



**Center for Global & Strategic Studies  
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## **China's Interest In Central Asia**

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Central Asia has vital political, economic and geo-strategic significance for its peripheral regions mainly due to its natural resources and geo-strategic location. The Central Asian Republics' (CAR's) share in the world oil production is 2.4% (31.2

thousand million barrels) and the share of gas production is 4.2% (20.2 billion cubic meters). Therefore regional players as well as extra-regional players have interests in Central Asia. China being a regional player has many economic strategic and political interests in Central Asia. Over the past decade, China has been closely cooperating with Central Asian republics, particularly its neighbors. In China, Central Asia is believed to play a strategic role in securing national security in China. This region has been operating the function of background for China, particularly; the US focus of military attention on the Pacific Ocean is causing China's concern and led to the rise of competition between the two powers in the region. As concerned the geo-politics of Central Asia, it is located in the center of Eurasia, enhances the strategic importance of Central Asian states for China; Strengthening Chinese influence in the region. In context of Central Asia, China has concern about the border security. The New Great Game and the power politics of global powers in Central Asia poses grave hurdles for China to develop strong economic, political and strategic ties with Central Asia and get benefits from its natural & mineral resources and geo-political and geo-strategic location.

Along with this the economic position of Central Asia is the most dynamic direction of foreign trade; economic partnership, FDI, exports and imports. China's economic presence in Central Asia is systematic and comprehensive one as she is pursuing a multi-dimensional economic policy. Foreign trade is one of the most dynamic areas of economic cooperation between Central Asian countries and China. In October 2017, top three importers of the Republic of Kazakhstan were Russia, China

and the United States respectively. In October 2017, goods imported from China to Kazakhstan amounted to \$ 37, 89,727 thousand. Kazakhstan's commodity turnover as of October 2017 amounts to \$ 6, 675, 37,520 thousand, including \$ 2 661 500, 20 (39.9%) imports and \$ 4 015 875,0 (60.1%) exports. Kazakhstan's exports to China are chemicals, raw materials, petroleum products and oil, and imports goods and equipment, iron and steel products, construction materials, consumer goods, etc. According to Chinese statistical data, the trade turnover between China and Kyrgyzstan have increased by \$1 billion 289.4 million (1.5 times). Total exports to China amounted to \$ 48 million, while imports \$ 1 billion 241.4 million. The Kyrgyz trade is dominated by the export of raw materials and the import of finished products in the Chinese market. According to Eler Ganiev, Minister of Foreign Economic Relations, Investment and Trade, at the fifth session of the Inter-governmental Uzbek-Chinese Inter-governmental Commission, the trade turnover between Uzbekistan and China is expected to reach up to 10 billion by 2020. In particular, commodity turnover between Uzbekistan and China exceeded 4.2 billion. As for exports are concerned, China become a major market for products from Turkmenistan and Kazakhstan. Thus, China's share in Turkmenistan's exports is currently 68%. As for Kazakhstan, its export to China is 15%, Oil and gas transportation is Predominant. China is the second major export partner for Uzbekistan. As an opportunity to influence the economic policies of the Central Asian countries, direct investment of China is rapidly increasing its investment presence in

Central Asia. In order to get maximum benefits from Central Asia it is mandatory for China to develop its western region mainly Xinjiang as it is adjacent to Central Asia.

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