

CHINA GOES WEST: REVIVING THE SILK ROUTE

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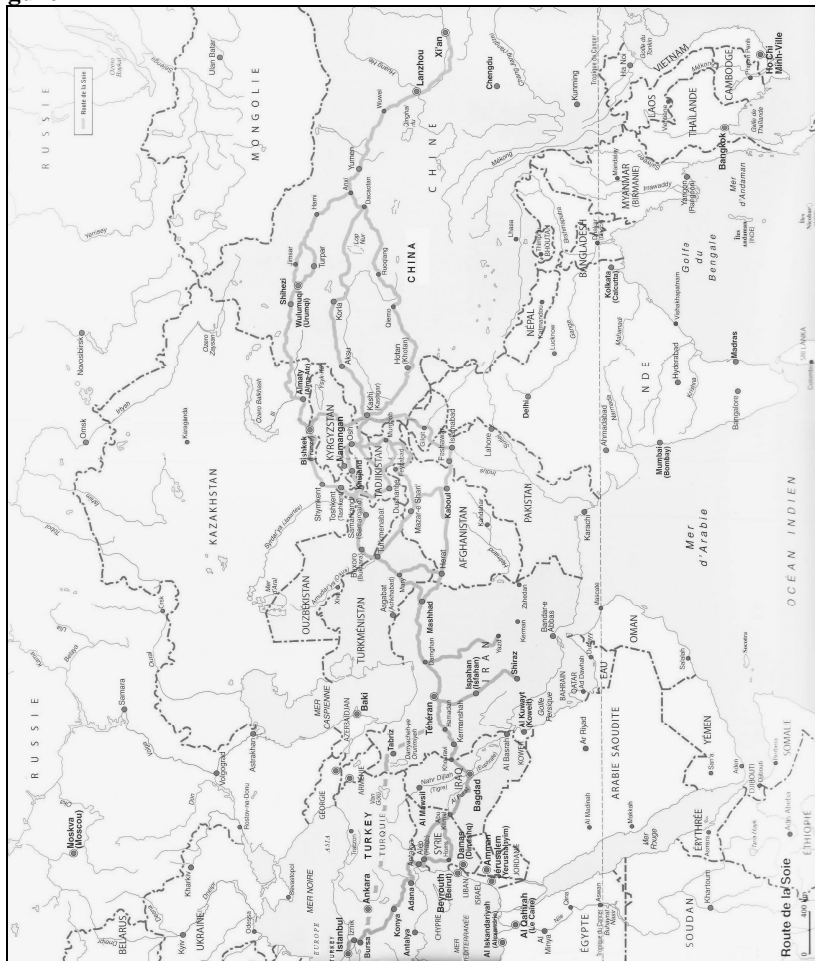
Introduction

While on a tour of the Central Asian Republics of Kazakhstan, Kyrgyzstan, Turkmenistan, and Uzbekistan in September 2013, Chinese President Xi Jinping made a historic speech at Nazarbayev University in Almaty. He gave a vision of the revival of the ancient Silk Routes from China through Central Asia to Turkey and other parts of Europe. The importance of the speech is amplified by the fact that he gave a roadmap for the realization of his vision. While proposing an “economic belt along the Silk Road,” he called for starting “work in individual areas and link them up over time to cover the whole region.”⁽¹⁾

The over 6,000 miles ancient Silk Routes that have been connecting China with India, Persia, Asia Minor, and countries of the Mediterranean for 3,000 years also passed through Central Asia, connecting various trading centres of the region.⁽²⁾ The three distinct ancient overland routes crisscrossed Central Asia like a web before entering Persia, the Middle East, and eventually Europe (see Figure 1 below).⁽³⁾ As shown in Figure 1 below, the southern route passed through the northern part of what is now Pakistan on its way to Persia and the Middle East.

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Figure 1



Source: <<http://www.silkroutes.net/Images2/MapSilkRoadRoutesTurkeyChina.JPG>>.

It is also interesting to note that while talking about the region in the context of the revival of the Silk Road, President Xi did not forget mentioning South Asia. “We will actively discuss the best way to improve cross-border transportation infrastructure and work toward a transportation network connecting East Asia, West Asia and South Asia to facilitate economic development and travel in the region,” said President Xi.⁽⁴⁾ With an agreement on building an economic corridor from Pakistan’s Gwadar port on the shores of the Arabian Sea to the Xinjiang Uighur autonomous region of China already in place, revival of the Silk Road could help a great deal in linking Pakistan’s warm-water ports to Central Asia through China.

Earlier in 2011 — in an effort to buttress its dwindling influence in Central Asia — the then US Secretary of State, Hilary Clinton, had announced the concept of New Silk Road to connect Central Asia with India through

Afghanistan and Pakistan, thus, bypassing China.⁽⁵⁾ The contours of the American idea of the New Silk Road tilted more toward geopolitics than geoeconomics though. By virtue of connecting Central Asia with South Asia, the US wanted to disengage them from China and Russia.⁽⁶⁾ The Chinese concept of the New Silk Road, on the other hand, dwells more on the economic dimensions, which is a more conducive approach towards such long-term plans with economic potential.

How does this whole idea of the two economic corridors (Pak-China and China-Central Asia) bring prosperity to Pakistan, the Central Asian Republics (CARs), and the less developed western region of China would depend on how the resolve shown by the stakeholder countries turns it into a reality. The resolve of all the stakeholders would, in turn, depend on how much they get to gain from it. This paper analyzes the future of the Silk Road Economic Belt (SREB) within the context of the history and current state of China's relations with Central Asia. It also discusses the prospects of Pakistan-China Economic Corridor (PCEC) and how that could help in linking Pakistan with Central Asia through the SREB.

The Chinese project also envisages a modern-day maritime Silk Road that would connect China through an array of ports in other countries of the region, including Pakistan's Gwadar port, but that is beyond the scope of this paper.

China's energy interests in Central Asia

As stated in his SREB speech at Nazarbayev University by President Xi, China has enjoyed historical trade relations with Central Asian countries. China's relations with Central Asian countries have acquired a new significance as a source of energy since the advent of economic liberalization. Since the time China started growing rapidly starting in the 1990s, its thirst for energy has been growing at an astounding rate as well.

China still relies heavily on coal for power generation. From 2000 to 2007, coal production capacity of China increased by an annual rate of 230 million tons, thanks to abundant and well-distributed domestic coal resources.⁽⁷⁾ Owing to its environmental and efficiency costs, however, reducing reliance on coal power is a major Chinese concern.⁽⁸⁾ Moreover, the domestic coal, as well as oil and gas resources have still been unable to quench China's thirst for fossil fuels. Despite strides in the exploration of domestic oil and gas resources, China's petrochemical import bill has been increasing primarily because of increase in demand for transportation fuel as also other uses.⁽⁹⁾ In 2012, China surpassed the US as the second largest importer of fuels and mining products with an import bill for the two categories to \$533 billion, out of which \$ 313 billion accounted for fuel imports.⁽¹⁰⁾ A lot of emphasis is placed in China lately on moving towards cleaner sources of energy generation and away from over-reliance of fossil-fuels.⁽¹¹⁾ Considering China's energy needs and its growing fuel import bill, however, there is a long road ahead for it in that direction. Until that is achieved, China would keep relying on fossil fuel imports for meeting its energy needs, especially in the ballooning transport sector. It is in the backdrop

of this quest for energy security that China has sought to rapidly improve its relations with the Central Asian countries.

While the Kazakhstan-China pipeline from Caspian to Xinjiang is supplying more than 11 million tons of oil to China already, there is a plan for increasing this volume to 20 million by 2020.⁽¹²⁾ An additional gas pipeline between the two countries is already scheduled for completion by 2014.⁽¹³⁾ This pipeline will also help Kazakhstan transport its gas from its western territory to the more industrial south, thus reducing its reliance on gas imports from Uzbekistan.⁽¹⁴⁾ It is estimated that Chinese extraction constituted 25 per cent of the total Kazakhstan oil extraction in 2006.⁽¹⁵⁾

China and Kazakhstan are also cooperating in the nuclear field. Besides making loans worth \$ 1.7 billion and \$ 5 billion to the Kazakhstani National Welfare Fund and its petrochemical industry, respectively, the Chinese government also pledged to buy \$ 8 billion worth of Kazakhstani uranium in 2011.⁽¹⁶⁾ Kazakhstan started exporting uranium ore to China in the same year.⁽¹⁷⁾

China is cooperating with other Central Asian countries in the field of energy as well. According to a 2006 agreement with Turkmenistan, a 7,000-km gas pipeline was to ship 30 billion cubic feet of gas every year to China for 30 years, starting in 2009.⁽¹⁸⁾ While China has already imported more than 50 billion cubic metres of gas since the launch of the pipeline in 2009, it has also signed an ambitious new gas import deal with Turkmenistan.⁽¹⁹⁾ Under an agreement signed by the presidents of the two countries in 2013, Turkmenistan will export another 25 billion cubic metres a year to China by 2020 from its Galkynysh gas reserves estimated to hold 13.1 trillion to 21.2 trillion cubic metres of gas.⁽²⁰⁾

Not just energy though

China's interests in Central Asia are not just limited to energy supply though. Central Asia abuts the sparsely populated western Xinjiang region of China that has sizable Uighur Muslim population with a history of separatist unrest and violence. There are around 19 million Uighur Muslims in Xinjiang, and they also have presence in Central Asia: 350,000 in Kazakhstan, and around 50,000 each in Kyrgyzstan and Uzbekistan.⁽²¹⁾ Therefore, Central Asian countries could be instrumental in tackling any social unrest in Xinjiang.

This partly explains the creation of the regional grouping, the Shanghai Cooperation Organization (SCO) incorporating four of the five Central Asian countries along with China and Russia that strives to fight the three evils of "separatism, terrorism, and religious extremism." China has actually made a very effective use of multilateral diplomacy under the banner of the SCO to safeguard against separatist, terrorist, or extremist influences coming into Xinjiang from Central Asia.⁽²²⁾ While China began participating in bilateral military exercises with Central Asian states in October 2002,⁽²³⁾ it has also participated in several military exercises involving them under the banner of the SCO. Starting from the first SCO Peace Exercises in Vladivostok, Russia, in August 2005, China has participated in three more such exercises in August 2007, July 2009, and September 2010, greatly improving its military expertise

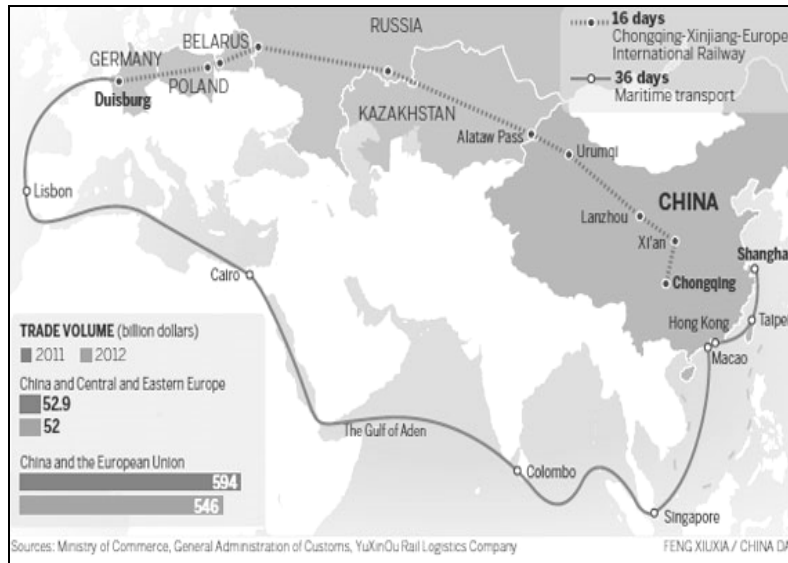
and collaboration with the Central Asian states.⁽²⁴⁾ It is also important to note that despite their competition in the field of energy resources, both China and Russia have a common interest in a stable Central Asia in keeping with the goal of fighting the “three evil forces” of separatism, terrorism, and religious extremism.⁽²⁵⁾

Bilateral and multilateral security arrangements with the Central Asian countries are one aspect of China’s quest for securing its restive Xinjiang autonomous region though. Trade between the western part of China and the Central Asian states is as important. China is the largest trade partner of Kazakhstan and Turkmenistan. As China attempts to improve economic conditions in the restive Xinjiang province and builds Special Economic Zones (SEZs) in cities like Kashgar at the confluence of Central Asia, West Asia, South Asia, and China, it is also looking for trade partners in the region for Xinjiang. Since more than half of Xinjiang’s foreign trade is already with Central Asia,⁽²⁶⁾ Beijing considers the improvement of trade relations with Central Asia instrumental in the development of the less developed and volatile western part of China.⁽²⁷⁾ Improvement of road and rail networks in Western China to connect it with Central Asia for trade is an important element of China’s go-west approach. Development of Khorgos International Centre of Boundary Cooperation, a transnational free trade centre on the border of China and Kazakhstan that encompasses the territories of both the countries, is a glaring example of the importance China attaches to improvement of trade relations with Kazakhstan and Central Asia through the western part of its territory.

Moreover, trade relation with Central Asia itself is only part of China’s westward economic thrust. Revival of the Silk Route implies that Central Asia is a transit route for China’s quest to improve land-based access to Europe. Improvement of the rail-link between north-western part of China and Kazakhstan onward into Russia and Western Europe was at the top of negotiation agendas between the two countries even before the Silk Road speech of President Xi Jinping.⁽²⁸⁾ The railway line is operational but is not being utilized to its full potential. Expansion of this railway line was on the agenda of discussions during President Xi’s visit to Germany in the end of March. President Xi used the opportunity to greet a train carrying trade goods from China on the last stop of this 11,000-km-long railway line in Duisburg, Germany, in the heart of Europe.⁽²⁹⁾ As shown in Figure 2 below, utilization of this railway line to its full potential would be of great benefit for trading relations between China and mainland Europe, as it would decrease the transportation time by 20 days.

Figure 2

A faster route for trade



What's in it for Pakistan?

While addressing the opening plenary of the Boao Forum for Asia (BFA) Annual Conference 2014 in April, Prime Minister Li Keqiang of China evidently signalled the importance of regional connectivity involving Pakistan. He said:

Infrastructure connectivity is a basic condition for integrated development. Countries in the region should join hands and speed up infrastructure construction including rail, road, air and water transportation. China is ready to work with countries involved to draw up plans for building the Bangladesh-China-India-Myanmar (BCIM) Economic Corridor and the China-Pakistan Economic Corridor, and upgrade China-ASEAN FTA. China will continue to promote the important projects of the Silk Road Economic Belt and the 21st Century Maritime Silk Road this year ... We the Asian countries should take advantage of our geographical proximity to deepen cooperation across the upstream, mid-stream and downstream industrial chains, and build an industrial network and economic system that draw on our respective comparative strengths.⁽³⁰⁾

In his speech at the same opening plenary of the conference, Pakistan's Prime Minister, Muhammad Nawaz Sharif also highlighted the importance of peace and security, regional connectivity, investment in research, development and technological innovation, creating economic opportunities for the youth, and environmental sustainability for driving the new growth in Asia.⁽³¹⁾ Furthermore, in his keynote address at the session on "Reviving the Silk Road – A Dialogue with Asian Leaders," Prime Minister Nawaz Sharif called for ingenuity in the following four fields:⁽³²⁾

- Promotion of mutual understanding and goodwill to create a win-win situation for all the stakeholders;
- Enhancement of regional coordination among regional countries on legal and trading matters;
- Improvement in physical infrastructure, and
- Easing financial transactions across borders.

No doubt, enhanced economic connectivity between China and Central Asia means additional opportunities for Pakistan to access Central Asian markets. A lot of how Pakistan can benefit from it, however, would depend on Pakistan's export competitiveness in comparison with products originating from China. For instance, although China is the second largest importer of Pakistani textile products, its imports are limited to yarn and basic fabric instead of the value-added products, because of the problems Pakistan's textile industry is facing owing to the energy crisis.⁽³³⁾ To begin with, it would be important for Pakistan that PCEC and SREB are interlinked. Development of a special economic zone (SEZ) in Kashgar is an important connecting dot in this mix.

An SEZ in Kashgar would mean rapid development of the area requiring substantial external resources from or through Pakistan — utilizing the developing port city of Gwadar. Consider, for instance, that Shenzhen, the city that pioneered the concept of SEZs, grew at an astounding annual rate of 25.8 per cent from 1979 to 2009, a 4,176 times increase in 30 years.⁽³⁴⁾ If such a future is envisioned for Kashgar, Pakistan can tremendously benefit from it, not only in its development phase, but also in its post-development phase. The development of Kashgar as an SEZ, thus, could provide a fillip to Pakistan's exports to China and onward to Central Asia through the SREB.

Improvement of communication infrastructure also boosts the tourism industry in any given region. For instance, after huge investments in transportation and other infrastructure in Tibet, the number of tourists to that part of China increased from 686,000 in 2001 to 5.56 million in 2009.⁽³⁵⁾ The realization of SREB would, thus, provide a boost to the tourism industry in that region as well as the picturesque northern Gilgit-Baltistan region of Pakistan that has been attracting mountaineers and tourists for decades. Moreover, with the PCEC fully operational, Pakistan would be the shortest route for sea-bound trade traffic from the Kashgar SEZ, thus making it the most attractive transit route for goods to and from Kashgar to the rest of the world through sea lanes.

Writing for the *People's Daily* recently, Zhong Sheng has very well summed up the essence of the SREB. He argues that the SREB would augment the existing bilateral and regional arrangements with the partner countries in the region; and that it is a project open to all the friendly countries in the neighbourhood of China as well as to the countries from afar.⁽³⁶⁾ Such a vision of the SREB makes the importance of the PCEC in this matrix of connectivity abundantly clear.

There is already much hope and optimism in Pakistan regarding the PCEC. It is argued that linking Gwadar seaport with China and onward to Central Asia would greatly improve Pakistan's trade relations with China and Central Asia, and would help in bringing the much-needed foreign exchange to

the country in the face of dwindling foreign direct investment (FDI).⁽³⁷⁾ It is also believed that the Iran-Pakistan gas pipeline project could be extended to include China in it.⁽³⁸⁾ The importance of Gwadar seaport for trade between the Persian Gulf and the western part of China — which includes the much sought after Middle Eastern oil — is also underscored by the fact that it could reduce the time taken for goods transportation to that part of China by around two weeks.⁽³⁹⁾ It is believed that an oil pipeline can also be built right from Gwadar to Kashgar through a distance of around 2500 km.⁽⁴⁰⁾ It is believed that the economic corridor project would not only provide China with an opportunity to project strategically into West Asia and Africa, it would also be an instrumental transit route for Afghanistan and Tajikistan with transit agreements with Pakistan already in place for the two countries.⁽⁴¹⁾ Some observers have gone to the extent of foreseeing Gwadar a pivot for the reorganization of geopolitics of the region.⁽⁴²⁾

A subtle reality check

As mentioned in the previous section, the SREB envisages an incorporation of the existing bilateral and regional agreements involving China. Therefore, it would be worthwhile to give an overview of what is already agreed upon between China and Pakistan, which could be factored into the potential dividends of the SREB. The two countries signed an international road transport agreement in 1993 that became operational in 2006. Even today, however, the land-based trade between Pakistan and China is only a fraction of the total trade between the two countries.⁽⁴³⁾ This means that there still are problems faced by the traders in trading through this trade route that snakes along treacherous mountain ranges that divide the two countries. Some of the problems are related to the very geography, which the road has to deal with. The Khunjerab Pass that connects Pakistan and China remains closed in winters because of snow. In addition, the road link is susceptible to natural calamities like quakes and slides as was witnessed in January 2010 when a massive landslide blocked the river and submerged a portion of the Karakoram Highway (KKH).⁽⁴⁴⁾

Box 1

Pakistan has several transport agreements with neighbouring countries, which include the following:¹

- Quadrilateral Agreement on Traffic in Transit among Pakistan, Kyrgyzstan, Kazakhstan and China (In operation since May 2004)
- Bilateral Agreement between Pakistan and China on International Road Transport (In operation since April 2005)
- Bilateral Agreement between Pakistan and Uzbekistan on Cooperation in the field of Road Transport (to be operationalized in near future)
- Economic Cooperation Organisation (ECO)'s Transit Transport Framework Agreement (TTFA) Between Azerbaijan, Afghanistan, Pakistan, Turkmenistan, Tajikistan, Kyrgyzstan, Kazakhstan, Uzbekistan, Iran & Turkey
- Bilateral Agreement on Road Transportation between Pakistan and Iran (In operation since 1992)
- Bilateral Agreement between Pakistan and Turkey on Road Transportation (To be operationalized in near future)
- Agreement on Pak-India Bus Services (In operation)
 - Lahore-New Delhi (3 times a week from each side)
 - Lahore-Amritsar (2 times a week from each side)
 - Nankana Sahib-Lahore-Amritsar (2 times a week from each side)
- Agreement on the commencement of Bus Services between Pakistan and Afghanistan
 - Peshawar-Jalalabad (In operation since May 2006)
 - Quetta-Qandahar (yet to be operationalized due to security concerns)
- Proposed Agreement between the Government of Islamic Republic of Pakistan and the Republic of Turkmenistan on transit traffic (Proposed by Pakistan - under negotiation)
- Proposed Trilateral Agreement between the Governments of Pakistan, Afghanistan and Tajikistan on Transit Trade (proposed by Pakistan — under negotiation)
- Proposal for Pakistan's joining CAREC Cross-border Transport Agreement (CBTA)

According to Pakistani officials, there are several administrative and infrastructural issues that are hampering the export potential of Pakistani traders in land-based trade with China. Pakistani trucks are required to offload at Tashkurgan, about 120 km from Pak-China border on the Chinese side, despite the fact that they should be allowed up to Kashgar under their bilateral agreement. There are delays in issuance of visas to drivers as well as clearance of passengers at Tashkurgan causing additional expense. In addition, heavy quarantine charges are taken from Pakistani truckers at the border adding to their overall costs.⁽⁴⁵⁾

Pakistan is also part of a quadrilateral agreement involving China, Kazakhstan, and Kyrgyzstan (see Box 1 for a list of regional trade and transport agreements). This quadrilateral traffic in transit agreement (QTTA) was signed on 9 March 1995; it became operational in May 2004. Nisar Muhammad, Pakistan's Chief Collector Customs (North) of the Federal Board of Revenue, identified several weaknesses of the QTTA during a presentation at a roundtable seminar on "Ways Forward for Corridor-Based Transport Facilitation

Arrangements in the CAREC Region” in Beijing in July 2012. He enumerated: absence of business support services and proper road network, weather conditions, delays in issuance of visas, lack of marketing strategies and efficient banking systems, and absence of networking for traders as limitations of QTTA.⁽⁴⁶⁾ He suggested introduction of single-country exhibitions, opening of bank branches in contracting states, joint ventures for utilization of raw materials, establishment of trading houses by private sector, security of export proceeds and investments through insurance, formulation of business councils and committees between chambers, development of all-weather land routes via Karakoram Highway, and transportation of goods through public/private sector transport companies for improving trade facilitation under the QTTA.⁽⁴⁷⁾

The ECO Transit Transport Framework Agreement, which is signed by all the ECO member countries except Uzbekistan, has been suffering from an even acute state of dysfunction (see Box 1 for a list of regional trade and transport agreements).⁽⁴⁸⁾ Save for the first symbolic truck caravan of all the signatory countries that started from Quetta and ended at Istanbul, trade under the agreement is dormant.⁽⁴⁹⁾ Pakistan also has bilateral trade and transport agreement with Iran, Kazakhstan, Kyrgyzstan, and Turkey, while it has proposed similar agreements with Tajikistan and Turkmenistan.⁽⁵⁰⁾ Despite all these bilateral and regional trade and transport agreements involving Central Asian countries, Pakistan’s trade with them remains abysmally low. For instance, Pakistan’s total exports to Central Asian countries in fiscal year 2009-10 were worth \$ 13.54 million.⁽⁵¹⁾ Pakistan’s exports to Kazakhstan — the largest of the Central Asian countries — were worth \$ 7.6 million in 2006, which rose only to \$ 12.67 million in 2011.⁽⁵²⁾

While upgrading and reconstruction of the KKH is already under process, there are also plans for supplementing the road link between China and Pakistan with a rail link. Considering the importance of railway lines for land-based goods transport, it would be a great support in facilitating trade between the two countries. Decision-makers in Pakistan and China will have to be mindful, however, that 94 per cent of passenger traffic and 97 per cent of goods transport within Pakistan is by road.⁽⁵³⁾ Railways in Pakistan are not operating up to the desired levels of efficiency. For being effective, the Pak-China rail-link might need to be a stand-alone project run by a private company for its most efficient utilization rather than being part of the Pakistan’s national railway line grid. At the moment, however, there are serious question marks on feasibility of a rail-link between Gwadar and Kashgar.

The security situation in Pakistan would remain another major concern for the utilization of the PCEC to its full potential. Although Pakistan has a resilient private sector and a potential for export, it can only capitalize on them — as well as the transit opportunities the corridor would generate — if the security situation improves and some serious socio-economic reform take place.⁽⁵⁴⁾ The great tourism potential of the Gilgit-Baltistan region of Pakistan bordering China is also undermined by the prevalent insecurity there owing to sectarian clashes and incidents of terrorism. It did not help Pakistan’s cause much when a leader of the East Turkestan Party (ETP) — an organization

Beijing suspects of terrorism in China — issued a statement from the border region between Pakistan and Afghanistan vowing to launch more attacks against China soon after terrorists numbering around 10 attacked a crowd at a railway station in Kunming, in the south-western Yunnan province, with knives on 1 March 2014, killing around 30 and injuring 143 others.⁽⁵⁵⁾ If there is any irritant in Pak-China relations, it is the issue of terrorism.⁽⁵⁶⁾ Pakistan's regional trade and tourism potential would never be fully exploited if terrorism would keep bedevilling its internal situation as well as its relations with its neighbouring countries.

Conclusion

China has witnessed rapid economic growth since the 1990s. Express growth has come at some cost though. Over the years, it has increased income inequalities between the coastal southern and eastern parts of China and the fertile riverine valleys of the centre on the one hand the sparsely populated, mostly arid, inland western parts on the other. Being mindful of these inequalities, the Chinese leadership has particularly focused on the development of these western parts of the country over the past few years. While internal economic development of those areas through infrastructure development, industry, and creation of SEZs on the patterns of the ones in the east and south, is one dimension of bridging the gap, linking this part of the country not only with the rest of China but also the world, especially Europe and West Asia, through its land borders with bordering countries is another important dimension of the strategy.

It was with this vision in mind that President Xi Jinping propounded the idea of the SREB during his tour to Central Asia last year. The SREB is not just about economic integration of China with Europe by land via its Central Asian neighbours. The idea serves a variety of broad purposes for the Chinese leadership. Heavily reliant on energy imports from Central Asia, the SREB would further cement China's trade relations with the Central Asian Republics. The expansion of trade between China and Central Asia, as well as with Europe through Central Asia, would greatly benefit the relatively underdeveloped western part of China that has been the focus of attention of Beijing lately. An active separatist movement in the Xinjiang autonomous region amplifies the need for greater economic and security cooperation with the Central Asian neighbours. Although China has already made major headway in securing its western borders by incorporating four of the five Central Asian states into the SCO to fight the three evils of separatism, terrorism, and religious extremism, SREB would further cement that multilateral institutional cooperation with economic incentives leading to stronger national integration.

Pakistan — being at the confluence of Central Asia, West Asia, and South Asia, and having access to the warm waters of the Arabian Sea — is an important country in Beijing's quest for connecting the less developed western part of its territory with the rest of the world for trade and commerce. The Gwadar seaport is already envisioned as an important hub of transit trade from West Asia to the western part of China and onward to Central Asia. Beijing is

investing heavily in Pakistan for making the PCEC a success. With an SEZ quickly developing in Kashgar, the importance of Gwadar is magnified. Once the Kashgar SEZ is fully operational and the SREB in place, Pakistan would have a very strong export and transit potential for trading with China and Central Asia through the land route. With upgradation of the KKH and laying down of a fiber optic line under process already, and a vision for several industrial parks along the road, and the construction of railway line and oil and gas pipelines, Pakistan could become the most important connecting country in the SREB.

It needs to be kept in mind though that Pakistan has not been able to utilize its trade potential with the regional countries to the scale. Pakistan has trade and transport agreements with almost all the regional countries, but its exports to these countries remain low as percentage of its overall exports. Pakistan's trade with China through the land route is also only a fraction of its total trade with it. To take full advantage of the operationalization of the SREB and the connection of the PCEC with it, Islamabad will not only have to work with regional countries to remove the lacunae in the existing land-based trade arrangements, it will also have to work on improving its physical infrastructure and the overall security situation in the country. There is no denying the fact that the operationalization of the SREB could bring unprecedented dividends for Pakistan; it would all depend on Pakistan, however, as to how it capitalizes on its geo-economic location in the region.

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 40. Shabir Khan, op.cit., (ref.33), pp.93-95.
 41. Christopher Ernest Barber, "The Pakistan-China corridor", in *Pakistan Today*, Islamabad, 3 March 2014.
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 43. Naved Hamid and Sarah Hayat, "The Opportunities and Pitfalls of Pakistan's Trade with China and Other Neighbors," in *The Lahore Journal of Economics*, 17: Special Issue (September 2012), Lahore School of Economics, p.275.
 44. Adam Hodge, "Karakoram Highway: China's Treacherous Pakistan Corridor" in *The Diplomat*, 30 July 2013 available at <<http://thediplomat.com/2013/07/karakoram-highway-chinas-treacherous-pakistani-corridor/?allpages=yes>>, (last viewed on 24 March 2014).
 45. All the details are from a presentation made by Abdul Basit Khan, Senior Joint Secretary, Ministry of Communications, Government of Pakistan, at a seminar on "How to Operationalize Existing Transit Trade/Transport Agreements," held on 9 February 2012 at the Planning Commission of Pakistan in Islamabad.
 46. Nisar Muhammad, "Agreement for Traffic in Transit among the Governments of the People's Republic of China, the Kyrgyz Republic, the Republic of Kazakhstan and The Islamic Republic Of Pakistan," presentation at the Roundtable Seminar on "Ways Forward for Corridor-Based Transport Facilitation Arrangements in the CAREC Region," in Beijing, China, held on 2-3 July 2012, available at <<http://www.carecprogram.org/uploads/events/2012/CBTA-Seminar/Session1-PAK-Agreement-for-Traffic-in-Transit-PRC-KAZ-KGZ-PAK.pdf>>, (last viewed on 15 January 2014)
 47. Ibid.
 48. Turkmenistan has not ratified it. Other signatories are: Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkey, and Uzbekistan.
 49. Presentation made by Abdul Basit Khan, op.cit., (ref.45).
 50. Ibid.
 51. Enhancing Pakistan's Export to ECO Member Countries in Textile Made-Ups and Light Engineering Sectors, Policy Research Study, Trade-Related Technical Assistance (TRTA II) Programme, p.52.
 52. See FPCCI website <http://fpcci.org.pk/pdf_view.aspx?name=subcat_pdf_88.pdf&Title=Trade%20with%20Kazakhstan>, (last viewed on 28 April 2014)

53. Presentation by Mohammad Shoaib, Director (Road Transport) Ministry of Communications, Government of Pakistan at Regional Seminar on Development of Efficient and Effective Logistics Systems held in Hangzhou, China, on 7-8 May 2013.
54. Barber, op.cit., (ref.41).
55. "Uighur leader vows revenge on China," in *The News*, Rawalpindi/Islamabad, 16 March 2014.
56. For details, see Aarish U. Khan, "Pak-China Relations: Adding Substance to Slogan" in *Regional Studies*, Vol. XXXI, No.3 (Summer 2013), pp.13-16.