

Gwadar-Kashgar Economic Corridor: Challenges and Imperatives for Pakistan and China

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Abstract

Gawadar Port is a great strategic asset for Pakistan. Coupled with the natural deep sea port, geo-strategic importance of its location, dependency of land locked CARs/ China and changing international nexus in the region has increased the importance of establishing Gwadar-Kashgar Economic Corridor (GKEC) to accrue maximum benefits and strengthen strategic partnerships with regional powers. GKEC is perhaps a project, which has tremendous potential for future economic uplift and strategic partnerships for Pakistan. The Kashgar-Gwadar Economic Corridor (KGEC) has capacity to generate economic revival for Pakistan and prosperity in the western region of China. This paper will analyze some very important questions like what is geo-strategic importance of Gwadar-Kashgar Economic Corridor? What are challenges for Pakistan and China in development of this economic corridor? It will describe imperatives for Pakistan and China as well. GKEC will prove to be a game changer on regional canvas and is expected to bring prosperity and improved quality of life in general to region and in particular to Pakistan. There is a dire need to take on board all the regional and global players by addressing their concerns for early establishment of GKEC.

Key Words: Gwadar-Kashgar, Economic Corridor, Strategic, Economic, Indian Ocean, Chabahar Port.

Introduction

Pakistan and China have convergence of national interests in economic and strategic aspects. The span of their diplomatic relations stretched over six decades. Both countries are tied to each other by geo-political dynamics as geographical location aids route linking China with Middle East and Central Asian Republics (CARs). The Central Asian states possess two hundred billion barrels oil and about three thousand billion cubic meters of gas reserves with major reservoirs in Uzbekistan, Kazakhstan and Turkmenistan. Pakistan is at such geographical location from where she can facilitate transit trade and pipeline routes for the export of CARs natural resources and contribute in their economic development.(Alamgir, 2011)

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Pakistan and China strategic relations have been strengthened by Gawadar, which projects to boost Pakistan's regional prominence as it is located over coastal belt of 600 kilometers long stretch with merely a distance of 624 nautical kilometers from the busy commercial route of the Strait of Hormuz (which carries 13 million barrel oil per day), 120 kilometers from Iran border and 460 kilometers from Karachi.(Alamgir, 2011) These factors have had caused mainly fostered Pakistan's domination of the Indian Ocean from Persian Gulf to Southeast Asia and the Far East. The energy rich states of central Asia have an opportunity to tap their natural energy resources to the rest of the world through this economic corridor. Gawadar deep sea port with the initial investment of 248 million US \$ was set up on the unexplored seashores of Pakistan. (Mughal, 2009) The distance differential of China's western region from to its eastern coast (3500 kilometers) and Gawadar (1500 kilometers) is approximately 2000 kilometers.

China's major oil energy needs are met through the Gulf region (40 % of the world's oil source). Furthermore, China's 70 % energy needs (17% of world energy consumer) are being met through coal energy.(www.chinafaqs) Consumption of environmentally friendly fuel has become a pressing demand from the western countries. China's dependence on its SLOCs through hostile and vulnerable Pacific zone and Malacca Strait is one of the major reasons that forced China to look for an alternative road / rail links with the world. Absence of China's naval footprints on Indian Ocean / Arabian Sea also makes her ships vulnerable to piracy and threats from the world superpower domination of these oceans during any future conflict.

For Pakistan; Unrest in Balochistan, prevailing law and order milieu, turbulent security situation in Federally Administered Tribal Areas (FATA), political divide on core national issues, power corruption, and a weak economy are some of the major issues.

In today's world, importance of sea access can't be ruled out for any country warranting construction of roads/ highways to access the sea. Pakistan is blessed with sea frontage of 1046 Kms(www.photius.com) stretching to the West. Many sea port sites are available along sea shore of Pakistan out of which Karachi and Port Qasim is functional. Gawadar port is being developed and plans are underway to connect it with China by establishing the long awaited Gawadar-Kashghar economic corridor (GKEC). This corridor will have great importance not only for Pakistan and China but for entire region.

Pakistan has always been a recipient of aid and support from China. A strong bond between both countries is caused by several reasons. China and Pakistan have the hostility with the neighboring India on geo-political disputes.

Gwadar - Kashgar Economic Corridor

This common malignance with India gets them closer. More significantly, China lies in the East Asia. It does not have land access to the Middle East. This access is available through Pakistan via Gwadar Port. From 1966 to 1978, KKH was constructed that links China with the gulf countries. The linking of China with this port provides numerous financial benefits. Gwadar when operational will link CARs to outside world. GKEC will reduce 12000 miles between China and Middle East. A smooth access to Middle East, African and EU markets for Chinese exports.(Express Tribune) China has supported Pakistan to strengthen its economy through aid and investment over the years. In the development of infrastructure including roads, China has contributed enormously with its developed engineering technologies.

The Economic corridor will open new horizons of socio-economic development in Pakistan. Gilgit Baltistan (GB) through KPK, Punjab and in Baluchistan, different economic zones are conceived to be established. This will ultimately bring prosperity with the investment from the international investors.

This paper will justify some very important questions that what is geo-strategic importance of Gwadar-Kashgar Economic Corridor? What are challenges for Pakistan and China in development of this economic corridor? It will describe imperatives for Pakistan and China as well.

Geo strategic importance of GKEC

The provision of economic corridors between the interconnected regions can bring prosperity and trade. They bring about investments by foreign as well as local investors that can boost economic engine in geo strategic regions. The Kashgar- Gwadar Economic Corridor (KGEC) has capacity to generate economic revival for Pakistan and prosperity in the western region of China. This geo strategic corridor is beneficial not only for Pak-Sino relations but for the regional development that will eventually benefit all neighboring countries coming into the connection. The benefits of KGEC includes development of infrastructure, installation of industrial production units, decreased distance of transportation route resulting in reduced cost of communication, improved time for delivery of goods and reducing inventory cost. KGEC is a strategic plan that envisages multibillion dollar master plan and its time frame is extending to 2030. It will include broadly many areas of cooperation including economical and technical mutual cooperation, construction of road and rail links, fiber optic cable projects, development of industrial zones and benefits to regional countries will improve relations.(Sheikh, 2014)

The potential of ports cannot be fully utilized till the time their strategic location supports to join them with rest of the region via economic corridors. Pakistan enjoys important strategic location being at the cross roads of oil rich countries and China/ CARs. It is envisaged that oil reserves of Gulf countries will not last beyond 40 years.(Asia Times) This will necessitate to explore untapped oil reserves of CARs. This exploration will provide new arena of economic corridors passing through Pakistan and further enhancing the geo-strategic location of Pakistan regionally.

US containment of China policy, Indian aspirations to emerge as regional power coupled with economic benefits of GKEC increases the Geo strategic importance of Pakistan manifold.Pakistan's Geo – Strategic Strengths(www.informare.com) is immense as Pakistan being at the cross roads of China / CARs and Middle East, and having had its potential seaport sites. Furthermore, this coast line is wide enough and links with Exclusive Economic Zone (EEZ). The Pakistani EEZ covers a wide expanse of 240,000 sq km. (Photius.com)This area is rich in mineral resources.

Major Challenges for Pakistan and China

Challenges at International Level: This project is faced with multifarious challenges of internal and external nature for both countries. These shall be covered in the ensuing paragraphs:-

Role of International Players: Exclusion of Russia, China and Iran in any future project is a major weakness of the United States of America's approach for pipelines in this region. On the other hand, Russia, China, Iran and Pakistan will have a definite relevance in any future regional energy channeling milieu. The likely US withdrawal seems to be providing more space for the imminent Chinese and Russian supremacy in the dominance of future energy transfer projects in the region. In this backdrop, Russian interests seem converging with Pakistan in the future policy making for Afghanistan. The Chinese future energy needs warrant development of requisite infrastructure in Pakistan to tap the resources of Gulf and African oil resources. This would turn Pakistan into a regional corridor for transportation of energy and trade, equally beneficial for the CARs as well as Middle Eastern countries (Khan, n.d).

Post-Cold War Game Plan: The post-Cold War era has overwhelmingly transformed the international relations between the stakeholders. Geo-political environment for the energy transfer has been defining the mutual ties between the states. Access to energy in the post-cold war undertakings among major powers has undergone elementary deviations. Pakistan and China have

developed mutual association through their 'look east' and 'go west' policies respectively. Indo-US civil nuclear deal has further signified US tilt towards India in the region. Sino- Russian relations have further strengthened under the Shanghai Cooperation Organization (SCO). Quite evidently, this was aimed to pursue its regional interests and pitch it against China. Similarly, the Cold War failed to terminate the qualms and bitterness among western allies and Russia. In this backdrop, US -Russian refreshed Cold War period enmity in the shape of first Georgian and recently Ukrainian crises coupled with the issues energy pipelines.

Soft Power Projection and Power Politics: This century, for sure, is an era of more environment friendly gas. The share of gas in the international market is mounting quickly over other core energy resources (Mehmet, 2012). The supremacy rests with countries which enjoy dominance over natural energy resources and its worldwide sharing mechanism. Though oil ships are major viable mean in transporting oil and gas through SLOCs from one landmass to the other zones. However, the landlocked regions need transfer means to globally market it. Chief buyers of these commodities have to rely upon imports of oil and gas from the Central Asia, Africa, Middle East and Russia through pipelines and maritime widespread routes. During the post-Soviet period, geopolitical energy access rivalry existed between the major power players (China, US and Russia). 2.2 trillion US \$ is paid annually to the major oil producing countries by China, India, Japan and European Union. Russia, Iran and Qatar with 47, 27 and 26 trillion cubic meter (tcm) share 27%, 16% and 14% of the world's proven gas reserves. The US post withdrawal scenario and its impacts on the regional trade and energy transportation are yet to be perceived. However, the consumption upsurge of China and India with rapacious energy desire renders Pakistan as a short and viable route with the chief energy merchants of Gulf and CARs. Contrarily, Pak-Sino ties to incorporate the regions of CARs and the oil rich Arab countries remain a pursuant goal in future. The post-Soviet geopolitics in its region is popularly named as 'New Great Game'. Primarily, this has been designed to regulate the fabrication of its hydrocarbon assets since their huge quantity was open for world trade exclusively available to USSR. For this troika of world powers; their grand scheme and national policies have always been contingent upon accessibility of oil and gas to fulfill their energy needs. The complexity of their mutual relations for energy and its transportation routes has increased manifold. Iran, Turkey and India are in the process of relaxing their fiscal policies as well as upgrading national communication and ports infrastructure to thrive trade and energy routes with these energy rich landlocked countries. Pakistan has to follow the suite.

Regional Political Dynamics of CARs: CARs possess matching hereditary financial, communal and administrative edifices from former USSR. These states followed diverse strategies to transit from communist to slightly variegated financial structure barring Turkmenistan, which adopted a dispassionate strategy. Contrarily, Uzbekistan initially remained inconsistent in its fiscal policies as compared to Kazakhstan, which followed a relatively multi-dimensional strategy by developing relations with all its neighbors besides retaining intimate ties with Russia. Kyrgyzstan, though, by accommodating both (American and Russian) superpowers' military bases, followed a balanced policy to grab their favors. However, the most penurious state among CARs, Tajikistan, could not frame a sovereign foreign policy to achieve any dividends. Thus these states formulated their foreign policies aimed to follow their national interests tailored for these regional and global powers to reap maximum benefits with minimum bargaining power.(Khan, 2012) In the process, China and Russia are pressing forward to further their assertiveness to sustain regional domination through projection of a 'soft power' image. These states, in turn, are more contented to pursue their ties with regional powers as compared to the extra regional ones. Svante E. Cornell, a policy expert on the region, is of the opinion that the lingering voids in the US policy to establish links in the region has even strengthened Sino-Russian cooperation through SCO, which has further minimized the western influence in the region.(Cornell and Tellis, 2007)

Chabahar Vs Gawadar Port: Russia intends to construct a road rail link from Kazakhstan through Turkmenistan to warm water terminal at the Iranian Chabahar Port. India, too, partnered this project, which is officially named as the International North-South Transport Corridor. With Afghanistan joining the league in Gawadar as well as Chabahar port projects, the rivalry between these ambitious future ventures has increased manifold. There exists, assuredly, bright prospect as geographic tilt is more inclined towards Chabahar as it is more feasible for transit trade to the oil producing Arab and African countries, whereas, Gawadar serves to be a lynchpin towards Southeast Asia, China, as well as Asia Pacific.(Silkroadstudies.org)

US Policy Interests. American fiscal policies are predominantly based on rates of oil and gas globally. Therefore, they have not left any stone unturned to achieve 'energy independence'.(Fishelson, 2007) These fiscal policy goals are the mainstay of their diplomatic maneuvers all over the world.After Soviet disintegration, they have always sought a constant control over a substantial portion of the energy resources of CARs.(Rousseau, 2011) Nicholas Spikeman, a policy expert believes that the control over Eurasian resources guarantees dominance over future of the world.(China pipeline, 2013) Zbigniew Brzezinski illustrates the theory in 'The Grand Chessboard" (1998) that

Gwadar - Kashgar Economic Corridor

regulation of Eurasian resources is vital for worldwide domination, whereas, seizure of Central Asia is a benchmark for Eurasian ascendancy.(Khan, 1991) It is believed that the Americans, quite evidently in the light of this presumption, stormed Afghanistan to tap Eurasian resources. Although, the regional powers extended momentary backing to the American invasion of Afghanistan being anti-Taliban rule. Later, these powers along with other stakeholder states in the region resented this war, when US led long-term western coalition strategy in Afghanistan was unearthed. Their grand policy was mainly to challenge the inspiration of regional powers in CARs and thwart the development of energy pipelines routes with a view to circumvent Russia, China and Iran from these projects.(Abbas, 2012) Resultantly, since Afghan invasion in 2001, western powers remained unsuccessful in achieving any headway. The regional states have developed regional structuralization to fulfill their mutual interests.

Conflict of US- Russia Interests: The former USSR had ruled Central Asia over hundred years. In the process, requisite infrastructure was developed in the region now part of CARs. It was, therefore, unacceptable for Russians to suffer at the hands of its arch adversaries after cold war, which resulted in its disintegration. However, since the last decade; Russia begin reassert itself over its former states. Consequently, any project aiding US interests in the region was overtly and covertly hindered by Russian and vice versa. It is in this backdrop that Russian backing was extended for the development of Iran – Pakistan – India (IPI) Pipeline.(Rousseau, 2011) This policy serves Russian interest by diverting Iranian gas towards South instead of European market in the west, which is a major destination of Russian gas. Regulating supply routes to Europe remains the mainstay of Russian pipeline policy. This is quantified by the fact that it fulfills about 30% oil and 45% gas demands of Europe (63% and 65% of its indigenous oil and gas production respectively).(Khan, 2010)

Chinese Compulsions: China's major challenge is the east-west development differential between her western region of Xinjiang and developed eastern region.

Development of Neglected Western Region: China is divided into three major geographical regions (as illustrated in the figure). Eastern coastal region was developed at a very fast pace after major economic reforms. In 1999, it planned to trigger major uplift plan of its western region vital for constant growth of all Chinese regions. This was aimed to help these neglected regions to step up with the industrialized areas in the booming eastern half along coastal belt including Shanghai, Jiangsu, Tianjin, Zhejiang and Shandong.

Environment Friendly Fuel: China's major energy need is presently met through coal energy, which is not an environment friendly source. There is pressing demand from the western world that China's energy consumption should shift to more environment friendly energy resources. To access oil resources of Gulf and African Countries, China needs to develop a shorter link to these countries. The shortest route available is through Pakistan.

Vulnerable Sea Lines of Communication (SLOCs): China's Sea Lines of Communication are vulnerable to presence of western and especially American Naval fleets and naval bases in Indian as well as Pacific Ocean. Here, America has developed close ties with many pacific region states allowing her to dominate these SLOCs. In case of any future conflict between China and western countries, this vulnerability may cost China heavily. There exists a deep concern among the Chinese think tanks to address this issue. Development of Gawadar – Kashghar Economic Corridor may offer China solution to her concerns.

Post US withdrawal Scenario: Sino-Russian relations with Pakistan have heightened in recent past. At the same time, Indo- US nexus urged Russia to foresee Pakistan's significance in the region. Post collation-forces-withdrawal scenario from Afghanistan has further influenced the long term policy making of both countries.(Hanif, 2013) Thus Russian interests are re-aligned in favour of Pakistan's role in peaceful future of Afghanistan. This role of Pakistan further signifies the importance of close bilateral ties to foster peace in Afghanistan and at the same time assures secure trade and energy transit eastward. China surely has a role to play as it seeks to acquire energy through CARs. The future of any energy transfer project will have a definite role of Russia.

Futuristic Planning for Energy Needs: Fast growing Asian region has dictated the canvas of regional energy policies. In foreseeable future, the regional energy consumption especially fast growing China and India may seek to acquire around 50% share in world's growth energy demands which includes 60% of oil and 20% of natural gas.(Herberg, 2010) These thriving Asian energy demands have intensified the competition within as well as outside the region to sheltered their resources and control energy transportation and transit infrastructure. The quest for increased energy resources affected exceptionally across CARs, Middle East and China. It is considerably infused in future geopolitical relations among regional states. The major contributory features guiding this tendency include the transportation of hydrocarbon resources through SLOCs across Indian as well as Pacific Ocean including the choke point of the Strait of Malacca. This weight of trade transit is likely to heighten from 11 million barrels per day to 22

Gwadar - Kashgar Economic Corridor

million barrels a day until 2030. This projected estimate has intensified Chinese apprehensions over the emergent hazards for her secured SLOCs due to presence of US naval dominance over her vital Sea Lanes in both the Oceans. These concerns have forced China to look for viable alternatives to develop multiple energy transit routes through land routes as well. In this backdrop, Pakistan geostrategic location has increased its significance being at the cross roads of Gulf and CARs.

Challenges for Pakistan

Pakistan's ailing economy is the overriding factor for any future project sought by any country. In this backdrop, when an economic power like China has agreed to invest heavily in such project. Pakistan should seek to address her policy inadequacies in regional, national as well as provincial level.

Challenges at Regional level

Pakistan is currently faced with; Its role in stability in Afghanistan in the backdrop of planned North Atlantic Treaty Organization (NATO) troop withdrawal in 2016. Deteriorating bilateral relations with India. India's involvement in Balochistan remains a source of Pakistan's prime concern. Concerns of Iran and CARs with respect to their concerns to contain the likely effects of this project on Chabahar Port.

Challenges at National Level

Pakistan is currently faced with; Security situation in country, especially in Federally Administered Tribal Areas (FATA) and Balochistan; Finalisation of road link in Pakistan and concerns of the provinces; Completion of the road network required to link Gwadar and Silk Route through Gilgit – Baltistan. Improvement in road infrastructure remains a source of concern for China in timely pursuance to meet the timelines of the projects.

Challenges at Provincial Level

Law and Order situation, presence of sub-nationalist sentiments, increased sectarian violence, sense of deprivation, unequal development at par with other provinces, royalty issues are some of the issues requiring immediate redress. To improve inter provincial harmony; dormancy of Council of Common Interests is a major issue. Lack of political will to finalize the road route due to vested interests.

Imperatives for Pakistan

KGEC will be a blessing for Pakistan at a time when FDI has sharply fallen, economic losses due to war on terror are as much as \$68 billion whereas industrial sector is operating at less than 50 % of its actual potential due to energy crises. A Single port complex is vulnerable during times of any future war with arch rival India. It will further serve as an alternative naval base for Pakistan. The socio-economic development as a result of KGEC will bring peace and stability in the country. Trade from Gawadar port via road and rail links has potential to capture 25% of national import/export market by 2020. This corridor will generate billions of dollars in terms of transit revenues to get maximum benefits from maritime economics Pakistan needs to develop its shipping industry.

It will result in transit trade with CARS (15%), Afghanistan (40%), and Xinjiang (45%). Development of Gawadar Port shall help Pakistan build an exclusive economic zone and free trade area to maximize its true economic potential. Inter dependency of regional states would create direct stakes in each other's stability and improved relations. Development of this new economic corridor shall facilitate exploitation of EEZ for Pakistan, which has remained neglected. Following shall be the contributory factors:-

The oil rich Gulf countries are located close by and a close proximity of unexplored energy resources in CARs would help Pakistan not only to further shorten its SLOCs but also offer alternative as well as safer lifeline as compared to existing ports. Generation of immense economic activity for the country thus improving the economic situation. Special Economic Zone (SEZ) will be expected to lure foreign investment. It will also generate billions of Dollars of transit revenue and create thousands of jobs. The economic activity in Baluchistan will bring up peace and stability to the restive and backward province of country. China's has promised to develop free economic zone on the pattern of "Shanghai Free Trade Zone" and also spending 38 % of profit on development of Balochistan. This will ultimately help socio-economic uplift of locals. Deprivation Slogans are being used by the sub nationalist, they are quoting the presence lack of development of Balochistan, but will the advancement of Balochistan they won't be able to use this trademark.

Being a future hub of international commercial activities, Pakistan would be able to entice substantial revenue production opportunities into its most neglected Balochistan province. These investments shall facilitate development of requisite communication infrastructure with coastal regions within the country, Iran as well as Afghanistan. These opportunities will assist in uplift of socio- economic development of the people of Balochistan by

Gwadar - Kashgar Economic Corridor

offering employment opportunities, tourism, exports of locally manufactured goods, fishery, net and boat making encouraging small industries and improving the economic conditions of their people.

The trade items will be produced at a compatible price, helping Pakistan fulfilling its own needs and emerge as a serious competitor in international markets across the globe. Reduction in price and ease of access to clean fuel will create environment of reliability and consistency in private production sector. (Khan, 2013) Besides its commercial dividends, this project would allow joint surveillance of the SLOCs by Pakistan and China. It shall provide naval footprints in the hot waters and closely monitor Extra Regional Forces (ERFs) as well as check their sole dominance. Secondly, the increased threat of piracy in the Indian Ocean has become a constant concern for the world. Presence of naval forces will ensure security to the SLOCs carrying 40% of the global oil trade.

Gawadar – Kashghar Economic corridor will generate immense economic activity in Pakistan all along its road route. Pakistani products like cotton, wheat, sports goods and garments shall be projected in the international markets for the ships anchoring at the port. These unloaded ships shall allow exports at relatively lesser transportation charges. Development of industrial parks enroute road link within the country will generate capital as well as employment opportunities for the people of Pakistan in Sind, Balochistan, Punjab and Khyber Pakhtunkhwa (KPK).

Imperatives for China

China will have entry to warm waters of Indian Ocean through Pakistan as opposed to utilizing long SLOCs of East China Sea with impedance from India. For import and export with the Middle East countries, China is dependent on its maritime route connected its eastern part with the Middle East region passing through Indian ocean which is 10,000 kilometer long and has a direct threat from India. This corridor will provide shortest and safe route and will reduce the distance from 10,000 kilometers to 2500 kilometers only. The KGEC will provide China with the shortest route of 2500 km to gulf states, whereas the ports in Eastern China provide a route of 4500 km and additional distance of 10,000 km from the energy corridor of Strait of Hormuz.(Sheikh, 2014)

There is advantageous move by China that is “Look West Policy” that will result in major developments in Asia's future. China is opened to sea only from one side that is the east of country and landlocked from other three sides. Therefore, Chinese then Premier Zhu Rongji highlighted the idea that

opening up the west of country and developing it will generate trade and tourism(Bukhari, 2013). In this background China's main aim is to develop its relatively backward region in particular Xinjiang which is restive as a consequences. This corridor will not only bring peace and stability but also use of this province for the purpose to gets more energy and trade transaction with rich central Asian.

Currently China is getting 60 % of energy from its coal, which is having serious environmental hazards. Therefore in future energy mix will change, to meet its energy China is looking towards Middle East Oil resources, thus this corridor will provide excellent oil import route.

With the revival of "New Silk Route" the Chinese leaders are formulating their domestic as well as foreign economic and trade plans(Tatar, 2013). GKEC will provide China with access to Arabian Sea and Persian Gulf from where 60% of energy needs are being met.(Fischer and Oberheitmann, 2002)

Recommendations

Following is recommended in this regard:-

Although the government has already given this project top priority by carrying out diplomatic maneuvers. But efforts should be made to complete it within the given time so that it is benefits can be extracted as soon as possible. Local population along Gawadar port and khunjerab dry port should be given special privileges to include them into main stream. This will help and neutralize regional powers that mostly use the locals subversive activities.

Pursuance associated development plans which include construction of rail track, provision for power generation and distribution, addressing security concerns of GKEC should be carried out.

Government should provide incentives to local businessman to develop industries along sea port and khunjerab dry port. Viable option may be to exempt these zones of taxes for initial few years and provide nonstop electricity on rebate rates. GKEC will provide an easy outlet for exploring these industrial products.

The government should make an endeavor to patronize the maritime industry which is likely to bring about real economic benefits of this corridor. All living resources of the country need to be exploited which could not be done till now due to lack of requisite facilities.

Gwadar - Kashgar Economic Corridor

Land locked CARs should be offered lucrative options to get them away from Indian and Iranian clutch. They may be offered partnership based options rather dependency option. CARs are looking forward for an outlet toward warm waters and obviously they will opt where they see it more economically beneficial in long run.

Government should develop tourist resorts along GKEC to attract tourists from across the world, Other than monetary benefits it'll help in projecting the soft image of Pakistan. Moreover the state of security needs to be further improved to keep tourists safe.

India is working to give access to landlocked CARs via Iran's Chah bahar Port, India has funded and constructed link roads to establish this project. There is a race in time and space to capture the international trading route and exploit the narrow window of opportunity. This can only be done by taking into account the concerns of other regional powers specially Iran to nullify India's influence.

Russia has historically been influential in CARs and she will never like to change her position on CARs. She considers GKEC as potential threat to her influence in the region. Keeping in view the recent India-US strategic deals. Pakistan and Russia both needs to have close strategic terms. Government should take concrete steps to gain the confidence of Russia for establishment of GKEC on the basis as it will nullify the US hegemonic designs in the region which go against Russia's interest as well.

The only way to nullify the concerns and hegemonic designs of regional countries is to make them realize that GKEC will not only uplift the economic conditions of Pakistan only, but of whole region. This can be ensured by making them partners instead of enemies. GKEC has potential to give access to India via Lahore , Iran via Baluchistan. This will increase the dependency of these countries over Pakistan resulting improved security conditions and improving quality of life for region.

China is already sharing bulk of construction expenditure of GKEC but efforts should be done to further strengthen economic ties with China especially after the recent India's interest in the Chinese market and vice versa. If Chinese strengthens economic ties with India then she may lose the interest in GKEC and any joint venture with Pakistan. Pakistan should make China realize about US policy of Containment of China in the region. This way Chinese should be offered not only economic benefits but military benefits by presence of Chinese Naval fleet in Indian ocean.

Conclusion.

Gawadar-Kashghar Economic corridor is of enormous significance for Pakistan more than it is for any other country of the region including China, due to host of reasons. Pakistan is economically much down trodden and the situation is getting grim with each passing day. Electricity shortage of the country is taking a very heavy toll of our economy. Projects like these, if pursued rigorously, can bring Pakistan out of this financial turmoil within next 5 to 10 years. There is a need to develop an in depth understanding of this project. An endeavor has been made to explain the intricacies involved in this project. If Pakistan lose sight of this project and does not meet its part of the agreement with China, then there could be serious repercussions for the country, if Chinese interest is diverted towards other alternatives.

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