

The China-Iran Railway: Sail across Geopolitical Challenges and Economic Cooperation in the Context of Pakistan's CPEC

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Abstract

The China-Iran Railway project, a substantial component of the \$400 billion China-Iran investment agreement, is dignified to restructure regional dynamics within the context of China's Belt and Road Initiative (BRI). This article examines the complex implications of the railway project, particularly its impression on Pakistan's China-Pakistan Economic Corridor (CPEC). The study explores the geopolitical challenges get up from the deepening China-Iran partnership, including potential tensions with regional powers and the strategic repercussions for Pakistan. It analyzes how the railway addresses China's energy security matters and its potential to provide an alternative trade route, thus reducing reliance on the Malacca Strait. Additionally, the article assesses Pakistan's diplomatic balancing act between its historical knots with Iran and its economic alliance with China, suggesting strategies to maintain equilibrium and maximize benefits. The study also reflects the regional connectivity and economic collaborations fostered by the railway, emphasizing its role in pleasing to the eye through trade, investment and economic growth. By utilizing secondary data collection methods and qualitative data analysis, this research provides an inclusive understanding of the project's implications and offers visions into future policy concerns. The findings highlight the need for further research to fully extent the long-term impacts of the China-Iran Railway on regional stability and economic development. Furthermore, the China-Iran Railway's development is dignified to considerably boost regional connectivity, offering China a safer and more efficient trade route that bypasses key chokepoints like the Malacca Strait. This could lift up Pakistan's CPEC as a vital hub for regional trade while introducing geopolitical complications that want careful diplomatic navigation. The railway project may redefine Pakistan's strategic positioning, manipulating its economic viability and foreign policy as it adapts to new regional dynamics and strive for to capitalize on developing trade, investment and growth opportunities.

Introduction

The China-Iran Railway project is a central component of the Belt and Road Initiative (BRI), aiming to develop connectivity and infrastructure development between the two countries and elsewhere. This project comprises the construction of several key railway networks, such as the Tehran-Qom-Isfahan and Urumqi-Tehran-Mashhad lines, with major financial support from China. The BRI railway network not only links global and regional infrastructure gaps but also holds the latent to position Iran as a vigorous trade hub in the region, nurturing bilateral connections with neighboring countries and restoring its historical status. By being part of this initiative, Iran can advance its transporting capacity, speed and regional integration, enticing Gulf monarchies towards its projects and improving regional stability. However, while the China-Iran Railway project offers several benefits, Iran must be careful not to become overly dependent on China to sidestep a power dynamic similar to its former relationship with the USA. Iran's conflicting attitudes with China's unilateral goals within the BRI could hamper its regional aspirations, demanding a balanced approach to maximize the project's advantages while safeguarding its interests (Mishra, 2020).

Additionally, the China-Iran Railway project, part of China's One Belt, One Road (OBOR) initiative, marks a major milestone in increasing regional connectivity between China, Central Asia and Iran. The cargo train that recently completed the journey from Yiwu in China to Tehran in Iran represents the revival of the ancient Silk Route, showcasing the potential of overland transportation links in the region. This railway project is a vital component of the broader Five Nations Railway Corridor (FNRC), which aims to build up transportation infrastructure and trade routes across multiple countries. The China-Iran Railway assists as a vital link in this corridor, enabling the movement of goods and nurturing economic cooperation between China, Central Asia and Iran. By decreasing travel time and improving connectivity, the FNRC, with the China-Iran Railway as a key part, contributes to the development of an inclusive network of roads, railways and pipelines that advantage not only China but the whole region as well (Ramachandran, 2016).

The China-Iran Railway project indicates a vital development in enhancing trade and connectivity between China and Iran, as well as with Europe. This enterprise involves the establishment of a rail corridor that empowers the transportation of goods between the two countries, crossing through neighboring nations such as Kazakhstan and Turkmenistan. The initial cargo train journey from Iran to China on this new railway marks the beginning of the first phase of the China-Iran-Europe rail corridor, emphasizing the cooperative efforts between the involved countries to boost economic ties and streamline cargo transportation. This railway corridor not only reinforces economic ties between China and Iran but also positions Iran as a central gateway for China to access European markets and vice versa. The project is part of extensive efforts by Iran to expand its trade routes with allied countries and counter one-sided western sanctions, showcasing the country's strategic tactic to enhancing its transport sector and becoming a regional shipment hub.

During this period, Iran and China engaged in trade amounting to 5.89 billion USD, with Iranian exports valued at 1.79 billion USD and Chinese exports at 4.1 billion USD. This data underlines the considerable trade volume between the two nations and highlights the potential for further growth and cooperation assisted by the efficient transportation infrastructure provided by the China-Iran Railway project. By

enhancing its shipment capabilities and integrating rail transportation with land and sea routes, Iran aims to influence its strategic geographical location to become a pivotal regional transportation hub, fostering enlarged trade activities and economic fortune (Bureau, 2024).

The China-Pakistan Economic Corridor (CPEC) is an important initiative that not only benefits China and Pakistan but also has the potential to positively impact Iran. CPEC aims to increase regional connectivity and economic affluence, which can extend to Iran through reinforced economic ties. The extension of CPEC presents an opportunity for Pakistan to boost its economic relations with Iran, especially allowing for the strategic importance of Gwadar port in Pakistan and Chabahar port in Iran. The development of CPEC can lead to amplified trade between Pakistan and Iran, leveraging the unique geostrategic positions of Gwadar and Chabahar ports. By linking CPEC to Chabahar, both countries can advantage from improved access to the Persian Gulf, improving trade opportunities and economic collaboration. The low volume of bilateral trade between Pakistan and Iran in the past underlines the unexploited potential that can be realized through the integration of CPEC with Iran's economic interests. By establishment economic relations between Pakistan and Iran through CPEC can donate to regional stability and prosperity. The cooperation between the two countries facilitated by CPEC can lead to mutual economic growth, infrastructure development and increased investment opportunities. By leveraging the strategic locations of Gwadar and Chabahar ports, Pakistan and Iran can create a stronger economic partnership that benefits not only the two nations but also the wider region (Arif, 2016).

The China-Iran Railway project is balanced to significantly impact the China-Pakistan Economic Corridor (CPEC) by improving regional connectivity and trade routes. This railway aims to create a direct link between China and Iran, assisting the movement of goods and services across borders. As CPEC is designed to improve infrastructure and connectivity within Pakistan and beyond, the railway could serve as an opposite route, allowing for more efficient transportation of goods to and from the Middle East. This cooperation could lead to increased trade volumes, benefiting not only China and Iran but also Pakistan, as it positions itself as a perilous transit hub in the region. The potential for enriched trade routes aligns with CPEC's goal of fostering economic interdependence among neighboring countries, thereby promoting regional stability and success.

However, the primer of the China-Iran Railway may also present challenges for CPEC. As the railway provides another route for trade between China and the Middle East, it could avert some traffic away from CPEC, impacting the economic benefits that Pakistan expects from the corridor. This competition for trade routes may demand strategic adjustments in CPEC operations to maintain its attractiveness as a favored trade route. Pakistan may need to improve its logistics and transportation services to ensure that CPEC remains competitive in the face of this new infrastructure development. The potential for reduced traffic through CPEC could upset the projected economic growth and investment inflows that Pakistan hopes to achieve through this initiative.

Moreover, the geopolitical consequences of the China-Iran Railway project could further obscure the dynamics surrounding CPEC. As Iran strengthens its ties with China through this railway, Pakistan may need to navigate its relationships with both countries carefully. The growing geopolitical landscape could influence investment flows and security dynamics in the region, impacting the overall success of CPEC. Additionally, the railway project may lead to increased economic spillovers that benefit Pakistan, as

boosted trade between China and Iran could create demand for Pakistani goods and services. This interconnectedness could eventually support Pakistan's economic revival efforts through CPEC, provided that the country can effectively manage the competition and influence the opportunities presented by the new railway infrastructure (Khan & Marwat, 2018).

Background

The relationship between China and Iran has profound historical roots, characterized by a multifaceted interplay of military and economic ties. During the 1980s and 1990s, both nations engaged in hearty cooperation, particularly in defense matters. This period saw semiregular high-level exchanges, combined military exercises and port calls, which laid the groundwork for a longstanding defense relationship. China's early support for Iran's nuclear program further set this partnership, as it allowed Chinese state-owned enterprises and private individuals to boom technology that enhanced Iran's air-to-air missile capabilities. This military cooperation was not only a reflection of mutual interests but also a strategic movement for both countries to counterbalance Western influence in the region, particularly that of the United States.

As the geopolitical landscape grew, so did the dynamics of China-Iran relations. The signing of the Joint Comprehensive Plan of Action (JCPOA) in 2015 marked a significant turning point, as it corresponded with a period of increased diplomatic engagement from China towards Iran. This engagement was further demonstrated by high-profile visits, such as General Secretary Xi Jinping's trip to Iran in 2016, which promoted bilateral ties to a "comprehensive strategic partnership." This partnership was not only figurative; it included guarantees to deepen collaboration across various sectors, including energy, infrastructure and technology. However, China's growing ties with regional opponents like Saudi Arabia and the UAE modeled limitations on its relationship with Iran, as Beijing required balancing its interests in the Middle East.

Despite the continuing strategic partnership, the relationship is inhibited by geopolitical realities. China's desire to avoid provoking its other partners in the region has led to a thoughtful approach in its military dealings with Iran. For instance, while Iran seeks progressive Chinese arms to strengthen its conventional military capabilities, China remains cautious of large-scale arms sales that could undermine the region and violate U.S. sanctions. This balancing act reflects China's broader policy of engaging with multiple stakeholders in the Middle East while preserving its partnership with Iran. Ultimately, the historical context of China-Iran relations is marked by a blend of cooperation and caution, shaped by both nations' ambitions and the multifaceted geopolitical environment in which they operate (Green & Roth, 2021).

China has been actively involved in Iran's energy sector, with important collaboration in oil and gas fields. Before the sanctions, China used to import about 6.5% of its total oil from Iran, demonstrating a strong energy partnership between the two countries. In the transportation sector, China has shown interest in devoting \$120 billion in Iran's transportation projects. This includes initiatives like electrifying railway lines, developing train networks in metropolitan cities and enhancing ports such as Chabahar and Jask on the Makran coast. Iran's strategic location makes it a vital link in China's Belt and Road Initiative (BRI). China's investments in Iran's infrastructure projects, particularly in transportation and ports, are expected to reinforce Tehran's position in the BRI project in the long term. Iran's participation in the BRI is crucial

due to its location on the route from China to Europe via Turkiye, making it a priority for China in the BRI project (Rashid, 2022).

Furthermore, China and Iran have a long history of cooperation, particularly in infrastructure projects that have significantly squeezed both nations. One of the most notable collaborations is Iran's contribution in China's Belt and Road Initiative (BRI). This initiative aims to improve global trade and arouse economic growth across Asia and outside by developing trade routes and infrastructure. Iran's strategic location in the Middle East makes it a vibrant partner for China, as it serves as a key link between Central Asia and the Middle East. The BRI has enabled various infrastructure projects in Iran, including railways, roads and ports, which are vital for improving connectivity and trade efficiency in the region.

Another important aspect of the China-Iran partnership is the 25-year strategic collaboration agreement signed in 2021. This agreement includes various sectors, including energy, transportation and technology, aiming to strengthen Iran's economy, which has been heavily affected by international sanctions. The agreement is predictable to lead to substantial Chinese investments in Iranian infrastructure, particularly in the oil and gas sectors, where China has already established a strong presence. This cooperation not only helps Iran address its economic challenges but also allows China to secure energy resources and enlarge its influence in the region.

Additionally, the historical context of the Iran-Iraq War played a vital role in shaping the infrastructure collaboration between the two countries. During the war, Iran faced weighty international isolation, prompting it to seek partnerships that could provide essential support. China, recognizing the opportunity, established diplomatic and economic ties with Iran, which laid the groundwork for future infrastructure projects. This relationship has grown over the decades, with China becoming Iran's largest trading partner in the Middle East, further hardening their cooperation in numerous infrastructure initiatives (Hamrah & Eliassen, 2021).

The Middle Corridor, also known as the China-Central Asia-West Asia Corridor, links China with Europe via Central Asia, the Caspian Sea and the Caucasus mountains. By skirting the Northern Corridor (dominated by Russia) and the traditional naval route through the Indian Ocean (which could be interdicted by the United States), the Middle Corridor offers an alternate trade route. If fully realized, it could reduce shipping time between East Asia and Europe to as few as twelve days, inspiring the other major trade routes (Chang, 2023). This strategic corridor has the potential to transform trade across Eurasia and enhance economic collaboration between China and Iran. Also, proximity to transportation networks positively impacts economic growth. Studies show that access to efficient transportation infrastructure leads to higher per capita GDP growth rates across sectors (Banerjee, Duflo, & Qian, 2012). The Middle Corridor assists multi-layered flows of goods, capital and information, potentially lowering transaction costs and price differences (Liu, Derudder, Yu, Wu, & Witlox, 2023). For China and Iran, better connectivity means better market access, increased trade and boosted economic collaboration. Investment in transportation infrastructure along this corridor can foster economic development and reinforce bilateral ties between the two nations.

Research Questions

- How will the China-Iran Railway project influence the strategic importance and economic viability of Pakistan's CPEC?
- What geopolitical challenges rise from the China-Iran partnership and how might they influence Pakistan's foreign policy?
- How can the China-Iran Railway develop regional connectivity and economic synergies in trade, investment and growth?

Significance

The assessment of the China-Iran Railway project's implications within the Belt and Road Initiative (BRI) is of paramount implication as it intersects with serious areas of geopolitics, energy security and regional economic development. By examining this project's impact on Pakistan's China-Pakistan Economic Corridor (CPEC), this research addresses pivotal questions about strategic alignments and regional power dynamics. It provides visions into how improved connectivity through the China-Iran Railway could reshape trade routes, reduce dependence on critical chokepoints like the Malacca Strait and foster economic synergies across the region. Furthermore, the research highlights the diplomatic complexities Pakistan must navigate to balance its relationships with China and Iran, offering strategic pathways to maximize benefits from these alliances while maintaining regional stability and growth.

Analysis

Geopolitical Implications

The flourishing partnership between China and Iran, particularly in the context of a \$400 billion investment in railway and infrastructure projects, presents numerous geopolitical challenges. Like, its solidification of Sino-Iranian ties is likely to intensify existing tensions in the Middle East, particularly with Saudi Arabia and other Gulf states. China's involvement in Iran could be apparent as a direct challenge to Saudi influence, leading to increased regional instability and competition for power. The United States has expressed momentous concern over China's growing influence in Iran, particularly in light of ongoing sanctions against Iran. The US may attempt to weaken these investments by leveraging its relationships with regional allies, potentially leading to a more aggressive stance against both China and Iran. In other words, the China-Iran partnership is seen as a direct challenge to US influence in the Middle East. The substantial investment and infrastructure development imply a deepening of Sino-Iranian ties, which could destabilize US efforts to isolate Iran economically and politically. The Gulf Cooperation Council (GCC) countries, particularly Saudi Arabia and the UAE, may observe the China-Iran partnership as a threat to their regional dominance. This could lead to a realignment of regional alliances and enlarged geopolitical tensions.

The railway projects are part of China's broader Belt and Road Initiative, which aims to increase connectivity across Asia. However, the sectarian divide in the region muddles China's ability to implement

these projects effectively. The need to balance relations with both Iran and Saudi Arabia while sidestepping conflict is a significant challenge for China. The railway project enhances Iran's integration into the BRI, potentially fluctuating trade routes and economic partnerships. Countries like Turkey and Pakistan may need to cross the new dynamics to ensure their economic interests are protected. Additionally, Iran's dependence on Chinese investments for economic recovery and technological advancement creates a reliance that could limit Iran's independence in foreign policy decisions. This dependency may also lead to enlarged tensions with other regional powers who view China's impact as a threat to their interests. The development of new railway projects could make Iran more vulnerable to external pressures. If these projects are perceived as a means for China to launch a military presence or exert control over acute infrastructure, it could inflame a backlash from both regional and global powers, particularly the US.

The Sino-Iran partnership poses a direct challenge to India's strategic interests in the region, particularly about access to the Chabahar port. India's ambitions for regional hegemony may be destabilized as Iran deepens its ties with China, potentially isolating India from key economic and strategic partnerships. As well as, Russia, an ally of Iran, might view China's growing influence with careful optimism. While both countries share an interest in counterbalancing US influence, Russia may be suspicious of China's expanding footprint in its traditional sphere of influence. The EU, which has required engaging Iran economically through creativities like the Joint Comprehensive Plan of Action (JCPOA), may find its efforts complicated by China's dominant economic presence. This could lead to a recalibration of the EU's strategy towards Iran and the broader region. India, which has historically maintained a strategic partnership with Iran, especially through projects like the Chabahar Port, may find its influence waning. The China-Iran railway project could dominate India's infrastructure initiatives and diminish its strategic grip in the region (Syed, Khan, & Ejaz, 2022).

The developing partnership between China and Iran pointedly influences Pakistan's strategic positioning in the region. As China continues to reinforce its ties with Iran, Pakistan finds itself navigating a multifaceted geopolitical landscape that requires careful balancing of its relationships with both nations. Though, China has arisen as Iran's largest trade partner, with bilateral trade reaching nearly \$16 billion in 2022, despite the challenges posed by US sanctions. This economic relationship is vital for Iran and Pakistan, sharing a border with Iran, may pursue to benefit from this trade dynamic. However, Pakistan must also consider its own economic ties with China, particularly through initiatives like the China-Pakistan Economic Corridor (CPEC), which aims to improve infrastructure and connectivity. The challenge lies in ensuring that Pakistan does not become overshadowed by Iran's growing economic partnership with China. The China-Iran Comprehensive Strategic Partnership is apparent as a form of soft balancing against the United States in the Middle East. For Pakistan, this arrangement could provide an opportunity to reinforce its own tactical ties with China, especially as it faces its own challenges with the US. However, Pakistan must also be careful of Iran's influence in the region, particularly in areas where Pakistan has conferred interests, such as Afghanistan and the wider Gulf region.

The partnership between China and Iran may also have security consequences for Pakistan. As China seeks to secure its energy interests in the Gulf, it may trust on Iran as a strategic ally. This could lead to increased

Iranian impact in the region, which Pakistan may view with concern, especially given its historical tensions with Iran over border security and sectarian issues. Pakistan must steer these security dynamics carefully to maintain stability along its borders. Improved relations between Iran and Saudi Arabia, facilitated by China, could also impact Pakistan's strategic intentions. As these two regional powers seek to reduce tensions, Pakistan may find itself in a position to mediate or play a role in development regional cooperation. This could boost Pakistan's standing in the region, but it also requires a delicate balancing act to avoid isolating either Iran or Saudi Arabia (Omeed, 2023).

Energy Security and Trade Routes

The China-Iran Railway plays an important role in addressing China's energy security concerns by providing another route for energy imports and improving trade relations. This railway is part of China's broader strategy to diversify its energy supply sources and reduce dependence on maritime routes, which are susceptible to geopolitical tensions and potential blockades. By establishing a direct land connection to Iran, China can secure a more stable and reliable flow of oil and gas, justifying risks associated with maritime chokepoints, particularly in the Strait of Malacca, where U.S. naval power is a significant fear. Moreover, the railway simplifies the transportation of goods and energy resources, allowing China to reinforce its economic ties with Iran, a country rich in oil reserves. This partnership is crucial for China, as it seeks to boost its energy security through "equity oil" and resource-backed loans, particularly from authoritarian regimes like Iran. By devoting in infrastructure such as the China-Iran Railway, China not only enhances its energy supply chain but also solidifies its influence in the region, countering U.S. sanctions and efforts to separate Iran economically. Additionally, the railway aligns with China's "Belt and Road Initiative," which aims to create a network of trade routes that enhance connectivity and economic collaboration across Asia and outside. This initiative is vigorous for China as it seeks to secure energy supplies while endorsing its geopolitical interests. The railway's development is a strategic move to ensure that energy imports can avoid maritime routes, thus reducing vulnerability to potential U.S. naval blockades during conflicts (uscc.go, 2022).

The future of China-Iran Railway plays a central role in addressing China's energy security concerns by enhancing logistical connectivity and facilitating the flow of energy resources. As China continues to expand its sources of oil, Iran remains a significant supplier, providing a stable and long-term source of oil and gas. This relationship is energetic for China's energy security, especially as its demand for oil is predictable to increase in the coming years. The railway would not only streamline the transportation of energy resources but also integrate Iran more closely into China's "New Silk Road" initiative, which aims to improve trade and investment across the region. Moreover, the railway is seen as a strategic investment for China, allowing it to tap into Iran's emerging market economy. This connection is necessary for boosting China's geopolitical influence in the Middle East, as Iran's geographical position is unique for realizing both the land-based and maritime components of the New Silk Road. By establishing a vigorous transportation network, China can ensure a more reliable supply chain for energy resources, which is serious for maintaining its economic growth and energy security. However, the development of the railway is not without challenges. Also security concerns posture a significant hurdle, as the railway could become a target for extremist groups or militias. The doubt surrounding China's military capability and

inclination to protect such infrastructure raises questions about the viability of the project. Addressing these security issues will be critical for the successful implementation of the railway and for safeguarding that it effectively contributes to China's energy security (Domínguez, 2015)

The Malacca Strait is a serious maritime route for China's energy imports, but its vulnerability poses weighty risks to China's energy security. As a response, alternative trade routes are being explored to alleviate this dependence. So, one potential alternative is the diversion of oil tankers through the Sunda and Lombok Straits, which connect the Java Sea to the Indian Ocean. These routes could provide a feasible option if the Malacca Strait were to be closed due to a blockade or an accident. The change through these straits could occur with minimal disruption to delivery schedules, thus maintaining the flow of energy imports to China. Another significant substitute is the development of land-based energy transport systems via pipelines. The Chinese government has been actively chasing bilateral pipeline agreements with energy-rich neighboring countries like Myanmar and Russia. This strategy aims to create a more secure and efficient energy supply chain that are less inclined to maritime threats such as piracy and terrorism, which are predominant in the Malacca Strait. The Belt and Road Initiative (BRI) also plays a crucial role in this context. It aims to establish a network of land and sea routes that enhance regional energy collaboration and economic prosperity. By participating in infrastructure that connects major sea ports and land routes, China can expand its energy supply sources and reduce its belief on the Malacca Strait. However, while pipelines offer a promising alternative, they come with their own set of weaknesses. Pipelines are immovable and can be at risk to disruption or military action, which could disturb energy flows. Additionally, the construction costs of pipeline systems are meaningfully higher than those of maritime transport, making them a less supple option in some situations (Siklós, 2016).

Diplomatic Balancing Act

Pakistan finds itself in a complex situation as it navigates its historical ties with Iran while instantaneously raising a healthy economic partnership with China. Historically, Pakistan and Iran share cultural, religious and geographical connections, which have laid the groundwork for a probable partnership. However, in spite of these linkages, the economic collaboration between Iran and Pakistan has not reached its full potential due to numerous global, regional and domestic challenges. On the other hand, Pakistan's relationship with China has significantly reinforced, particularly through initiatives like the China-Pakistan Economic Corridor (CPEC), which has opened avenues for economic growth and infrastructure development. This partnership is critical for Pakistan, especially in light of its strategic location and the need for economic stability. China has emerged as Pakistan's closest ally, providing not only financial support but also a counterbalance to the impact of the United States in the region. The delicate balancing act becomes obvious when considering the Iran-Pakistan Gas Pipeline project, which has faced various hurdles, including U.S. sanctions on Iran and security fears in the border regions. While Iran has expressed a desire to collaborate on energy projects, Pakistan's promise to its relationship with China muddies this endeavor. The potential for trilateral cooperation among Pakistan, China and Iran exists, but it requires careful cooperation and alignment of interests to overcome the challenges postured by external pressures and internal dynamics (Raza, 2019).

Pakistan's strategic positioning between Iran and China requires a delicate diplomatic balancing act to maintain equilibrium and maximize benefits from both relationships. To attain this, Pakistan can chase several strategies. Firstly, promoting trilateral collaboration projects, such as integrating the China-Pakistan Economic Corridor (CPEC) with the China-Iran Railway, can create mutually valuable economic and logistical networks. Secondly, consolidation bilateral trade agreements with Iran can diversify Pakistan's economic companies and reduce over-reliance on a single ally. Thirdly, reviving energy projects like the Iran-Pakistan gas pipeline can safeguard a steady energy supply, enhancing energy security while deepening economic ties with Iran. Furthermore, Pakistan can act as a cultural and economic bridge, leveraging its shared cultural tradition with Iran and its strategic alliance with China to foster regional collaboration. This includes introducing cultural exchange programs and joint economic zones to build joint trust and economic interdependence. Additionally, Pakistan should preserve a balanced foreign policy, avoiding predicament in regional conflicts and adopting a neutral stance to alleviate geopolitical risks. By implementing these strategies, Pakistan can navigate the difficulties of its relationships with Iran and China, safeguarding stability and prosperity.

Regional Connectivity and Economic Synergies

The China-Iran Railway, also known as the Five Nations Railway Corridor (FNRC), would create an energetic link between China and Iran, spanning approximately 2,100 kilometers. By connecting China's western Xinjiang region to Iran's Chabahar and Bandar Abbas ports, the railway enables efficient movement of goods, reducing transportation time and costs. Beyond China and Iran, the FNRC also benefits neighboring countries like Afghanistan, Tajikistan and Kyrgyzstan. These nations gain access to international markets, nurturing economic integration and cultural exchanges. It improved connectivity inspires tourism, educational collaborations and people-to-people contacts, contributing to regional stability and understanding. Additionally, this railway project not only offers a direct overland route between China and Iran but also integrates into the broader Belt and Road Initiative (BRI) network, connecting Asia to Europe through Central Asia and the Middle East. The improved connectivity reduces transportation time and costs, making trade routes more efficient and dependable. This railway can serve as an energetic conduit for goods, energy resources and raw materials, easing smoother and faster trade flows across the region. For countries along the route, it offers new economic corridors, development trade linkages and economic integration. Moreover, the railway's potential to connect with other regional set-up projects, such as the China-Pakistan Economic Corridor (CPEC), amplifies its impact, creating an inclusive network that boosts regional trade and economic collaboration.

The railway holds huge potential for trade expansion. Chinese exporters can efficiently transport goods to the Persian Gulf and European markets via Iran. Iran, with its rich energy resources, can export oil and gas to China and beyond. This brings into line with China's growing energy demands. The FNRC complements China's Belt and Road Initiative (BRI), promoting economic assistance and infrastructure development. Also, investment opportunities rise from railway construction, technology transfer and joint ventures. Iran's rail network needs upgrades, attracting foreign investors. As trade volumes increase, economic activity in the region grows, promoting local businesses, job creation and revenue generation. Furthermore, the economic synergies generated by the China-Iran Railway are thoughtful. By improving

convenience and reducing logistical bottlenecks, the railway can attract considerable investments into the region. Businesses are likely to benefit from improved supply chain efficiencies, prompting enlarged industrial activity and the establishment of new manufacturing hubs along the route. This incursion of investment can branch economic growth, creating jobs and driving development in underdeveloped areas. Additionally, the railway enhances energy security for both China and the region, facilitating the transport of oil and gas from Iran to China and potentially extending to other energy-rich regions. This secure and effectual energy supply can power industries and support economic expansion. Furthermore, the railway promotes regional economic cooperation by inspiring joint ventures and partnerships, as countries work together to leverage the infrastructure for mutual benefit. The snowballing effect of these economic interactions is a more interconnected and wealthier region, with the China-Iran Railway serving as a catalyst for supportable development and economic growth.

Challenges

1) Geopolitical Tensions

The deepening partnership between China and Iran, demonstrated by the ambitious China-Iran Railway project, is likely to stir geopolitical tensions. Regional powers such as Saudi Arabia and the United Arab Emirates, which view Iran as a rival, may take in this growing alliance as a threat to their regional dominance. Similarly, global players, particularly the United States, which has wanted to isolate Iran economically and politically, might respond with increased diplomatic and economic pressures on both China and Iran. This sharp tension could lead to a more unstable regional security environment, complicating international relations and potentially impacting global trade routes.

2) Economic Competition

India, which has sophisticated strategic interests in Iran, especially through projects like the Chabahar Port, may feel marginalized by the China-Iran Railway initiative. This project could dominate India's investments and reduce its strategic position in Iran, leading to economic and political resistance between these regional powers. As China expands its influence in Iran, India might seek to boost its own regional coalitions and economic projects, potentially leading to a competitive economic environment. This competition could upset regional trade dynamics and influence the distribution of investment resources in the region.

3) Security Concerns

The increased presence of Chinese investments and workers in Iran and the broader region could attract the attention of rebellious and terrorist groups. These groups may see Chinese infrastructure projects as well-paid targets for attacks, aiming to upset economic activities and undermine the region. So, safeguarding the security of the railway and associated investments will require considerable resources and cooperation between Chinese and Iranian security forces. The need for amplified security measures could strain

local resources and create additional challenges for preserving a safe and secure environment for economic activities.

Prospects

1) Enhanced Connectivity

The China-Iran Railway promises to pointedly enhance regional connectivity, creating a direct overland route between China and Iran. This improved infrastructure decreases transportation time and costs, making trade routes more efficient and reliable. By connecting with other regional projects, such as the China-Pakistan Economic Corridor (CPEC), the railway forms part of an inclusive network that facilitates smoother trade flows across Asia, the Middle East and Europe. Also, it improved connectivity can rouse economic activities, promote regional collaboration and create a more combined economic landscape.

2) Economic Growth

The railway project is predictable to attract substantial investments into the region, spurring industrial activity and the establishment of new built-up hubs along the route. These investments can drive economic growth, create jobs and contribute to the development of underdeveloped areas. Improved infrastructure and concentrated transportation costs increase the competitiveness of local industries, boosting further economic activities and growth. By promotion a beneficial environment for business and trade, the railway project can significantly boost the region's economic prospects.

3) Energy Security

One of the key benefits of the China-Iran Railway is its role in improving energy security. By providing a secure and unfailing overland route for energy imports from Iran, the railway reduces China's dependence on vulnerable maritime routes such as the Malacca Strait. This direct supply line makes sure a steady flow of energy resources, critical for China's economic stability and growth. Additionally, the railway can assist regional energy cooperation, enabling other countries to benefit from more secure and diversified energy supply routes. This enhanced energy security supports maintainable economic development and decreases the risks associated with energy supply disturbances.

Conclusion

The China-Iran Railway, as a major part of the Belt and Road Initiative (BRI), stands to reshape the regional economic and geopolitical landscape. By providing a direct overland route between China and Iran, the railway project develops connectivity, reduces transportation time and costs and fosters economic integration across Asia, the Middle East and Europe. This improved infrastructure not only lifts up regional trade and investment but also contributes to energy security by offering a reliable alternative to the exposed maritime routes. For Pakistan, integrating the China-Iran Railway with the China-Pakistan Economic Corridor (CPEC) can create new economic corridors, rouse industrial growth and enhance its strategic importance in the region.

However, the project also brings together challenges, particularly in terms of geopolitical tensions and economic competition. The deepening China-Iran partnership could inflame reactions from regional powers and global players, leading to enlarged diplomatic and security concerns. Pakistan's strategic positioning vis-à-vis China and Iran requires careful diplomatic balancing to preserve stability and leverage the benefits from both partnerships. By promoting trilateral cooperation, expanding economic engagements and maintaining a neutral foreign policy, Pakistan can sail across these complexities and contribute to regional stability and fortune. Overall, while the China-Iran Railway presents significant opportunities, it also demands strategic foresight and swift diplomacy to fully realize its potential benefits.

For improving the China-Iran Railway project, stakeholders should focus on increasing multilateral collaboration among China, Iran and Pakistan. This cooperation will make sure combined implementation of the railway and involve neighboring countries to create an encouraging environment for cross-border trade and connectivity. Additionally, participating in modern rail infrastructure, streamlining customs procedures, addressing security concerns, instituting Special Economic Zones (SEZs), upholding environmental sustainability and fetching local communities and private sector players are crucial steps for successful project outcomes.

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