WOULD GEOPOLITICAL CONFRONTATION OR INTERNATIONAL/REGIONAL COLLABORATION PERVAIL IN FUTURE CROSS-BORDER ENERGY AND INFRASTRUCTURE PROJECTS?

The global economic landscape more generally and energy economics more specifically has changed dramatically. The main drivers of this change has been technology, trade liberalization, freer capital movements, advances in communication and transportation infrastructure and creation of cross border supply/trade chains. The centre of gravity of the world economy has shifted to east with the emerging economies growing at a much faster pace than the developed economies. Their share of GDP doubled in the last 50 years or so. In the last decade 70 percent of global growth is ascribed to the emerging economies. With respect to the global Energy dynamics the core area includes obligation regarding regional and international cooperation with respect to broad range of issues of Energy security, investment, trade, and transit and energy efficiency. Here as some glimpse of Asian Energy Cooperation among the states.

Asia in the coming decades is going to establish an energy hub in macro economics and energy activities. Regionalism is corner stone of energy trade in contemporary geopolitical scenario. for instance, China-Pakistan Economic Corridor (CPEC), it is not a bilateral project between Pakistan and China relations but will serve as a fate/game changer not only for this region but for other regions and world including Middle East, Europe and Western countries with economic and energy cooperation ties. Asia has a loins share in world economy and future development in Asia can contribute to the sustainable development of the global economy. The Corridor is a fusion of multiple developments in the global, regional, bilateral and domestic contexts. The ultimate objective is peace, prosperity and well being of the people of the two countries, the region and the world.

Currently, in south Asia as well as in Pakistan, it will probably take time to develop a concept of an energy community, adopting a set of obligations and rules. However, there are large numbers of options, projects and plans that can be developed for Trans-national pipelines in Asia. Apart from focusing on energy and infrastructure, CPEC will also improve the quality of life through social and economic interventions. Energy is a big constraint for Pakistan’s development objective and has multifaceted challenges. In the backdrop of our facilitation agreement of the member states to jointly manage the completion of the project as per energy
planning timelines. Necessary implementation steps and technical formalities have almost been completed and for those prioritized, which have matured for completing financing arrangements.

A case study

Why Turkmenistan-Afghanistan-Pakistan-India Pipeline (TAPI) Project is a Significant example for geopolitical International/regional collaboration for Cross-Border energy infrastuture?

Turkmenistan-Afghanistan-Pakistan-India Pipeline (TAPI) is a natural gas trade/transit project with a total length of 1,800-kilometers pipeline from the gas fields in Turkmenistan to off-take points in Afghanistan, Pakistan, and India, aiming to export up to 33 billion cubic meters of Natural Gas per year for a period of 30 years, starting from Turkmenistan’s Daulatabad Gas Fields to Afghanistan, Pakistan and eventually reaching India. According to the initial plan, the gas pipeline was supposed to run alongside the Herat-Kandahar Highway in Afghanistan and pass through Chaman, Zhob, D.G. Khan and Multan in Pakistan. Pipeline has capacity to carry 90 million metric standard Cubic Meters a day share of gas; with a breakup of 500 MMcfd for Afghanistan 1325MMcfd each for Pakistan and India. Total cost of the pipeline was projected as US$8 billion (PENSPEN, UK Before the first ever proposed Energy (Natural Gas import-export) Project between Central and South Asian States, no prior inter-regional energy trade was seen between two connecting regions. Question of secure and reliable transit has become paramount importance among the transit gas producing countries and importing countries of these regions. TAPI has immense economic, financial and commercial benefits for all participating states which are representing one-fifth of the global population and currently facing huge energy security, efficiency issues which are great challenge for their economic health, but success of TAPI could bring a joint economic ring in the region.

ROLE of International Energy Institutions.

There are a number of institutions/treaties in world concerning energy transition. Examples in South Asian region are SAARC Energy Cooperation and Shangai Economic Cooperation etc. Globally, Energy Integration or International Organizations such as International Energy Charter, International Energy Agency and International Renewable Energy Agency are paying more pivotal rule to mitigate the potential risks to energy trade and security. However, being an
Inter Governmental Organization, Energy Charter Treaty is vitally dealing with legal rights and obligations with respect to broad range of investment, trade, transit, energy efficiency, security and dispute resolution having the international energy regulations or partial as can be an legal and commercial

This is one of the most effective organizations after the World Trade Organization (WTO). ECT is emerging, unquestionably, as a significant international legal instrument providing protection of investment and facilitation of trade and transit across a widening community of Energy producing and consuming countries including openness, transparency and non discrimination in the area of energy trade. The ECT is superb and probably an excellent institutional vehicle and a uniform multilateral Treaty for such intensified relationship-building, between Asia and Europe.

ECT is the only Treaty ,in which the contracting parties are obliged to encourage cooperation in the modernization, interconnection, development and operation of energy transport facilities, including the mitigation of the effects of interruption to the supply of energy.


Towards the modernization process of the updated Energy Charter, in May 2015, more than 75 countries signed “International Energy Charter” a political charter, aiming at strengthening energy cooperation between the signatory states and does not bear any legally binding obligation or financial commitment upon the signatory states. It further, aims of updated Energy Charter, to embrace the four dimensions of energy security: supply, demand, transportation and universal access to energy which is a great example of International Cooperation for cross border energy trade. Further objective of the International energy Charter is to enhance International Energy Cooperation in order to meet common challenges related to energy at national, regional and international levels. This updated Charter will also put geographical sport to the Energy Charter as well a guideline for accession of new states in ECT This is a milestone for the Charter Process, its expansion and modernization. The textual basis of the updated Energy Charter are the articles/concept of European Energy Charter and basic principles of the European Energy Charter will be endorsed, which includes, state sovereignty over energy resources, political and economic co-operation, the development of efficient energy markets, non-discrimination and the promotion of a climate favorable to the operation of enterprises and the flow of energy trade, transit investments and technologies.
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