

## *Original Paper*

# Contextualising German Involvement in CPEC through Wakhan Corridor and Gwadar Port as an Diplo-Economic Opportunity

Hasan Yaser Malik<sup>1\*</sup>

<sup>1</sup> Head CPEC Research Cell at Fauji Fertilizer Bin Qasim Limited, Islamabad, Pakistan

\* Hasan Yaser Malik, Head CPEC Research Cell at Fauji Fertilizer Bin Qasim Limited, Islamabad, Pakistan

Received: January 2, 2019      Accepted: January 10, 2019      Online Published: January 28, 2019

doi:10.22158/elp.v2n1p73

URL: <http://dx.doi.org/10.22158/elp.v2n1p73>

### ***Abstract***

*Since seventh, eighteenth, nineteenth century Germany is maintaining diplomatic relations with China, Afghanistan and five Central Asian Republics respectively in Asian Region. Main facets of German interests in Asian Region have been diplomatic, economic and social development. Germans as a nation have always proved their worth by successfully dealing the challenges and rising to the status of a strong nation. Presently Germany is the biggest European economic power and is asserting to enhance it's economic and diplomatic relations in Indo-Pacific and Asian Region. Apart from establishing trade link; mainly rail link with China and Central Asia it will be prudent to extend its access to Indo-Pacific Region well as part of "One Belt One Road Initiative" and "China Pakistan Economic Corridor" through Wakhan Corridor in North of Pakistan to Gwadar; North Arabian Sea Port of Pakistan. This route will provide land and sea access for Germany to billions of Asians and will enhance its diplo-economic influence in Indo-Pacific Region.*

### ***Keywords***

*Wakhan, Gwadar, Germany, Diplo-economic, trade, Indo-Pacific and Ocean, OBOR, CPEC*

## **1. Introduction**

Geographically placed in middle of Europe; Germany is an economic pivot for recession stricken European Union (EU). In contemporary scenario German economy is growing at the rate of about 2 percent. Whereas the presently their large gap between economic growth rate of Germany and EU which is about 1 percent. Germany is an expanding economy so its needs to enhance its trade beyond Europe especially in Asia and Indo-Pacific Region. Presently Germany is enhancing its trade links with China and it has already been using China-Europe Express Rail (cargo train X8044) which started

service on 19 March 2011 completed its 10,000<sup>th</sup> trip when it reached Wuhan from Hamburg on 26 Aug 2018. China-Europe Express connects 48 Chinese cities with over 40 cities in 14 European countries and has boosted Chinese businesses with European and BRI countries. Train service has increased trade volumes between China and their destination countries by delivering IT products, clothing, automobile parts, food, wine and timber. Such emerging inter-continental rail linkage will not only enhance the German land access to Caspian Region, Central Asian Republics (CARs), Khorgos (world biggest dry port on China Kazakhstan Border) and Pacific Coast through mainland China. It will be beneficial for Germany to make use of Khargos-Gwadar Axis to enhance its trade in Indo-Pacific Region by utilising the North Arabian Pakistani Port of Gwadar; which is a gate way to Persian Gulf in Pakistan. By utilising the land route and proposed water route through Wakhan Corridor starting from North East of Afghanistan to Gwadar Port Germany will not only be able to enhance its contemporary economic situation but will also improve its much desired diplomatic and economic relations in the regions. Moreover any possible German Naval Facility at Gwadar particularly in combination with China will have strategic influence in entire Indian Ocean and South China Sea hence creating a balance in the Region and securing the sea lines of communications.

## **2. Research Purpose**

The purpose of the research is to suggest the enhancement of German diplo-economic involvement in Asian Region as part of “One Belt One Road Initiative” through China Pakistan Economic Corridor to utilize both land and maritime routes.

## **3. German Interests in Asian and Indo-Pacific Regions**

Germany has been involved in Asian Region since seventh century mainly for diplomatic and economic gains. The Germans mainly have interests in CARs, Afghanistan, China and Pakistan as part of Asian Region. These relations and interests have always added to German diplomatic and economic influence in the Asian Region. In consonance with contemporary world order where facets like ever expanding globalisation, global economic inter dependence and global diplomatic dependence are expanding (Hasan, 2015, p. 39). It will vital for the Germany to further enhance its diplomatic and economic influence in Asian and Indo-Pacific Regions as this would allow a prudent access to the population of about three billion as a economic market and the sea lines of communications mainly emerging out of the energy rich Strait of Hurmoz. To formulate a pragmatic discussion it will prudent to understand the German interests in Asian and Indo-Pacific Regions in subsequent paragraphs.

## **4. German Interests in Central Asian Republics**

Presently German is represented by an ambassador in Uzbekistan, Turkmenistan, Kazakhstan, Kyrgyzstan and Tajikistan. Since 2011 German forces in Uzbekistan have been providing logistic support to ISAF troops. Germany has been making efforts for peace in Afghanistan and stability in the

region in accordance with its Central Asia Concept of 2002 (Reinhard, 2007, p. 5). Presently apart from the U.S and China EU is also involved in the Great Game once the regional countries enjoy sovereign status (Reinhard, p. 5). German involvement in Central Asian Region has ethnic dimensions as well because many of the German-Russians are still living in Kazakhstan, Kyrgyzstan and Uzbekistan. It is estimated that CARs and Azerbaijan possess 7.5 trillion cubic meters of known and an estimated 20 trillion cubic meters of undiscovered reserves of natural gas. Turkmenistan's undiscovered reserves are estimated at 37 billion barrel and have discovered 17 new natural gas fields with 60 to 80 billion cubic meters of gas (Rebecca, 2004). Berlin Government being pragmatic in approach towards Central Asia has planned to concentrate on politico-social development of the region through consolidation of democratic structures, poverty alleviation, social, and environmental friendly economic development and policy of non-proliferation of weapons of mass destruction. Presently Germany is the principal mutual donor in Central Asia through institutions like Deutsche Gesellschaft für Technische Zusammenarbeit, Deutsche Akademische Austauschdienst and Deutsche Volkshochschulverb which are actively involved in the region. Alongside CARs Berlin is also improving its diplomatic and economic interests in Afghanistan, China and Pakistan as well which can ultimately enhance German interests towards South Asia and Indo-Pacific Regions.

### **5. German Interests in China**

Sino-German relations have been wide ranging since 1972 (Federal Foreign Office China, 2015). Presently Beijing is prime German Asian economic partner and Germany is principal Chinese trade partner in Europe. In 2004 China and Germany became "strategic partner in global responsibility" and the status was upgraded as "comprehensive strategic partnership" during President Xi Jinping's visit to Berlin in March 2014. Beijing and German trade volume was euro 150 billion by end of 2014 which is increasing tremendously as Germany is China's biggest European trade partner and sixth largest across the globe; whereas Beijing is Frankfurt's leading Asian and third largest international trade partner. Presently around 5000 German companies are working in China and 900 Chinese companies are working in Germany. Beijing is the second largest export market for Berlin as Germany alone exports about 50 percent of total EU export to China as compared to 10 percent of United Kingdom and 9 percent of France. In order to enhance the relations in fields of science and technology both countries established "Sino-German-Centre for Science Promotion" which is jointly run by German Research Foundation (DFG) and National natural Science Foundation of China. To combine the marine research interests a "Center for Sino-German Cooperation in Marine Sciences" is established in Qingdao was co-founded by the Ocean University of China and "Leibniz Institute of Marine Sciences" as part of University of Bremen. Chinese trade with Europe is also on increase, more over the use of Chinese Currency; Renminbi (RMB) is also getting popular and is likely to be increased by 40 percent till 2024 (Syetarn, 2014). As for as EU is concerned it has adopted an orientation towards China at expanse of its traditional partners like the U.S and Japan and its trade with the U.S and Japan has reduced from 23

percent to 18 percent and 6 percent to 3 percent respectively however on the contrary in case of Beijing it has risen from 6 percent to 16.6 percent (Syetarn, 2014). On the other hand China is also gradually limiting its trade with the U.S with regard to highly technical goods and is relying on Berlin (Georg, 2014).

German Chancellor Angela Merkel visit to Beijing and separate meetings with Chinese Premier Li Keqiang and President Xi Jinping after Xi Jinping's visit to Berlin in March 2014 highlights the bilateral economic and diplomatic interests of both countries in prevalent global scenario. With many of Chinese diplomatic initiatives, the principal meeting point was economic. Merkel's business delegation attended a meeting of the China-Germany Economic and Trade Commission. Frankfurt has become a clearance hub for RMB by name of China-Europe International Exchange (CEINEX). Europe will be end destination of "New Silk Route" as envisioned by President Xi Jinping. China's ultimate goal will be to lessen the U.S influence in Europe so China and Germany will need to cooperate in recent global system by focusing on security issues matching economic dynamics (Shannon, 2014). China and Germany are establishing the rail link from Leipzig to Chongqing for goods transporting between Germany and China hence reducing the travelling time to 20 days as compared to 35 days via sea. Such initiatives will further add to Chinese orientation towards Europe and German interests towards South Asia and Indo-Pacific Regions.

## **6. German Interests in Afghanistan**

Since 1914 Germany is maintaining diplomatic and economic relations with Afghanistan as it sent a diplomatic mission to Afghanistan under Oskar Van Niedermayer during the era of King Amir Habibullah Khan (Nasrullah, 2004). Later on from 1919 to 1929 Amir Amanullah tried to further enhance the strategic relations between two nations to reduce the British and Russian influence in the region. Berlin was looking at Afghanistan as a politico-military base and Kabul Government wanted Germany to function as a balancing force to keep British and Russians out of Afghanistan (Ludwig, 1974). Amir Amanullah also wanted strength and power from Berlin through a modernisation programme. In 1923 a "German-Afghanistan Group" was formed for provision of civil engineering support to Afghanistan. Germans also helped in education sector and established Amaniah School in Kabul. After Amanullah who signed a treaty of friendship between Germany and Afghanistan in 1924 Nadir Shah also concluded a Free Trade Agreement in 1930. It will be significant to note that Italy and Japan were also involved in project of social development in Afghanistan apart from Germany during the rule of Amanullah (Islam, 2015). In 1936 not only Afghan Military started getting military training from German Military officers but Berlin also planned and supervised prime projects like roads, bridges, airfields and industrial plants. Kabul maintained its relations with German Democratic Republic (GDR) and Federal Republic of Germany (FRG). From 1956 to 1962 FRG kept supporting mining and industrial sectors in Afghanistan it also provided Deutsche Mark (DM) 260 million for socio-economic development. Since start of the millennium many German Non-Governmental

Organisations were also working for social development before the U.S led NATO attack on Afghanistan in 2001. Despite being a part of war in Afghanistan; Germany is continuing its support for humanitarian cause and social progress. Since 2004 Germany is heading Provincial Reconstruction Team in Badakhshan, Faizabad and Kunduz Provinces (Ibid.). On 5 December 2005 a conference was held in Peter's berg Rest House (Bonn) to form an interim government in Afghanistan and later December 2002 another conference was held at same venue for development and peace in Afghanistan. Berlin and Kabul are continuing for bilateral development and cooperation in private sector, market mechanism, refurbishing of power sector through renewable energy, drinking water and funds for training of primary teachers. During the Tokyo Conference in 2002 Berlin promised to provide euro 320 million to Afghanistan over a period of four years and an amount worth euro 80 million from 2005 to 2008 which was extended for two more years during a London Conference in January 2006. Berlin has provided euro 650 million for humanitarian development. Germany is also making efforts to enhance capacity building of Afghan Border Police. It is also making efforts to reduce the drugs from Afghanistan and to promote the bilateral culture. Berlin wants peace and stable Afghanistan to use it as a friendly politico-economic base oriented towards Central Asia, Russia and ultimately to Indo-Pacific Region.

### **7. German Interests in Pakistan**

Relations between Germany and Pakistan were established in 1950 principally basing on aspects of mutual friendship, culture, social and economic development. West Germany became first economic partner of Pakistan by launching "International Development Programme" in 1961. In 1970 both countries signed "Strategic and Military Training Pact" and in 1990 Pakistan-German Business Forum was established. At dawn of new millennium Germany emerged as one of the most significant allies surrounding the war in North Western Pakistan being fought between Pakistan and Talibans. Presently Pakistan-Germany trade relations are attributed to Generalised System of Preference Plus granted by EU in January, 2014. Germany being largest European economy and second most populace nation with about 80 million people is vital for the continent's economic, political and defence organisation. Germany has been making efforts to support Pakistani trade with EU for provision of greater market access. Pakistan is a major partner for Germany in the region and a central partner once it comes to deal with urgent international issue (Frank Walter Steinmeier German Foreign Minister, 2015). Germany is supporting democratic development, energy demands through renewable energy and Rural Development in Baluchistan and Federally Administered Tribal Areas (FATA) in Pakistan. Germany has interests in FATA since 1920; twenty seven years before the independence of Pakistan and during the time of British India (Islam, 2015). Apart from China, Central Asia and Afghanistan; Germany has interests in Pakistani FATA as the areas served as a barrier between British and USSR as part of Great Game. Presence of German Provincial Reconstruction Team in Badakhshan (Islam, 2015); Afghanistan in Wakhan Corridor can improve the passage till Brogohail Pass along Pakistan Border to reach out

Peshawar along Chitral River as an alternate to Karakoram Highway to access Gwadar Port.

### **8. Wakhan Corridor as an Opportunity for Germany**

Located at cross roads of Afghanistan, energy rich Tajikistan, an emerging world power China and geopolitically located Pakistan. The Wakhan Corridor is an ancient and a strategic pass leading to China from Eshkashem (Afghanistan) which had been used for linking West with China via Silk Route. The Afghan Pass is attached to Tajikistan in north, China in east and Pakistan in south. It has always been used as a trade route for west and north to Indian plains and Arabian Coasts in the south for centuries. Extra regional facets like quest for Great Game between Russia and Britain since 1838 (Michael, 2014), Chinese Communist Revolution of 1949 (Michael, 2014), Soviet Invasion of Afghanistan for a decade followed by the NATO invasion of Afghanistan since 2001 has unfortunately kept away any kind of infrastructural development in Wakhan as a fallacy. Opening up of Wakhjir Pass by China in the corridor will surely improve trade and diplomatic relations; between Pakistan, China, Afghanistan and Germany. Wakhan Corridor can be linked to Peshawar and ultimately to Gwadar Port through a route along Chitral River which can serve as an alternate route to Karakoram Highway to reach Gwadar. Wakhan-Chitral Route starting from Broghail Pass to Gwadar Port mainly along Chitral River till Chitral can also link Jalalabad with Chitral through Mir Khani and Naray which will also have regional global politico-economic value. Germany alone or in combination with China can play its role for improving or constructing the proposed route. The Afghan Government did not do much for social development of the corridor because of its self-sustaining tribal culture, rugged mountain terrain and cold climate. This ancient trade route between China, Pakistan and Afghanistan can still provide more suitable link between Central Asian energy resources to the warm water at Gwadar Port at the mouth of Hurmoz.

Apparently it seems that China is preparing to open Wakhjir Pass as it has started some infrastructural development in the Wakhjir Pass; where in it has carpeted the road up to 10 km short of the border crossing point, leaving the rest to time of its choice and domination (Dutta, 2012). Apart from the road China has constructed a supply depot for its border police. It has enhanced its communication capability by establishing cell phone centers and by laying down the optical cable for the web based internet facilities. Opening of link age with neighboring Kyrgyzs and Wakhis will not only improve their life style but will also add to a sympathetic tones from entire population of Wakhan Corridor in particular and Afghanistan and Pakistan in general. Passage through proposed will add stability in Afghanistan which will be difficult to achieve even after U.S withdraws in entirety due to Afghan Culture (Woodward, 2010). The 250 km long proposed route emerging from Wakhan Corridor should emanate from Broghail Pass on Pakistan border passing along the Chitral River through Mastuj, Booni, Chitral and Peshawar should be linked to Gwadar and Jalalabad for more options.

### **9. Strategic Significance of CPEC for Germany Being Part of OBOR**

The Gwadar Port project was leased to Port Singapore Authority as Dubai Port World withdrew after winning the bid (Presentation Made to President of Pakistan by Chairman National Logistic Cell Dry Ports). However later it was assigned to China (Khaleeq, 2013). Chinese presence at this critical choke point of Gulf can not only check the INDO-U.S domination of Indian Ocean (Nixon, 1992) but can also strive to achieve its aim of being a naval power (Yeuh, 1972). The proposed land link can help Germany in improving its ever expanding trade to Central Asia, and South East Asia and Indo-Pacific Regions. In order to avoid their dependence on Russia CARs need opportunities to export energy resources through a suitable outlet like Gwadar (Stephan, 2014). Geographically there are two routes available to them, one passing through Chabahar and the other leading through Gwadar. Due to prevalent international environment and its location Gwadar emerges as a more viable alternate port. In case of Afghanistan it is most likely that the country will be dependent on the imports and the aid from the donor nations, for which it had to depend on a transit agreement with Pakistan (Matinuddin, 1991, p. 308). As Gwadar can provide economic and diplomatic opportunities to Afghanistan, China, Central Asia and Pakistan so considering the German interests in region mentioned above it will also enhance diplomatic and economic opportunities for Germany not only in Indian Ocean but also in Pacific Ocean in combination with China. Any German Naval Facility at Gwadar particularly in combination with China will have strategic influence to create balance in entire Indian Ocean and South China Sea.

### **10. Inter-Continental Trade Links Which Can Be Germany as Part of OBOR and Subsequently to CPEC**

The Project includes port, communication infrastructure, energy cooperation, industries and industrial parks, agricultural development, education, public health and people-to-people communication. It would also be connected with trade facilitation corridors. CPEC aims at linking three billion people of South Asia, China and Central Asia. With view to enhance its economic and diplomatic strength Germany can expand its trade to Asia, Africa, Russia, Europe, Central Asia and Indo-Pacific Region by linking with following:

- Eight thousand miles long Inter-continental trade link from Madrid to Shanghai.
- Five thousand and seven hundred miles long continental railways to link Moscow to with Vladivostok.
- Connecting Leipzig to Chongqing thus transporting goods between Germany and China thus reducing the travelling time to 20 days as compared to 35 days via sea.
- Four thousand and three hundred miles rail link between Beijing and Moscow.
- Beijing is also enhancing its influence by establishing energy pipe lines from Caspian Sea to China and from Turkmenistan to China.
- Fifteen hundred miles long oil pipeline with Myanmar.

## 11. Conclusion

Germany has interest in Central Asian, South East Asian and Indo-Pacific Regions with main focus on diplomatic and economic relations with Central Asian Republics, Azerbaijan, China, Afghanistan and Pakistan. Diplomatic and economic relations with these countries will allow Germany to have better and pragmatic access to South Asia and Indo-Pacific Regions. In order to make the diplo-economic gains more prudent it will be beneficial for Germany to make use of Gwadar Deep Sea Port in North Arabian Sea as gate way to energy transporting Strait of Hurmoz. Any German Naval Facility at Gwadar particularly in combination with China will have strategic influence in entire Indian Ocean and South China Sea hence creating a balance in the Region and securing the sea lines of communications. It will be prudent Germany to have an access to Gwadar Port through an alternative to the Karakoram Highway through Wakhan Corridor.

## References

- Dutta, S. (2012). Outflanking move' near Afghan border with interests for India: Ex-chief New Delhi. In *The Telegraph (Calcutta) June 5, 2012*.
- Federal Foreign Office China. (2015). Retrieved February 8, 2016, from [http://www.auswaertiges-amt.de/EN/Aussenpolitik/Laender/Laenderinfos/01-Nodes/China\\_node.html](http://www.auswaertiges-amt.de/EN/Aussenpolitik/Laender/Laenderinfos/01-Nodes/China_node.html)
- Frank Walter Steinmeier German Foreign Minister. (2015). Relations between Pakistan and Germany increasingly close. In *The Daily News, August 31, 2015*.
- Georg, E. (2014). German-Chinese Economic Relations—Opportunities and Risks for Germany. *DIW Economic Bulletin*, 4(2), 6.
- Hasan, Y. M. (2015). Deterrence to Dependence through Blue Diplomacy. *Quarterly Journal of Chinese Studies*, 4(1), 39.
- Islam, S. (2015). An Overview of Relations between Afghanistan and Germany. *Journal of European Studies*, 111.
- Khaleeq, K. (2013). Gwadar port to be transferred to Chinese firm; Cabinet ratifies Iran pipeline agreement. In *Daily Dawn (Lahore) Jan 3 1, 2013*.
- Ludwig, W. A. (1974). *Afghanistan's Foreign Affairs to the Mid-Twentieth Century: Relations with the USSR, Germany, and Britain*. Tucson: University of Arizona Press.
- Matinuddin, K. (1991). *Power Struggle in Hindu Kush, Afghanistan*. WAJIDALIS (PVT) LTD, Lahore, Pakistan.
- Michael, F. (2014). *Stranded on the Roof of the World, National Geographic 2013*. Retrieved January 4, 2014, from <http://ngm.nationalgeographic.com/2013/02/wakhan-corridor/finkel-text>
- Nasrullah, N. (2004). *Afghanistan Narai, Pashto translation*. Kabul: Afghan Foreign Ministry Centre of Strategic Studies.



- Nixon, R. (1992). *Seize the Moment: USA: Simon and Schuster* (p. 63).
- Rebecca, L. B. (2004). *International Petroleum encyclopedia: Santa Calara: Penn Well Pub Co.*
- Reinhard, K. (2007). *Central Asia The Struggle for Power, Energy and Human Rights* (p. 5).  
Friedrich-Ebert-Stiftung, Bonn/Berlin, Design, Set and Layout: Dreispringer, Berlin.
- Richards, N. (1980). *The Real War*. A warner communication Company, New York, U.S.A.
- Shannon, T. (2014). *China and Germany's Special Relationship*. Retrieved February 8, 2016, from  
<http://thediplomat.com/2014/07/china-and-germanys-special-relationship/>
- Syetarn, H. (2014). China-EU relations: Gearing up for growth. *Deutsche Bank Research*, 31, 1.
- Woodward, B. (2010). *Obama's Wars; The Inside Story* (p. 264). UK: Simon & Schuster UK Limited.
- Yeuh, Y. L. L. (1972). *China as a Nuclear Power in World Politics*. Macmillan Press Limited, London,  
United Kingdom.