way. If CPEC is successfully deployed in Afghanistan, not only will it best serve Afghanistan, but CPEC's true potential as a connectivity hub could be realized. The instability in Afghanistan could create confusion for foreign investors investing in CPEC. Afghanistan's GDP is just \$22 billion and per capita income is \$600. In addition, Pakistan's security situation is extremely closely linked to that of Afghanistan, instability

could trigger a spillover effect that threatens not only the CPEC but also the stability of Pakistan. Afghanistan, on the other hand, needs framework conditions that develop its economy, create livelihoods and develop infrastructure.

The infrastructure, the connectivity and the industrial system are not there. CPEC thrives on connectivity and building infrastructure. Investments managed under CPEC could include a railway line between Torkham and Jalalabad, the development of copper mines in Afghanistan and the Peshawar-Kabul highway. Two highway tracks linking Dera Ismail Khan to Angoor Adda and Ghulam Khan within Afghanistan are under construction. These rails would connect the Pakistani province of Khyber Pakhtunkhwa to the Afghan provinces of Paktika and Khost. The direct link would provide local Afghan companies with the opportunity to engage directly with their market base in Pakistan and form a direct channel.

Afghanistan is rich in natural resources while the shortage of infrastructure, political stability and continued conflict renders it problematic to tap into those resources. China has shown an avid interest in Afghanistan resource havens. Extension of CPEC would grant Beijing access to those natural resources while Afghanistan would benefit with infrastructure projects, land access to Gwadar and provide as a gateway between China and Central Asia.

Many believe that Afghanistan's involvement in CPEC, albeit on a modest scale, can be a major confidence-builder in the long-strained Afghan-Pakistani relationship. In the long term, China plans to gradually connect the CPEC to the China-Central and West Asia Economic Corridor via Afghanistan. China is confident that Afghanistan will join the CPEC. According to the Chinese foreign minister, Afghanistan, as a key neighbor of China and Pakistan, has an ardent desire to develop its economy and improve people's livelihoods, and is willing to integrate into the process of regional networking.



China's OBOR Project, Source: The Week

Potential for further extended connectivity & trade relations

Russia:

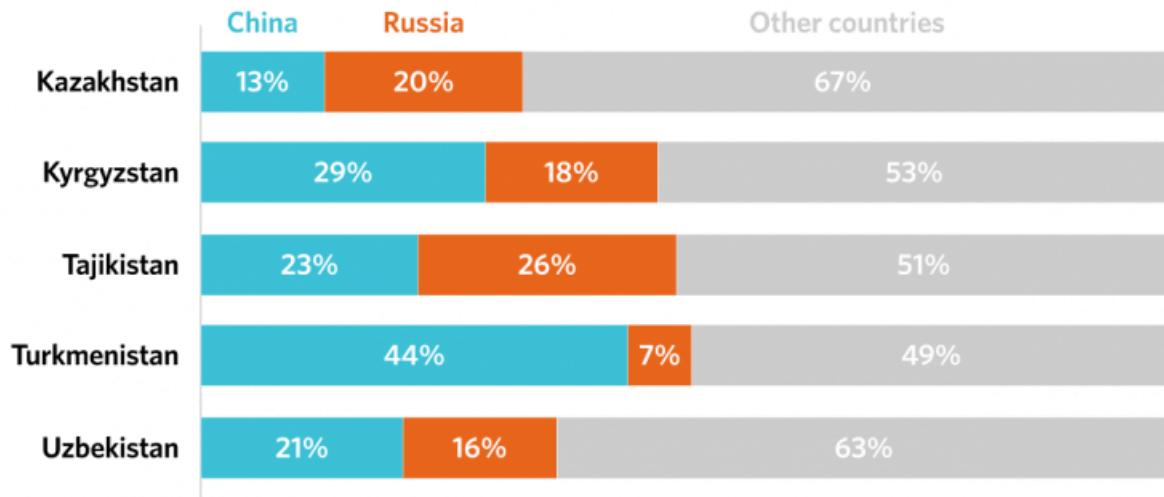
Inspired by China's growing economic power and concerned by deepening US-India ties, Russia has developed a renewed interest in working with Pakistan. After the conclusion of the Russia-Pakistan Technical Committee meeting in 2020, both countries have resumed discussions on the North-South gas pipeline project. The project was originally signed in 2015 but suspended due to Western sanctions against Rostec, a Russian state-controlled company that was a stakeholder. Now the project has been renamed the PakStream Gas Pipeline Project (PSGP). Scheduled for completion in 2023, the 1,100-kilometer PSGP will transport liquefied natural gas (LNG) from terminals in Karachi and Gwadar to Lahore. Under the agreement signed in July 2021, Moscow gave Islamabad a majority stake (74 percent) in the project and pledged to help Pakistan with expertise and funding. The PSGP is one of the largest Russian investments in Pakistan since the Soviet Union was involved in developing the Oil and Gas Development Company and Pakistan Steel Mills in the 1960s and 1970s.

With the geopolitical primacy of China, Russia and Pakistan face a great power in the immediate vicinity. Both governments recognize the need to adjust their foreign policy priorities considering the rise of China and its potential impact on the regional balance of power. In addition, the China-Pakistan Economic Corridor (CPEC), launched in 2013 as a flagship project of the China-led Belt and Road Initiative (BRI), has invested US\$62 billion (\$83 billion) and the Infrastructure development brought to Pakistan. CPEC is a bright economic prospect that Russia must not overlook as it seeks to develop and expand its economic ties with Asia.

With China's increasing economic presence and influence in South and Central Asia, Pakistan and Russia are likely to wish further strengthen their already strong relations with China. With its wealth of natural and human resources, Russia has enormous potential for economic growth. Beyond South and Central Asia, Moscow has been actively making its eastward swing, pursuing free trade agreements with Southeast Asia such as Vietnam (2016) and Singapore (2019). Since Russia's economic footprint in Asia is still relatively small, Pakistan can use this opportunity to expand cooperation and attract Russian investment. While it will be a long time before Pakistan becomes Russia's main economic partner, the trend of strong bilateral willingness to strengthen ties is unlikely to end. As the IGC convenes its seventh session in Moscow later this year, officials from both countries are expected to announce more trade and investment initiatives. (Chia, 2021)

Trade With China and Russia

Trade with China and Russia accounts for a large percentage of Central Asian trade with the world.



Source: Trademap

Copyright Stratfor 2018

Turkey:

Turkey, which has shown its interest to join CPEC, has given Pakistan great support in the trade and investment sectors. Both sides agreed on trade facilitation that will help Pakistan leverage Turkey's expertise in areas in line with CPEC projects. For over 70 years, Pakistan and Turkey have maintained a relationship deeply rooted in mutual respect, harmony and trust. A country like Turkey and its ideologically based alliance with Pakistan is crucial not only for peace in South Asia but also for Europe and the Gulf.

Turkey can benefit economically from its brother country Pakistan by investing in solar energy in Pakistan, showing increasing demand in the country. More recently, the Prime Minister of Pakistan set up an eight-member ministerial committee to review the Strategic Economic Framework (SEF) agreement with Turkey. Where both countries are working together on the military front, they have also embarked on the same path on the economic front. The China-Pakistan Economic Corridor (CPEC) can also be used by both countries, where Turkish investors can enter their decades-old allied markets. In addition, a Free Trade Agreement (FTA) between the two countries, expected to be signed this year to meet the goals of the SEF, will usher in a new era for the outstanding relationship, which will take both to new heights in mutual economic cooperation. A likely \$10 billion increase is expected if the two countries can sign the FTA. (Ashraf, 2022)

IRAN:

The benefits of the China-Pakistan Economic Corridor go beyond the interests of the two countries. China & Pakistan. It will benefit the entire region, especially Pakistan and Iran in particular, as CPEC's regional expansion can help Pakistan strengthen its economic ties with Iran. Relations

between Pakistan and Iran have remained very cordial. Both are very closely related, but currently the trading volume between the two is extremely low.

At this stage, CPEC is an opportunity for Pakistan and Iran to improve their economies as Pakistan's Gawadar port and Iran's Chabahar port both have unique geostrategic and geopolitical importance. Both ports can be considered as sister ports. These ports provide direct access to the Persian Gulf through the Strait of Hormuz. Connecting CPEC to Chabahar will further strengthen Pakistan-Iran economic connectivity and cooperation.

Partnering with Iran on the CPEC project will relieve Pakistan in many ways. Pakistan is an energy poor country and is constantly trying to find cheap energy from various sources. Iran will be another option for Pakistan in a trilateral deal between Pakistan, Iran and China, specifically for the development of Baluchistan, which borders Iran. The supply of electricity and gas across the border with Iran will be extremely cheap and could find a willing partner in China who could also invest in such cooperation. In this context, it is important that agreements delayed by sanctions are implemented. Projects such as planned rail links between Gwadar and Chabahar, a new ship service, and now that China is restricting an airport in Gwadar, an air link between Gwadar and Iranian cities needs to be explored as soon as possible.

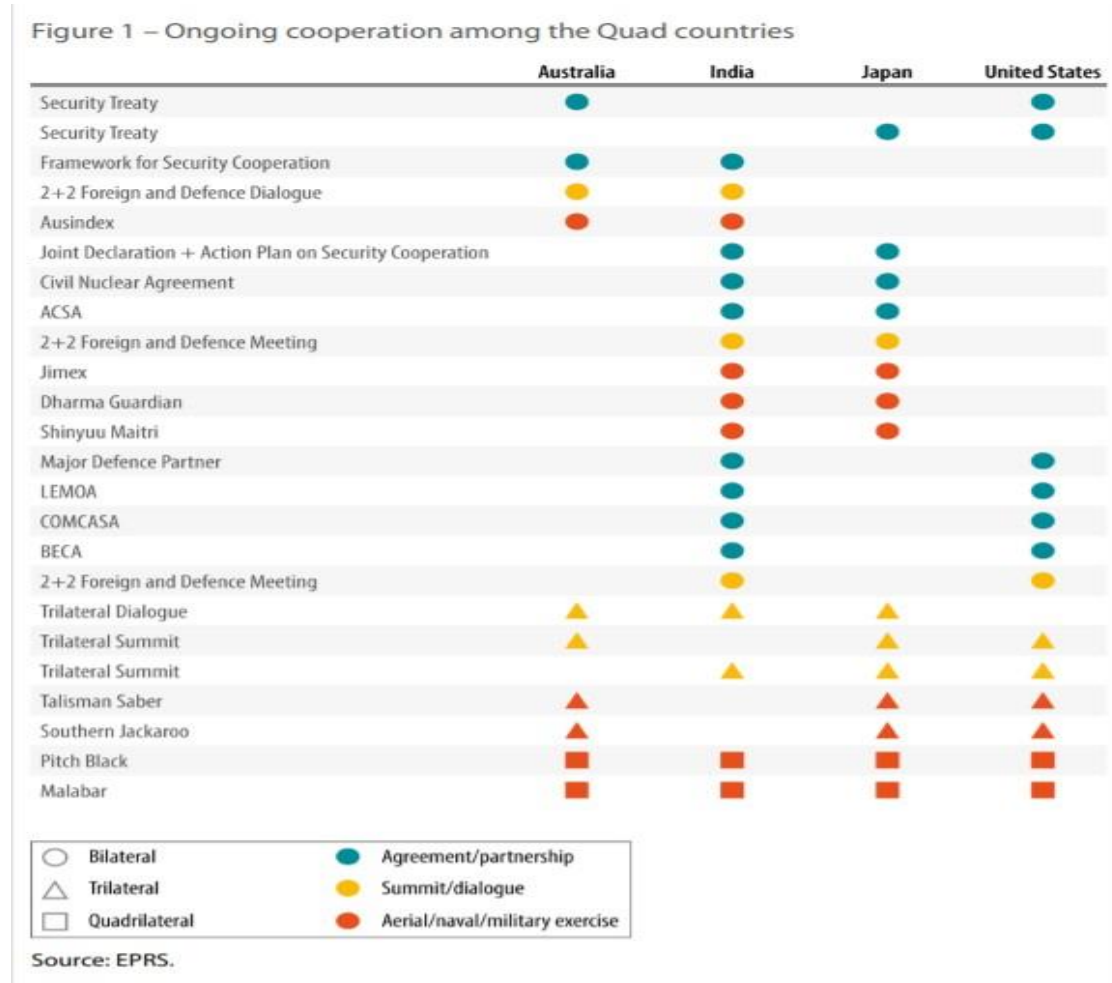
Conclusion: CPEC & OBOR Countries – A New Bloc?

Pakistan is blessed with a geo-strategic position at the crossroads of several sub-regions of Asia and the Arabian Sea. Pakistan's immediate neighbor Afghanistan has no access to the sea due to the 17-year conflict that has slowed the country's economy and few prospects to enhance its economic growth by exploiting its wealth of natural resources. In addition, the Central Asian Republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan are also landlocked countries but with an abundance of natural resources. With CPEC and its synergies with other existing regional connectivity projects, both regions will have the opportunity to work together to expand economic ties and overcome fiscal and energy deficits.

The BRI's fastest-moving project, the China-Pakistan Economic Corridor (CPEC), not only enhances Pakistan's importance to Asia, but also promotes regional connectivity in Central and South Asia. OBOR & CPEC create opportunities for regional connectivity by involving multiple states in development projects that can benefit all parties. Through the connectivity modalities enabled by this flagship BRI initiative, the landlocked Central Asian Republics (CAR) and Afghanistan can now envision gaining access to the Indian Ocean and South Asia and enhancing their bilateral or multilateral economic ties through enhanced trade opportunities. It will also not be wrong to say that in the next few years and decades, this region comprising of China and the other participant states in the OBOR initiative might become a separate economic and political bloc of its own under the economic leadership of a growing Chinese economy.

The Quadrilateral Security Dialogue, also known as the Quad, has become a crucial component of the United States' strategy in the Indo-Pacific since its revival in 2017. Though not a formal military alliance, its four members—Australia, India, Japan, and the United States—are powerful and influential democracies that collectively possess the ability to counter China's growing regional assertiveness. These military and diplomatic arrangements were seen as a response to

China's growing economic and military power. For this reason, Beijing protested to the member states of the Quadrilateral Dialogue. In 2017, member states revived the quadrilateral agreement and agreed to confront China diplomatically and militarily in the South China Sea.



While the US looks to counter the growing influence of China through alliances such as the QUAD and NATO, it will be no surprise to see China and other Asian states who are a part of the OBOR initiative forming an economic and political bloc of their own as the OBOR project continues to mature and strengthen in the coming years and decades. The ongoing conflict between Russia & Ukraine has already highlighted the growing polarization between the US & its allies on one side and Russia & its allies on the other side. The role played by China in the midst of these development and going forward as the OBOR initiative continues to expand will play a key role in the development of the global geo-political situation.

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