

# THE EMERGING, GEO STRATEGIC AND ECONOMIC IMPORTANCE OF CAR'S

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## Abstract

The collapse of the Soviet Union in 1991 brought about the liberation of five Central Asian Republics (CARs), which have attracted widespread attention because of their geo-strategic location and rich natural resources. Historically, Central Asia has always been the focus of Great Powers due to its geographical extent, strategic location, ethnic diversity and resultant conflict potential. Russian and British Empires played their 'Great Game' on this vast chessboard throughout the nineteenth century, in which the Soviet Russia had an ultimate upper hand. The demise of the USSR, the emergence of CARs and discovery of huge quantity of energy resources in the region has resulted in a new 'Great Game' between competing regional and extra regional players. The US intervention in Afghanistan and Iraq is indicative of her future designs and interests in the region, and will have far reaching implications for the regional countries and is likely to evoke sharp reactions and response from them. Strategic location and influence of Central Asia on neighboring region, especially on the Indian Sub-continent, has always made it the focus of extra regional powers.

**Keywords:** Central Asia, Great Silk Road, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan, Asia

## Introduction

The breakup of the Soviet Union in 1991 led to the emergence of five CARs viz Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Azerbaijan, although not co-located in Central Asia is counted amongst CARs because its independence was also brought about as a result of the demise of Soviet Union and like other CARs, Azerbaijan is a Muslim state and faces similar politico economic problems.

Historical legacy of Russia's Control over Central Asia, the overwhelming superiority of its power in the region and geographical proximity together create conditions whereby its role in the region cannot be undermined. Russia has vested interests in retaining prominent status in the region, moreover requirement of CARs for a security umbrella entail a significant Russian influence in the region in future as well. China which also borders the CARs has been one of the more successful countries in finding a foothold and ensuring its

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access to CARs. China and CARs have cemented their ties for fight against ethnic separatism and religious extremism.<sup>1</sup>

## **The Historical Legacy**

The most common historical perception of Central Asia is of backwardness and barbarism. The destructive terror of the campaigns of Genghis Khan and Tamerlane has been etched on the collective consciousness of the neighboring sedentary civilizations. Historians, dramatists and poets from the Middle East, China and Europe have all presented these Central Asian nomadic explosions as the ultimate exercise in barbaric nihilism, destroying without trace centuries of civilization.

The re-appropriation of an indigenous Central Asian history is a natural post-colonial exercise, helping to forge the historical myths which act as the foundations of new nation-states. But it is not without its potential dangers. The history of the region is also plagued by divisions, ancient enmities and political disunity, of which the most explosive and fundamental are the competing claims of the sedentary and the nomadic populations.

The pre-Russian Central Asian past is not, therefore, a simple panacea for the future of the region. Likewise, the legacy of Russian and Soviet rule cannot be simply discarded, since many aspects of that legacy have become embedded in the basic structures of Central Asian society. Many of the reforms and changes implemented by the Russian and Soviet authorities were necessary and progressive if often brutally enforced. Russian and Soviet rule, for all its faults did introduce modernity, industrialization and rapid social change to Central Asia and there is no practical prospect of a return to a pristine pre-Russian past.<sup>2</sup>

## **Evolving Geo-Political Scenario in Central Asia**

The changing profile of geo-political challenges and opportunities in Central Asia has put an impetus on the military presence and expansion on the part of the major powers and other with perceived stakes in the region. Notably, a not very dissimilar competitive pursuit for territories, critical resources and geographical advantages were responsible for the spread of imperialism in the period from the 17<sup>th</sup> to the 19<sup>th</sup> centuries. The emerging geo-political rivalry among the major powers of the world is more or less a revival of the same traditional geo-politics. The events preceding Soviet withdrawal from

Afghanistan and US military action against the Taliban regime created “a turning point in the historical shift from the cold war, the West against USSR, to the new global conflict; the industrialized North against radical political Islam.” Because of their common borders and geographic proximity to Afghanistan, the Central Asian republics emerged as the frontline in US war on terrorism and Islamic extremism. During the active military phase of US-led war against terrorism in Afghanistan, the Central Asian countries played a very active role. All except Turkmenistan had provided their air bases to US and its allied forces; and Turkmenistan gave access to US forces to its air-space for search and rescue operations and other humanitarian missions.<sup>3</sup>

### **Challenges in Nation-building**

From the perspective of politics, the phenomenon of ethnicity, sectarianism and regionalism weighs heavily over the CARs. Their economic resources and strategic location tempts the great powers and even others to shape the geo-strategic character and outlook of the region. It is significant to note that in the later part of 1980s the Central Asian part of the former Soviet Union had seen the weakest of the anti-Russian popular mobilization. This behaviour is attributed to the pattern and nature of social organization which historically relied mainly on the regional and local allegiances of the populations. The concept and process of nation-building in Central Asia were caught up in the form of identity politics which appeared to be designed to define and produce nationalistically-defined contours of community and to reflect similarly defined interests and values.<sup>4</sup>

### **Politicization of Religion**

Although the leaders of Central Asia, wary of the potency of religion, took effective steps to ensure some degree of state control over religion and religious institutions so as to prevent the politicization of Islam. However the greater cultural interaction with the Muslim world and arrival of funds from different countries, their interpretation of Islamic precepts and practices is changing the nature of Islam in Central Asia. The vacuum created by the lack of leadership from the official Islamic hierarchy has allowed fundamentalist groups to proliferate. As a result, the number of mosques and madrasas has increased substantially in the region. The spurt of terrorist activities and the fear of militancy had rocked almost all republics of Central Asia.<sup>5</sup>

## **Geo-Strategic Importance of CAR's**

Independence after over 80 years of direct rule by Moscow has created a strategic power vacuum in the CARs that has unleashed rivalries among large neighbours and distant superpowers. A multitude of countries has shown commercial interest in the regions. They include Russia, China, US, EU, Japan, Israel, Turkey, Iran, Pakistan, India. With the end of Cold War, geo strategic environments had undergone major twists and turns. The impact of these changes influenced the interstate relations of all the countries of the world in general and Central Asian region in particular. Eastern European countries broke away their alliance with Soviet Union which was itself dissolved once CARs gained independence in 1991. US has been recognized as the only superpower in post-cold war scenario. Historians, who warned once about America's decline, now gush about an age of unrivalled dominance.

After 9/11 incident CARs gained extreme importance both for USA and Russia, who are bestowing them with political, economic and security concessions. The current geopolitical chess game in Central Asia, referred to as "Great Anti-terrorist Game,"<sup>6</sup> is different from earlier geopolitical development of the region in several ways. In the current 'Anti-Terrorist Game' along with Russia, US is also emerging as a dominant player due to its military presence in the region. The events of 9/11 have thus significantly altered the geo-strategic environment of the Central Asian Region. It is becoming evident that USA will emerge as a key player in the region.

## **Regional Conflicts**

The inter-state and inter-ethnic conflicts are likely to intensify further. The Uzbek-Tajik conflicts over water, energy and surface transport have worsened the relations. Border incidents have become a regular feature as Uzbekistan builds up armoured tanks along the Sughed enclave. Tensions have heightened following the halting of gas supplies, closer to Amuzang-Khatlon railway section and sudden increase by 32 per cent tariffs on transit of freight by Uzbekistan for Tajikistan. Tajikistan's plan to build the Roghun hydroelectric dam on the Vakhsh River is strongly opposed by Uzbekistan. The Uzbek-Kyrgyz relations have also deteriorated over the years, especially since the June 2010 ethnic riots in Osh. The two have difference over land, enclaves, border and water. Uzbekistan is strongly opposed to Kyrgyzstan going ahead with the building of Kambar-Ata mega hydroelectric projects with the Russian support. Uzbek

President has warned about an imminent war if hydropower dams are built on the upstream of Amu Darya and Syr Darya. Energy crises are causing frictions; Uzbekistan and Kazakhstan have threatened to pull out from the Soviet-era built Central Asian electricity grid due to serious shortage of power. The Kyrgyz-Tajik tensions over resources are also building up in the Batken region. These issues are unlikely to be resolved in the short and mid term period.<sup>7</sup>

## **The Afghan Reconstruction and Central Asia**

The Afghan stabilizing process may have unintended consequences for the regional states. For example, any effort to boost Afghan agriculture production will cut into Central Asian water resources; hydropower projects are likely to cause strain on downstream water supplies, which is already fuelling anxieties in Uzbekistan and Kazakhstan. Several connectivity projects have been envisaged to realize the idea. In 2010, Afghanistan, Kyrgyzstan and Tajikistan have signed the Cross-Border Transport Agreement (CBTA) under the aegis of the Central Asia Regional Economic Cooperation. The CBTA forms a significant part of the Northern Distribution Network (NDN) logistics corridors. Both Turkmenistan-Afghanistan-Pakistan gas pipeline and central Asia South Asia (CASA-1000) hydroelectric power lines are encouraged by the US to make Afghanistan a linchpin of South Central Asia integration progress. But, there are rivalries erupting over who will anchor these projects. The US goal seemed only to secure its short-term security interests. Russia has also actively sought participation in both TAPI and CASA-1000 projects. Iran too is keenly pursuing hydropower projects in Tajikistan. Uzbekistan has its ambitious projects to control power supplies to Afghanistan and also Pakistan. China, on the other hand, is trying to implement its own project to revive the historic Silk Route and connect its Xinjiang province with Central Asia and beyond. The planned China-Kyrgyzstan- Uzbekistan railway line that will be completed in the next five years will change the geo-economic and political landscape of South and Central Asia.<sup>8</sup>

## **US in Central Asia**

The continuation of the US military facilities in Central Asia is also likely to become a critical issue, and in fact, it may fuel regional and domestic discord. In the past, despite the SCO's firm opposition, Kyrgyzstan and Tajikistan had supported transit rights for the coalition efforts in Afghanistan. In fact, the US had several blueprints until recently for constructing several airbases in the region. The situation has changed since then. However, the United States is

trying to retain its Transit Centre at Manas after the complete withdrawal from Afghanistan.<sup>9</sup>

### **Post US withdrawal Scenario**

The US complete withdrawal from Afghanistan will result in increased security threat for Central Asia and to Russia also. Islamic extremists, emboldened by their victory over the Western coalition, will try to expand their influence into Central Asia. Uzbekistan, particularly, could be seriously exposed to terrorist attacks. The poverty and ethnic conflicts in the Fergana valley will provide the extremists the right conditions. In the scenario of the Taliban's revival, the Central Asian states would neither have the means nor are they likely to take responsibility on their own, and if the Russians and Chinese have their say, they would not let the US and NATO to cross certain threshold. But the past trends have shown that regional states will seek cooperation with the West against the wishes of Moscow and Beijing and in the process extract maximum advantages for themselves in the after the complete drawdown.<sup>10</sup>

### **China's Influence**

Notwithstanding the Custom Union (CU), China seeks an increasingly powerful and ambitious presence in Central Asia, projecting itself as a factor of stability. China's plans for large-scale energy and transport links would mean gradual integration of Central Asia into Chinese economic space. Beijing wants to enter the region's agriculture, mineral ore, gold, coal mines, hydropower, and manufacturing sectors. This is already happening in Kyrgyzstan. Chinese farmers are buying Tajik land.

### **Role of Iran**

Iran is increasing its stake in Central Asia. Tehran is engaged in developing the Sangtuda-2 hydroelectric power plant in Tajikistan. To demonstrate its strength, Tehran forced Uzbekistan to revoke its decision to block Iranian freight meant for Sangtuda-2. Lately, Kyrgyzstan has cited the threat of Iranian Missile hitting the Manas military base as an excuse to evict the US military base from its territory. These are indications of Iranian growing influence in the region. Besides, Iranian role would remain vital for any Central Asia's connectivity projects in future.

## Geo-Economic Environment

Globalization has widened disparities between developed and developing countries especially after the end of cold war. Multinational Corporations have operated to the detriment of the poorer nations. The Strategies pursued by IMF, World Bank and WTO promote an unjust neo-colonial order. However, globalization is a reality. The choice before governments is, “not how best to fight globalization, but how to manage it through creative policies at home and abroad”.<sup>11</sup> September 11 attacks brought about serious implications for the global, regional and national economies. On the global level, economies are already slowing down and even deteriorating in certain cases. The 9/11 incident have reasserted, the US global supremacy or perhaps the US imperialism, which is quite discernible in aggressive unilateral stances in its policy postures and taking economic decisions by passing the multi-lateral institutions.<sup>12</sup>

The presence of large oil and gas reserves in CARs have aroused a quagmire of competing interest between USA, Russia, China, Japan and many other countries of the region. In return for the cooperation extended by CARs, USA has extended economic assistance to the CARs for socio economic and socio political development. USA will be interested to renew its efforts to transport oil and gas resources of the region through Afghanistan and Pakistan bypassing Russia and Iran.<sup>13</sup>

The Custom Union (CU) is now expanded into Common Economic Space (CES) from January 2012 between Russia, Belarus and Kazakhstan and possibly Kyrgyzstan and Tajikistan will join soon. The CU must be viewed in the context of countering challenges of economic expansion posed by China into Eurasia. The CU also means Russia's search for a stronger regional integration model like European Union and as a necessary process to evolve as an economic bloc on line of the European Union, Asia-Pacific Economic Cooperation, and North American free Trade Agreement and the ASEAN. The long-term success of CU would remain a subject of intense debate, but Beijing is likely to seek new strategy to turn economic relations with Central Asian States in its favour. China may suffer commercially in the short-term, but it will seek greater economic space including manufacturing capacities through investments and concessionary loans within Eurasia. Moscow is unlikely to withstand the economic push by China in Central Asia in the longer run.

## Policy Options for Pakistan

With Uzbekistan, Pakistan reached an agreement to strengthen cultural ties; steps for combating terrorism and reactivating the joint ministerial commission in order to widen the areas of economic cooperation. Pakistan also offered Uzbekistan its ports of Karachi and Gwader to boost trade with that landlocked country.

With Kyrgyzstan, Pakistan signed a series of agreements for strengthening communication links, encouraging the private sector in trade and relaxing the visa regime. Like Uzbekistan, Pakistan pledged to take joint steps with Kyrgyzstan to deal with the threat of terrorism and provide port facilities for trade purposes. Pakistan and Kyrgyzstan also agreed to establish a working group to look into the technical and financial matters for provision of electricity to Pakistan. The two countries agreed to have a visa-free regime for the holders of diplomatic and official passports, establish cooperation between the two ministries of education. Under the agreement, the Associated Press of Pakistan and the Kyrgyz Kabar news agency will link up.

Enormous activity has taken place in the promotion of Pakistani-Central Asian ties since December 1991, when the Soviet Central Asian republics became independent. There was a lot of euphoria in Pakistan when the Central Asia countries secured independence, with widespread expectations in some circles that the ruptured bonds of religion and culture with the region would be restored. However, most of these expectations were short-lived, as the new Central Asian states pursued a pragmatic course of action in the arena of external relations and decided to diversify their foreign policy options particularly with the Western countries, China, Japan and Korea than giving preference to the Muslim countries of the southern flank, namely Afghanistan, Pakistan and Iran.

Pakistan extended speedy recognition to the newly independent Central Asian republics and a number of delegations (clergy, traders and cultural groups, to name some) went there to seek possibilities of better cooperation. At the same time, the expansion of Economic Cooperation Organisation (ECO) from three original members (Pakistan, Iran, Turkey) to incorporate seven more countries of West and Central Asia (Afghanistan, Turkmenistan, Kazakhstan, Tajikistan, Uzbekistan, Kyrgyzstan and Azerbaijan) further raised hopes and expectations for meaningful cooperation between Pakistan and the new Central Asian states.



The launching of the expanded form of the ECO in November 1992 in Islamabad placed Pakistan in a unique position as it became the only country of South Asia to be a member of the ECO (composed of mainly West and Central Asian countries) and the South Asian Association for Regional Cooperation (SAARC). So far, several agreements on the strengthening of bilateral cooperation between Pakistan and the Central Asian countries have been signed and dozens of high-profile visits have taken place from both sides. But despite the edge enjoyed by Pakistan on forging close relations with the Central Asian countries, compared to India, three important factors proved to be an impediment in the realization of the expected new era of friendship and cooperation with Central Asia.

First, soon after the independence of the Central Asian countries, the growth and rise of extremist and jihadi elements in Pakistan created a lot of suspicion and to some extent hostility about Pakistan in these countries. Reports of various Islamic extremist groups from Pakistan sneaking into Kyrgyzstan and Uzbekistan resulted in a backward trend in Pakistani-Central Asian ties.

When President Musharraf visited Tashkent on March 6, Uzbek President Islam Karimov said that the Uzbek people "know that people who carried out bloody acts in Uzbekistan are now hiding in Pakistan, and the efforts by President Musharraf's government show real bravery." It is true that after Sept. 11, 2001, Pakistan and various Central Asian countries, particularly Uzbekistan, coordinated their efforts to effectively deal with the menace of terrorism, but damage had already been done during the 1990s because of the activities of the various Islamic extremist groups having links in Pakistan to destabilize the secular regimes in Central Asia.

Second, Pakistan's road to Central Asia is still not smooth because of the fluid situation in Afghanistan, particularly in terms of the fragile political order, the activities of Taliban remnants against coalition and Afghan state forces and the role of warlords.

When the Central Asian republics secured independence from Moscow, there was a feeling in Pakistan for better trade, commercial and cultural relations with their northern neighbors. But hopes for better Pakistani-Central Asian ties were shattered because of civil war and violence in Afghanistan. As long as Afghanistan remained in a state of chaos, it was difficult for Pakistan to develop communication, trade and commercial linkages with the Central Asian countries.

Therefore, Pakistan is handicapped because of geography and the instable situation in Afghanistan as the lack of its direct access to any Central Asian country puts Islamabad in a difficult situation. The narrow Wakhan Corridor, which is part of Afghanistan, denies Pakistan direct geographical linkage with Tajikistan. Otherwise, had Pakistan been in control of that corridor, its geographical predicament in Central Asia wouldn't have existed. The question of gas and oil pipeline from Central Asia to Pakistan or electricity from Kyrgyzstan would have become a practical possibility had the situation in Afghanistan remained normal.

Third, regardless of the "image problem" which Pakistan has faced in Central Asia or the geographical factor, Pakistani-Central Asian ties would have been strengthened if the agreements, accords, treaties or memorandums of understanding (MoUs) signed between Pakistan and Central Asian states since 1992 would have been implemented. But bureaucratic hurdles in the implementation of most of the bilateral agreements with the Central Asian states resulted in stalemate and stagnation in Pakistani-Central Asian relations. Had this not been the case, the joint commission between Pakistan and Uzbekistan would have remained operational and not reactivated on the occasion of President Musharraf's visit to that Central Asian state.

Strengthening the bonds of friendship and cooperation between Pakistan and Central Asia will require practical measures to ease travel, trade and other restrictions. Merely relaxing visas for diplomats or other officials will not work unless other segments of society like traders, teachers, media people who represent the civil societies of Pakistan and Central Asia are allowed to travel without restrictions.

Most important, a better "image" of Pakistan needs to be created in the Central Asian countries so that the people and governments of that region do not feel suspicious or threatened with regard to their South Asian neighbour. For Pakistan, Central Asia may be a land of opportunities, but this type of thinking may remain wishful unless a better understanding between Pakistan and Central Asia is developed and meaningful interaction at the cultural, economic, educational and business level takes place. Similarly, Pakistan provides numerous opportunities to the landlocked Central Asian countries, thus paving the way for a mutually beneficial relationship between the two.<sup>14</sup>

## Analysis

### Pakistan's Geostrategic Location

Dr. Shahid Ahmed Hashmat writes in his article that the unique geographical situation of Pakistan at the threshold of China, Central, Western and South Asia makes it an important destination and transit route for future trade and economic activities. Given various security threats haunting the region and the presence of extra-regional powers complicating the milieu, Pakistan can play a very important role in meeting the energy requirements of south Asia and even the Far East, which will help bring more stability in the region.

Pakistan is the shortest and most direct route through which India and many other countries can access the central Asian markets for energy supply, trade and a range of economic interactions. Hence, Pakistan's strategic importance for central Asia both politically and economically is of great importance.

### Strategic Collaboration

It is the convergence of mutual interests of stability and progress of the region, which influences the policies of CARS, Iran, Afghanistan and Pakistan towards each other. Construction of oil and gas pipeline from central Asia to Pakistan and export of energy resources to various other parts of the world will increase interdependence of all countries in the region. Therefore, bilateral and multilateral cooperation due to enhanced economic ties will reduce traditional frictions/rivalries leading to peaceful resolution of outstanding conflicts/disputes and consolidation of peace and tranquility. Pipeline project will bring with itself a huge development of infrastructure in terms of roads and rail links, which would bring economic opportunities in the region.<sup>15</sup>

"The unique feature of Indian economy over the past few decades has been a combination of high growth and stability. It has proved its strength and resilience through this period. India's economic diplomacy with the Central Asian and South Asian nations also show a continuing positive trend. High-level visits are exchanged on a regular basis. Today's India is not only a reliable business partner on a bilateral basis, but given its own economic potential and rich experience it is one of the most suitable countries in Asia to promote active economic cooperation between Central and South Asia. India's political and

economic diplomacy with Central Asian and South Asian nations are therefore strategically important from the perspective of inter-regional cooperation.<sup>16</sup>

## **General Recommendations**

### **Formulation of Comprehensive Energy Policy**

Pakistan should carefully evaluate her long-term energy requirements, at least for next 25 years and a comprehensive integrated policy to meet these requirements must be formulated. Such policy should be approved by the parliament and constitutional safeguards should be provided to avoid undesirable change by subsequent government.

### **Establishment of Ministry of Energy**

The decision making in the field of energy involves many different ministries and departments suffering from lack of unified direction and purpose. Though, presently the ministry of petroleum and natural resources does exist but its function is quite different than the department of energy in the most developed countries. Having formulated national energy policy, the ministry of energy should provide necessary mechanism for implementation of the government, semi-government and autonomous departments working in this field, coordinating with equally active private energy sector.

### **Improvement of Internal Security Situation**

In order to attract the much needed foreign investment, especially in the energy sector; Pakistan will have to seriously address the security issues to make the mega projects, such as Turkmenistan Afghanistan Pakistan & India (TAPI) gas pipeline, safe for investments and functioning.

### **Energy Security Force**

Existing gas pipeline between Balochistan and Punjab/Sindh is being damaged/disrupted quite frequently by anti-state elements. Resultantly, para military forces are deployed to protect the pipelines, for security of static establishments.

### **Turkmenistan-Afghanistan-Pakistan Pipeline Project**

The Turkmenistan-Afghanistan-Pakistan project must be revived as soon as possible. Having Long-term and widespread positive implications for

these two regions, the project has significant potential for enhancing stability and improving living standards in South and Central Asia.

### **Peace and Security in Afghanistan**

Launching of TAP is largely dependent on improved security in Afghanistan, which is far from satisfactory level, at present. Many war lords still control the areas/provinces away from Afghan capital; hence they pose a continuous security risk for the pipeline project, if their demands are not accommodated.

### **Multifaceted Cooperation, Including Trade with CARs**

Pakistan should improve its trade relations with CARs, by providing transit trade facilities to these Republics on very soft terms, since they are expected to be the potential user of Gwadar Port. For this purpose, rail link to these states must be extended, along with the development of Gwadar Port. Possibility of offering construction of required railway track to these states, on priority basis, must be studied by Pakistan, in consultation with international financial institutions or world consortiums. Though the project would require huge investment, however, its dividends on long-term will be immense for Pakistan and CARs.

### **Way Forward for CARs**

The disintegration of the Soviet Union in 1991 and accession to independence of six CARs have aroused great interest for the outside world because of the emerging markets and presence of tremendous oil and gas reserves in these republics. Pakistan because of its geo-strategic location is advantageously placed for providing maritime trade routes to the land locked CARs.

Given the historical legacy of Russia's control over the region, Russian role in Central Asia cannot be undermined in years to come. Desired cooperation with CARs can therefore not be established while circumventing Russia. Historically, Pakistan and erstwhile Soviet Union have had marginal interaction and remained hostage to mutual distrust and divergent vagaries of super power confrontation. Shift in Pakistan's Afghan Policy in the aftermath of September 11 and dynamics of unipolar world have lent opportunities to Pakistan to develop friendly relations with Russia which can ultimately be exploited for establishing

cooperation with the CARs. China with whom Pakistan enjoys a strategic partnership need to be approached to pave ways for removal of misgivings between Russia and Pakistan. Friendly ties so developed with Russia and our existing ties with China can serve as a road to cooperation with CARs. Access to the platform of Shanghai Cooperation Organisation (SCO) through China's support served a force multiplier for our endeavors to develop friendly ties with Russia and CARs and reap the benefits of economic potentials of the region. Simultaneously, necessary communication infrastructure in the shape of rail/road links and oil/gas pipelines are required to be developed to act as a real gateway for landlocked CARs.

### **Recommendations for the CARs**

- There is dire need to develop transport links among the CARs. Efforts should be made to simplify and harmonize transit, customs and border management affairs which should be acceptable for all the states. CARs must try to join the World Trade Organization (WTO).
- CARs are rich in energy resources, hence they must establish a regional water energy consortium to organize and manage the existing huge regional water and energy resources with the more efficient way for their human development and regional stability.
- The governments of CARs can also work in a collective way to address the risk from any natural disaster resulting into catastrophic environment or any other unseen misery. This would bring all society closer.
- All the nations try to create a disaster plan for their better preparedness, the plan must focus upon the devastating effects of earthquakes and floods.
- A balanced approach must be developed to control the drug trafficking.
- An effective governments networks must be established in the areas of health, education and culture.
- Capacities of regional institutions must be enhanced and their experiences be shared for further collaboration among CARs.

### **Conclusion**

Central Asian Republics are one of the most important strategic locations of the world. It is having borders with world's great powers. It has one

of the largest oil reserves in the world. Its economy is growing very fast. It contains many natural and mineral resources. Pakistan will get a lot of benefits if she has deep bilateral ties with these republics.

“The South Caspian is a mature exploration basin with over 150 years of development. However, large known oil and gas fields are in the Caspian offshore (Guneshli, Chirag, Kyapaz) awaiting development. Detailed seismic surveying of the deeper parts of the Caspian offshore may reveal new untested structures that contain commercial quantities of hydrocarbons. At the moment, most of the Turkmenistan Caspian shelf, with more than 40 untested structures, remains relatively undrilled. Turkmenistan is also disputing the Kyapaz field, which was discovered by Azerbaijan. A number of exploration blocks were offered for bidding in September 1997. Turkmenistan postulates undiscovered reserves on its Caspian shelf at 3 billion metric tons (22 billion bbl) of oil and 4.8 trillion cubic meters (168 tcf) of gas.

The northern Caspian and northwestern Kazakhstan are also areas with large amounts of proven reserves and high potential for new discoveries. Almost three quarters of all the Kazakhstan reserves are in two supergiant fields—the Tengiz (oil) and Karachaganak (gas). The recoverable reserves of Tengiz have been recently updated to 12 billion barrels of oil with an estimated 25 billion barrels of oil in place. Most of the fields in the northern part of the basin, such as Karachaganak, contain mostly gas with a small amount of oil.

The North Usturt and Amu-Darya basins have some potential in oil and gas exploration. Seismic surveys and extensive exploration programs are expected to reveal potential drilling targets. The Amu-Darya Basin contains mainly gas reserves with a minor amount of oil.

Kazakhstan is a leader among the Central Asian countries in the amount of proven reserves and the potential for new findings. It has 10 to 22 billion barrels of proven crude reserves and 53 to 83 trillion ft<sup>3</sup> of gas. Kazakhstan's territory is the largest among the Central Asia countries and contains four different geological basins. Those basins remain largely unexplored even though current exploration activity is high.

Azerbaijan has the second largest reserves among the Central Asian countries. It is a mature oil and gas country and will remain an important

producer for decades. The new large discoveries, if made, would be confined to the deep water in the Caspian offshore.

Turkmenistan has large gas reserves (95 to 155 trillion ft<sup>3</sup> of gas). A large territory of Turkmenistan remains unexplored. It is quite possible that important discoveries will be made onshore and offshore in the part of the South Caspian basin that belongs to Turkmenistan.

Uzbekistan does not have a significant amount of oil but contains large amounts of gas (70 to 105 trillion ft<sup>3</sup>). It also has a large territory that has not been well explored for oil and gas.

The total proven oil reserves of the Central Asian countries were estimated in this study as ranging from 15 to 31 billion barrels, and proven gas reserves estimates vary from 230 to 360 trillion ft<sup>3</sup> of gas. Central Asian reserves represent approximately 2.7% of the world total proven oil reserves and 7% of the world gas reserves.



## NOTES

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