

Afghanistan's Integration to the New Silk Route

Afganistan'ın Yeni İpek Yolu'na Entegrasyonu

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Abstract: The New Silk Road initiated by China is projected to contribute to overall regional economic integration as well as promote regional peace and stability in the world. In this sense, Afghanistan's regional cooperation is particularly important to economy growth, development, peace and stability. The paper aims to elaborate on the New Silk Road project; its role and influence in economic growth, infrastructure development; peace and stability in Afghanistan. In addition, the paper will illustrate Afghanistan's major potentials in the region to contribute the idea that Afghanistan serves an strategic bridge country and an important member to this project.

Keywords: New Silk Route, Afghanistan economy growth, Regional organization cooperation, development of transportation infrastructure, energy corridors.

Öz: Çin tarafından başlatılan Yeni İpek Yolu Projesi ile kapsayıcı bölgesel ekonomik entegrasyonunun yanı sıra dünyada bölgesel barışın ve istikrarın da sağlanması amaçlanmaktadır. Bu çalışmanın temel amacı yeni İpek Yolu'nun Afganistan'da ekonomik büyüme, altyapı geliştirme, barış ve istikrar sürçende rolü ve etkisini açıklamaktır. Ayrıca İpek Yolu üye ülkelerinin kavşığında bulunan "kara Köprüsü" olarak Afganistan'ın önemi ve yeri tartışılmaktadır. Bunu ek olarak, bu çalışma çeşitli potansiyellerine sahip olan Afganistan'ın İpek Yolu Ekonomi kuşağın önemli bir üyesi olmasının ayrıntılarıyla açıklamaktadır.

Anahtar Kelimeler: Yeni İpek yolu, Afganistan'ın ekonomi büyümesi, bölgesel örgütlerin işbirliği, taşımacılık altyapısının geliştirmesi, enerji koridoru.

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Introduction

President Xi Jinping presented China's vision for a new "Silk Road Economic Belt", during 2013 in Kazakhstan with the aim of rebuilding the new "One Belt and One Road" (OBOR) trade route for closer regional and international economic ties, deepen cooperation and expand development in the Euro-Asia region. The Silk Road initiative of the 21st century is planned to link China with Europe through Central and Western Asia as well as to connect China with Southeast Asian Countries, Africa and Europe. The project seems as product of Chinese neomercantilism ideology, which ultimately will design and implement a cross-continental mercantile strategy and it will have a significant global and geopolitical consequences in near future.

Afghanistan's integration into the New Silk Road will provide the country with pleasant opportunities including; trade facilitations, energy transit corridors, and transportation networks. Most importantly, it will eventually nudge Afghanistan to join an important regional cooperation organization, which can play important role in economic growth, regional development, reconstruction, peace and stability in country. The New Silk Road role in future of Afghanistan will be elaborated by pointing out the recent development and alternative achievement through country as part of "One Belt and One Road" project.

New Silk Road's Project Structure

The One Belt One Road project, also known as "OBOR" includes five major areas of interest; policy coordination, Infrastructure construction, (including railways, and highways, maritime port, energy transit pipelines), free trade, financial integration and people to people relation (Zhang and Jiao, 2016). The OBOR is comprised of two route. First one is the "Land Rout" running from East Asia crossing Central Asia and Middle East into Western Europe, and the "Maritime Route" stretching to the Southeast Asia, and Africa through the Sea. Along the way, these routes will pass through as many as 60 countries as regions covering half of the entire world's GDP.

Figure 1: The Map Showing the Land and Maritime Route of New Silk Road



(Source: <http://www.veteranstoday.com>)

The total cost of OBOR project is yet to be calculated, however it is assumed that China will play critical role in financing OBOR- affiliated projects. China has assigned \$40 billion in Silk Road Fund (Zimmerman, 2015; 8). \$16 billion of this fund was dedicated for funding project in central Asia. In 2015 the Chinese Central Bank transferred \$82 billion to three state owned policy banks for OBOR projects (The Economist, 2016). The Asian Infrastructure Investment Bank (AIIB) is another important financing instrument for OBOR projects. It has \$ 100 billion capital in stock and there are many other regional, international institutions and some other organizations including European Union Bank and SCO as well New Development Band (NDB), which will take part in the OBOR initiative. The project has been already started with the construction of the railways, highways and energy transit hubs. OBOR projects have been launched in Central Asia and South Asia (Farchy etc., 2016).

- **Moscow- Kazan High-speed Railway:** The new 770 km of track between Moscow and Kazan is a high-speed railway. The total cost of project is estimated to be around \$ 15 billion, which jointly funded by Moscow and Beijing. According to Russian sources, Beijing will provide \$ 6 billion as a loan for this project.
- **China-Kyrgyzstan-Uzbekistan Railway** is another important OBOR project. The construction is estimated to cost around \$ 6.5 billion. This railway is expected to shorten the distance between China and Europe by 900 kilometers. In September 2015, the Uzbekistan Railways Co. announced that it has finished the construction of 104 kilometers of the 129-kilometer-long Angren–Pap railway line, which is expected to be commissioned in the second half of 2016 (Mashrab, 2015).

- **Yiwu- Tehran Rail link:** The first freight train from China to Tehran arrived in February 2016. It is part of the overland component of OBOR initiative. Tehran and Beijing governments signed the agreement to increase trade to \$ 600 billion over the coming decade (Ramachandran, 2016).
- **Khorgos- Aktau Railway:** This railway has a high importance for the OBOR initiative since this railway will be dedicated for the consolidation and distribution of care flows on the New Silk Road. The Kazakh-Chinese International Center for Cross-Border Cooperation (ICBC) has already launched five investment projects to build export and import trade. The total volume of investment projects in first phase is estimated to reach around \$ 300 million dollars (JSC).
- **Pakistan-China Highway:** China-Pakistan Economic Corridor (CPEC) is a network of roads, railway and pipelines it is about 3000 kilometers from Gwadar to China's Western Xinjiang region. The investment volume between China-Pakistan is estimated to be close to \$ 46 billion.

Afghanistan Integration To The New Silk Road

The New Silk Road is planned to deliver economic prosperity to the region and to the World. The project aims to connect the countries in the sphere of OBOR Project with the rest of the world (Karrar, 2009; 78), however the security concerns especially in Afghanistan, Pakistan and the Middle East are obstacles for development of OBOR initiative. The wide ranges of untapped natural resources in Afghanistan are future economic potentials for the country's economy growth.

Despite security concerns and political instability in Afghanistan since US-led Invasion in 2001, Afghanistan's annual GDP growth averaged around % 4 in 2013. The country also achieved regional and international economic and development corporations' memberships such as; Regional Economic Cooperation Conference on Afghanistan (RECCA), (SCO, ECO, CAREC, SAARC), (Denoon, 2015; 52-58). Afghanistan's significant role on economy security and development will be illustrated in following parts of this paper.

Economic Growth

Since US-led Invasion in 2001 the economy annual growth rate has been steadily growing due to influx of foreign aids and international aid that to provided more than \$100 billion. While there have been some improvements in living conditions, it is still at a category we could classify as "inhumane." Agriculture is the most important sector of the economy, since it makes up 35% of the GDP. The adverse weather conditions as well ongoing combat reflected slow growth, which contributed to a decline in agriculture production to 5.7 % in 2015 (The World Bank).

Graphic 1: Afghanistan GDP Annual Growth Rate



Source: tradingeconomic.com, Central Statistic Organization of Afghanistan

Insecurity, political uncertainty and corruption has undermined confidence and put negative impact on private sector and investment. There has been a big decline in investment sector in recent years. Despite these all changes Afghanistan has successfully managed the immediate challenges resulting from war. It has maintained the macroeconomic stability and established the conditions for a slow recovery of the economic. The economic growth is expected to gradually pick up over coming years, from 1.8% in 2017 to 3.6% in 2019. The strong growth in coming year is predicated upon improvements in security, political stability, reforms progress and continuation of international aid (The World Bank).

The New Silk Route Initiative And Afghanistan Economic Deve

Energy Corridor

Afghanistan's energy potential, such as its untapped oil, gas and coal reserves can meet its needs and ensure its own energy self-sufficiency in the future, however But its domestic power generation capacity count was only about 22% of its total consumption balance in 2015 (Aminjonov, 2015; 1). Afghanistan imports 70% of the electricity it consumes from Central Asian countries and Iran. For these services, Afghanistan pays around \$ 230- 270 million annually which is significant with respect to the government's budget (BBC, 2016). Afghan government is working on policy measures to secure its energy sector, and working on domestic energy resources like hydropower plants to generate electricity. According to Afghanistan's Power Sector Master Plan (2012–2032), it is anticipated that the level

of power consumption in the country will increase to 3500 MW by 2032. Due to the absence of gas and oil production and refining capacities, Afghanistan imports oil from Turkmenistan, Uzbekistan, Russia, and Iran at a cost of approximately US \$ 1.5 billion per year (Aminjonov, 2015; 3). Afghanistan's energy security is insecure due to its dependence on external energy sources.

Turkmenistan, Afghanistan, Pakistan and India Natural Gas Pipeline (TAPI)

TAPI Natural Gas project is estimated to be at 1800 kilometers of length and it is expected to push exports up to 33 billion cubic meters of natural gas per year from Turkmenistan Galkynysh Gas Field to Afghanistan, Pakistan and India in the next three decades. The construction of pipeline has already started, and it is planned to be completed by 2020.

Budget & Funding Status: US \$ 10 billion for Pipeline and US \$ 15 billion for the gas field.

Institutional Partners: TAPI Pipeline Company, Turkmen Gas, Afghan Gas Enterprise, Inter State Gas System, and GAIL, Turkmenistan, Afghanistan, Pakistan, India, Japan, the Asian Development and consortium of Japanese, and Chinese Companies.

Figure 2: Mapping TAPI Project Pipeline Route



Source: <http://isgs.com.pk/projects/tapi/>

Institutional Partners: TAPI Pipeline Company, Turkmen Gas, Afghan Gas Enterprise, Inter State Gas System, and GAIL, Turkmenistan, Afghanistan, Pakistan, India, Japan, the Asian Development and consortium of Japanese, and Chinese Companies.

Expected Opportunity for Afghanistan: The Construction, operation and main-

tenance Of TAPI will generate thousands of jobs. The projected annual revenue of the project is estimated to be around **\$400 million** (RECCA, 2016; 11).

Central Asia – South Asia Regional Energy Market (CASA-1000)

CASA-1000 is projected to enable the trade of 1300 MW Electricity from Kyrgyz Republic through Tajikistan to Afghanistan and Pakistan. The project is under the construction it's expected to be completed by early 2019 (CASA).

Budget & Funding Status: The construction cost of project is estimated USD \$1.2 Billion.

Institutional Partners: Kyrgyz Republic, Tajikistan, Afghanistan, Pakistan, The World Bank, Islamic Development Bank, European Investment Bank, and USAID.

Opportunities and Income: CASA-1000 project infrastructure, operation and maintenance will provide around 100,000 Afghan with short and long term jobs. In addition, it is estimated that the Afghan Government will receive annual revenues that range between USD \$ 88 and \$175 million.

Figure 3: Map of CASA-1000 Project



Source: <http://www.casa-1000.org/>

Turkmenistan-Afghanistan- Pakistan 500-Kv line (TAP-500)

TAP-500 KV is a power transit project from Turkmenistan to Afghanistan and Pakistan. The planning of the project started at 2002, and it currently is under development to be completed by 2020. The current transferring capacity is 2000MW and it is supposed to increase to 4000MW (Afghanistan, MoF, 2016).

Budget & Funding: project fund is estimated at \$1.2 billion,

Institutional Partners: Turkmenistan, Afghanistan, Pakistan, and the Asian Development Bank (RECCA, 2016; 13).

Afghanistan – Tajikistan Gas Pipeline

The natural gas pipeline will run from the city of Mazar-I- Sharif in Afghanistan to Tajikistan, reaching a length of 230 km. The project is currently in the initial discussion process between governments and its construction program will start in near future.

Budget & Funding status: \$110 million.

Institutional Partners: Afghanistan and Tajikistan with ongoing discussions with Turkmenistan about possible collaboration.

Opportunities: Afghanistan will export annual 1.5 billion cubic meters Natural gas to Tajikistan.

Transportation Networks

Infrastructure of transportation networks is one of the most important part of economic development initiatives. Recently, the domestic, regional and international investment in transportation sector for connecting Afghanistan to regional and International markets has increased. The development of transit and economic corridors in region especial in Afghanistan is crucial for supporting mine extraction industries and using the estimated \$3 trillion mineral wealth of the country to spur economic development.

One Belt and One Road Initiative and Afghanistan

Afghanistan recently joined the OBOR Transportation Network as of August 25, 2016. The first train carrying freight containers left Nantong, China after passing through Kazakhstan and Uzbekistan to reach to the northern Afghan border port of Hairatan. It is the first Chinese- Afghan railway transportation project which is in fact going to flourish trade between these two countries.

Figure 4: Map Of One Belt One Road Route



Source: DW

Budget & Funding: China will bear the costs of this project by initiating \$100 billion. \$40 billion of the expected cost will be funded by Asian Infrastructure Investment Bank (AIIB).

Institutional Partners: Afghanistan, China, The Central Asian Republics, Pakistan, and Members of Eurasian Countries that participate in the OBOR Initiative.

Lapis Lazuli Corridor

The Lapis- Lazuli transit trade & transport route is regional economic cooperation and transit connectivity network which links Afghanistan, Turkmenistan, Azerbaijan, Georgia and Turkey via; road, rail and sea. It is the most appropriate, shortest, cheapest, and safest transit trade route in Central Asia, the Caucasus, the Balkans and Central Europe. It also connects South Asia to Europe. Afghan government received the corridor reopening proposal approval from the regional countries in March 2014. The first technical working group meeting was held in Turkmenistan on 15th of November 2014. The first consultative meeting on Lapis Lazuli Corridor was held in Kabul to exchange views on the five pronged agreement among members countries; Afghanistan, Turkmenistan, Azerbaijan, Georgia and Turkey (Wadsam, 2016). The most recent technical discussions on Corridor were held on 31st of March 2016. This project will start from Aqina in Northern Faryab province and Turqundi western Herat Province of Afghanistan and its lead will continue towards Turkmenbashi of Turkmenistan, Baku, Tbilisi, Polti, Batumi, Kars, Istanbul and it will finally end in Europe (ACCI, 2014). The projected cost is estimated to exceed USD \$2 billion.

The Lapis Lazuli corridor will play a significant role to export Afghan goods into the international market with cheapest rate, shortest route and safes way. In addition, Lapis Lazuli Corridor will provide Afghanistan with an alternative transit and trade route. Afghanistan currently relies on its neighboring countries

for the transit and logistics of its goods to be delivered to international markets and the country. This corridor will reduce Afghanistan’s reliance on Pakistani and Iranian transit routes.

Figure 5: Map of Lapis Lazuli corridor



Source: <http://recca.af/lapis-lazuli-route/>

Chabahar International Transport and Transit Corridor

The Chabahar Agreement is a regional transport network, an initiative of Afghanistan, India and Iran. The main purpose of this corridor is to expand regional trade between three countries-- especially trade amongst India and Afghanistan. Chabahar port is in Sistan-Baluchistan province southeast of Iran, thus utilizing this port could develop maritime trade among countries in the region. The Tripartite agreement of Chabahar was signed on May 2016 by Afghanistan, India and Iran (Johar, 2016). Chabahar port covers the road and railway between Chabahar and Afghanistan. The total cost of project has yet to be announced; however, India will invest USD \$500 million in Chabahar port (The Guardian, 2016).

Figure 6: Map of Chabahar port



Source: <http://afghanembassyturkmenistan.com/tripartite-agreement-of-chabahar-among-afghanistan-india-and-iran-finalized-and-made-ready-for-signature/>

The Opportunities:

- Will reduce the cost of transporting commercial goods significantly.
- Lower trade barriers and Afghanistan reliance on transit route through Pakistan
- Increased trade and transit and enhance regional cooperation and improve cross-border governance through harmonization.

Five Nations Railway Corridor (China, Kyrgyz Rep., Tajikistan, Afghanistan and Iran)

The preliminary agreement was signed on December 2014 in Tajikistan among the member countries (Waissi, 2014). The Five Nation Railway Corridor aims to facilitate and increase regional trade relations and promote economic and political stability in region. Almost half of the route of this project will pass through Afghanistan's six provinces. Currently, the project's construction is in progress.

Figure 7: Map Of Five Nations Railway Corridor



Source: <http://www.andrewgrantham.co.uk/afghanistan/five-countries-sign-china-to-iran-railway-agreement/>

Budget & Funding Status: The initial project cost is estimated to exceed USD \$ 2 billion. The Afghan portion of the rail line will be partially funded by the Asian Development Bank. Institutional Partners: China, the Kyrgyz Republic, Tajikistan, Afghanistan, Iran, The Asia Development Bank, World Bank and the United States (RECCA).

Afghanistan Domestic Rail Network

Afghan Railway Plan aims to turn Afghanistan into a regional transport hub and to provide support for the country's logistic needs for mining, agriculture, manufacturing and other sectors vital for domestic economy. According to Ministry of Interior of Afghanistan, the rail network is approximately 1425 kilometers long

railway and it is estimated to be finished by 2020. After the 2020 mark is passed, the government plans to add another 3000- 3500 kilometers of railroad line, which is projected to be fully utilized by the country in 2030 (Naibkhel, 2016). The railway network will play vital role in economic growth and regional connectivity.

Regional Transit Agreement

Afghanistan integration into regional and international organization will help the country to receive foreign direct investments from global corporations and the country has already signed many transit and trade agreements with neighbor's countries, with the main purpose to enhance cross-border commercial ties as well to facilitate the import and exports of goods.

Afghanistan- Pakistan Transit Trade Agreement (APTTA): Signed in 2010, the aim of this agreement is to enhance cross-border trade in the route that bypasses Torkum- Peshawar and Spin bolduk- Chaman. The agreement allows Afghanistan to export and import commercial goods from and to India and Pakistan. This project will also give Pakistan an access to trade with Central Asian Markets.

Cross-Border Transport Agreement and TIR convention (CBTA): The transport agreement will soon be signed amongst Afghanistan, Kyrgyz Republic and Tajikistan. The agreement aims to facilitate commercial activities and between these three countries. Domestically, the agreement will provide regional job creation, public revenue generation and economic growth.

World Trade Organization: Afghanistan has recently become the 164th WTO member in 29 July 2016 (WTO). Afghanistan joining to WTO is a significant move towards trade and economic growth opportunities.

South Asian Free Trade Area (SAFTA): This project aims to promote trade and economic growth in the South Asia region. SAFTA was founded in 2006 with the main purpose of decreasing tariffs among SARRAC countries. Afghanistan's accession into SAFTA in August 2011 will help Afghan exporters to access a market of more than 2 billion people which will lead to an increase in foreign direct investment and regional integration to trade (MCI).

Afghanistan Membership To Regional Economic Cooperation & Development Organizations

Afghanistan's geostrategic location provides the country the benefits from multinational regional and international corporations organization for economic growth, infrastructure development, and security stability. Afghanistan with its unique potential, can serve as a bridge between countries in Asia for economic, trade and logistics. According to the Afghan government, regional cooperation projects are at utmost concern and will shape their foreign policy views (MFA). The role of regional cooperation and as well Afghanistan's integration into regional cooperation organizations is vital in terms of promoting economic, political and regional development. Since 2001, with the establishment of the new gover-

nment, Afghanistan has joined the organizations listed below, which are high importance in terms of growth prospects and can in the future play a significant role in economic growth, infrastructure development and strengthen peace stability in region and Afghanistan.

Heart of Asia Istanbul Process: The project was launched in Istanbul Turkey on November 2011 by fourteen participating countries, namely: Afghanistan, Azerbaijan, China, India, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Russia, Saudi Arabia, Tajikistan, Turkey, Turkmenistan and the United Arab Emirates (UAE). with supporting countries including Australia, Canada, Denmark, Egypt, France, Finland, Germany, Iraq, Italy, Japan, Norway, Poland, Spain, Sweden, the United Kingdom (UK) and the United States of America (US) on board. The purpose of the Heart of Asia Istanbul Process is mainly regional cooperation by placing Afghanistan at its center for strengthening trust and promoting confidence through sustained interactions in region. It has launched as a platform of regional security and economic and political cooperation (Quie, 2013; 42).

Regional Economic Cooperation Conference on Afghanistan (RECCA)

This platform aims to promote stability, economic growth, peace, poverty reduction and to establish political, economic, security and regional security in Afghanistan and South & Central Asia by regional cooperation and economic integration. The First Regional Economic Cooperation Conference in Afghanistan was held in 2005. The agenda of conference was to cooperate in the fields of water, counter-narcotics, transport, energy corridors, trade facilities, and climate.

South Asian Association for Regional Cooperation (SAARC)

This pact is an economic and geopolitical union of eight member-states in South Asia, where Afghanistan joined in 2007. The areas of cooperation in SAARC framework ranges wide—from trade, energy, security, social development, agricultural and rural development, education, science technology and tourism (SAARC). Afghanistan's vision and strategic location in the SAARC region, including its the massive potential and considerable amount of resources, will bring a profound positive impact in the global economic and political arena.

Central Asia Regional Economic Cooperation (CAREC)

CAREC is a partnership of 11 member's countries and six multilateral development institutions program. Members are working together for further economic growth, energy infrastructure development, and trade and transport facilities. The main aim of CAREC is to establish a robust collaboration amongst members; expand trade opportunities; strengthen stability economic cooperation; increase energy efficiency and promote economic security. Afghanistan joined CAREC in 2005 and since its membership, more than \$3.67 billion has been invested in transportation, trade and energy. There are currently 11 completed and 18 ongoing projects (CAREC).

Economic Cooperation Organization (ECO)

ECO is an intergovernmental regional organization was founded in 1985 with the goal of promoting economic, technical and cultural cooperation among three member countries; Iran, Pakistan and Turkey. ECO organization is corporation in field of energy, trade, transportation, agriculture and drug control (ECO, 2015). Since 2001, ECO has funded huge projects in Afghanistan, which joined ECO in 2005, to promote sustainable economic development (ECO, 2016).

New Silk Road Initiative And Opportunities

Both the endogenous and exogenous impacts of “One Belt and One Road” for Afghanistan are undeniable; however, on the other hand one must not forget Afghanistan’s auspicious position as a geostrategic partner in this project. Afghanistan serves as a crossroad between Central and South Asia as well the Middle East and Eurasian. The country can ultimately become a crucial connection point in the region with its vast trading networks, energy trade, and the natural resources. Security is another important factor which can challenge the multidimensional interests of regional countries. Instability in Afghanistan might affect the regional economic growth and challenge infrastructure development as well lead to negative effects on regional connectivity.

The Afghan economy is heavily reliant on foreign financial aid-- billions of dollars has been pledged in aid for Economic development and reconstruction of the country since 2001. Most recently the international community collectively pledged \$14 billion in financial aids to Afghanistan, which the aids will go in the areas of construction, establishment of robust governance and combat terrorism, and enforce anti-drug measures (Aljazeera News, 2016). A mere reliance on foreign aid will not be conducive for Afghanistan’s the economic security, so therefore the government must endeavor to establish a self-reliant country. As discussed above, the OBOR initiative will help Afghanistan to reduce its dependence on foreign assistance and it will play a vital role in the economic growth of the country. As a country with vast natural resources, Afghanistan needs to establish a proper transportation system to be able to have direct access to other markets in the world. Out of all the projects discussed above, the OBOR Initiative will be the main project that will help Afghanistan to create a modern transportation system as more than 3000 kilometers of railway will be completed by 2030. The transportation development will boost trade opportunities and it will increase economic growth.

Conclusion

The new Silk Road initiative is still very important as it was a long time ago. A flowing trade and investment among all countries in friendly environment is important for regional economic growth and infrastructure development of Afghanistan. Regional economic cooperation will also give other countries the opportunity to use its potential and improve its economic, political and social welfare of their citizens.

Afghanistan's geostrategic location is important to OBOR initiative. Without Afghanistan's integration, a full-functioning Silk Road cannot be implemented. The initiation of Silk Road and Afghanistan's accession into it is not only vital for economic growth and infrastructure development, but also bringing stability by ultimately establishing close measures to fight against terrorism, extremism, drugs, and other threats in the region.

By putting Afghanistan's key geostrategic position into play as a bridge between South and Central Asia will be conducive for the country to open its natural resources to the global markets where these goods are demanded on a large basis. The projects associated with the OBOR Initiative will help the country to create more jobs, flourish trade and economic growth, meet the country's demands in essential services such as electricity and refined gas, and bring foreign reserves into the country as for instance the TAPI natural gas pipeline, which passes through Afghanistan, is expected to generate \$400 millions of income just from transit fees.

Afghanistan's membership in regional and international cooperation organizations such as RECCA, ECO, SAARC, and SC will provide the country the opportunity for further economic growth, infrastructure development, transportation and energy trade. The regional cooperation organizations engagement in Afghanistan will remove trade barriers and enable the Afghanistan to emerge as a regional hub and transit point for roads, railroads, pipelines and electric lines.

In short, the new Silk Road project could serve to increase Afghan people's living standards in many way by addressing their demands in energy, increasing trade which will lead to higher incomes, and creating more and better jobs. Most importantly it will connect Afghanistan to the global market, which is vital to market and sell Afghanistan's \$2 trillion of untapped natural resource reserves. The reconstruction of transportation systems will attract foreign investors to invest in country's mining and oil production. Although the benefits are proven, there are still key problems and controversies for the implementation of this project, mainly driven by regional security issues which cast a real tension on ground and cause undesired economic development especially in the areas of infrastructure development and foreign investment.

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