

Geo-economic Significance of Central Asia for India

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Abstract

Central Asia has vast deposits of hydrocarbon resources. India is one of the fastest growing economies in the world. There is a tremendous increase in the demand for energy in the country. India is over-dependent for its energy resources over the unstable west Asia. To meet the growing demand for energy and sustain the growth rate of economy India needs to plan the sources of the energy supply from the new avenues. The central Asian region can be one such avenue. The region is not only in close proximity to India but India has also historical and civilisational links with the region. This study provides information about the energy potential of Central Asia and the rivalry among the powers of the world in general with special focus on India's role. It also analyses the historic, current and future trends in relations between India and Central Asia.

Keywords

Central Asia, Energy Resources, Energy Potential, Hydrocarbon Resources, Oil Production.

Introduction

Central Asia, the landlocked continental area, comprises of five republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. The region lies at the heart of Eurasia. These states got their sovereignty after the split of the Soviet Union in 1991. The disintegration led to an economic slump in these Central Asian countries. The three states Turkmenistan, Uzbekistan, and Kazakhstan are on the track of rapid recovery in last decade stimulated by growth in energy exports mainly oil and natural gas. This trend is reinforced by the rise of energy demands across the world. Though energy resource endowment and the size of the energy reserve deposits varies from country to country, these states equally ponder advantageously utilizing the revenues generated by oil and gas for their economic development. The region has received further global attention due to increasing energy demands. Much of the energy resources remained untapped during the Soviet era. The disintegration of Soviet Union in 1991 has changed Central Asia into a centre of global politics. The recently independent states of Central

Asian republics have been firmly put into geopolitics among the major powers for their huge unexploited energy reserve deposits discovered after their independence.

Central Asia has vast deposits of hydrocarbon resources. India is one of the fastest growing economies in the world. There is a tremendous increase in the demand for energy in the country. Leena Srivastava and Ritu Mathur argue that “high growth in GDP results an increased output of goods and services, having implications in terms of increasing energy requirements in the country.” (Asian Development Bank, 2009, p.2). To meet the growing demand for energy and sustain the growth rate of economy India needs to plan the sources of the energy supply from the new avenues. The central Asian region can be one such avenue. The region is not only in close proximity to India but India has also historical and civilisational links with the region.

This study provides information about the energy potential of Central Asia and the rivalry among the powers of the world in general with special focus on India’s role. It also analyses the historic, current and future trends in relations between India and the region of Central Asia.

Recently, Central Asia gained attention due to increase in the number of oil and gas fields exploited. This happened due to change in the outlook, with emerging focus on the number of new energy markets which surround Central Asia. The surge in the investment from the eastern countries has facilitated the Central Asian republics to diversify their export markets, improved transportation facilities, better exploitation of resources and less dependence on Russian Pipeline Network. China in the east and India in the south are the neighbouring states of Central Asia region. The neighbourhood of the world’s two fastest-growing economies has led to the rapid development in Central Asia’s energy market. China has invested heavily in the energy sectors in the region and constructed oil refiners and pipelines across the region to meet it’s domestic energy demands. China maintains its commitment to a non-zero sum game based on mutual benefits. India’s engagement and consistent efforts to take the advantage of the huge energy reserves of the Central Asian region have increased significantly over the years. Following is given the statistical data of Central Asia energy resources.

Central Asia Energy Resources

Table 1

Central Asia Republics: Proven Oil Reserves in Thousand Million Barrels

Country / Year	1995	2005	2014	2015	2016
Kazakhstan	5.3	9.0	30.0	30.0	30.0
Turkmenistan	0.5	0.5	0.6	0.6	0.6
Uzbekistan	0.3	0.6	0.6	0.6	0.6
Total	6.1	10.1	31.2	31.2	31.2

Source: BP Statistical Review of World Energy. (BP Statistical Review, June 2017, p. 12).

Table 1 presents the proven oil reserves of Central Asian states from 1995-2016. As per the above statistics, Kazakhstan has 5.3 thousand mb/d of proven oil reserves; Turkmenistan has 0.5 and Uzbekistan 0.3 thousand mb/d. There was a significant increase in the proved oil reserves of Kazakhstan and reached from 5.3mb/d in 1995 to 30 thousand mb/d of oil in 2016. Similarly, the data shows there are also increasing, although constant from 2005 onward, from 0.5 and 0.3 to 0.6 both in Turkmenistan and Uzbekistan respectively. Among the three republics, Kazakhstan has the highest share of 1.8% of worlds total proven oil reserves.

Table 2

Central Asian Republics Oil Production in Thousand Barrels per day

Country / Year	2005	2009	2013	2015	2016
Kazakhstan	1294	1609	1737	1695	1672
Turkmenistan	193	214	240	261	261
Uzbekistan	115	95	61	57	55
Total	1602	1918	2028	1994	1988

Source: BP Statistical Review of World Energy. (BP Statistical Review, June 2017, p.14)

Table 2 depicts the oil production of Central Asian republics from the years of 2005, 2009, 2013, 2015, 2016, which were 1602 barrels per day, 1918 barrels per day, 2028 barrels per day and 1994 barrels per day and 1988 barrels per day in respective years. Among the Central Asian republics, it is the Kazakhstan which leads in oil production at the end of 2016 which is 1672 barrels per day. The oil production

was increasing constantly from 2005 onwards till 2013. In the last two years, there is a slight decrease in the production of oil in Kazakhstan and Uzbekistan as the production decrease from 1737 thousand barrels per day to 1695 barrels per day in 2015 and further to 1672 barrels per day at the end of 2016. Similarly, the production in Uzbekistan dropped from 115 barrels per day in 2005 to 95 in 2009 and from 95 barrels per day to 61 in 2013 and further below to 57 and 55 barrels per day at the end of 2015 and 2016 respectively. The production in Turkmenistan is constantly increasing. It increases from 193 barrels per day in 2005 to 231 barrels per day at the end of 2016.

Table 3
Central Asian Republics: Proven Gas Reserves in Trillion Cubic Meters

Country	2002	2005	2014	2015	2016
Kazakhstan	1.3	1.3	1.0	1.0	1.0
Turkmenistan	2.3	2.3	17.5	17.5	17.5
Uzbekistan	1.2	1.2	1.1	1.1	1.1
Total	4.8	4.8	19.6	19.6	19.6

Source: BP Statistical Review of World Energy. (BP Statistical Review, June 2017, p. 26).

Table 3 presents information about the proven gas reserves in Central Asia republics from 2002 to end of 2016. Among the CARs, Turkmenistan is the leading state which has highest proven gas reserves. The total proven reserves of gas of CARs were 4.8 trillion cubic meters in 2002 which have increased up to 19.6 trillion cubic meters at the end of 2016.

Table 4
Central Asian Republics: Gas Production in Billion Cubic Meters (BCM)

Country	2006	2009	2012	2014	2015	2016
Kazakhstan	13.4	16.5	17.2	18.7	19.0	19.9
Turkmenistan	60.4	36.4	62.3	67.1	69.6	66.8
Uzbekistan	56.6	55.6	56.9	57.3	57.7	62.8
Total	130.4	108.5	136.4	143.1	146.3	149.5

Source: BP Statistical Review of World Energy. (BP Statistical Review, June 2017, p. 26).

The Table 4 represents the gas production in Kazakhstan, Turkmenistan and Uzbekistan from year 2006 to the end of the year 2016. The gas production in Kazakhstan increased constantly from 13.4 bcm in 2006 to 19.9 bcm at the end of 2016. In Turkmenistan it increases from 60.4 bcm in 2006 to 66.8 bcm at the end of 2016. However, in 2008-2009 the gas production in Turkmenistan decrease drastically due to global recession and demand for gas in Europe and domestic demand in Russia started to decline rapidly. (Vasanczki, November 2011, pp-9-10). Lastly, the production increased from 56.6 in 2006 to 149.5 bcm at the end of the year 2016 in Uzbekistan. The over all production in all the the three states increased from 130.4 bcm in 2006 to 149.5 bcm at the end of the year 2016.

Table 5
Production from Mines (tons Uranium/tU):

Year / Country	2007	2008	2009	2010	2011	2012	2013	2014	2015
Kazakhstan	6637	8521	14020	17803	19451	21317	22451	23127	23800
Uzbekistan	2320	2338	2429	2400	2500	2400	2400	2400	2385
Total	8957	10859	16449	20203	21951	23717	24851	25527	26185

Source: World Nuclear Association, 2015 (<http://www.world-nuclear.org/information-library/country-profiles/countries-g-n/kazakhstan.aspx>)

The Table 5 represents the Uranium production in the two countries of the CARs from 2007 to the end of the year 2015. Which increases constantly from 6637 tons in 2007 to 23800 tons at the end of 2015 in Kazakhstan and it increases from 8957 tons in 2007 to 2400 tons at the end of 2014 in Uzbekistan. But the data shows the decline in production of the uranium in the year 2015 in Uzbekistan.

Kazakhstan's production of the uranium from mines is largest in the world. Kazakhstan's production of uranium is 39% of world supply from mines in 2015, followed by Canada (22%) and Australia (9%). At the same time, Uzbekistan produces the world's seventh largest share from mines.

For a long time, the energy infrastructure of the Central Asian region remains under-developed and that has obstructed the path of transforming the raw material into the output. Moreover, the region relied on the international companies to provide export routes. The region mostly was dependent on Russia's ageing pipelines. As a result, there was secondary access to these states to the Western markets. Central Asian republics wanted to diversify their export destinations

after they attain sovereignty. But there are several challenges that discourage the Western companies from investing in the region. These include insufficient infrastructure, accessibility and security concerns in the region. As a result, the large quantities of oil and gas resources remain untapped and unexploited. This restrained the region from cheap transport and access to globalized economies. As a result, the costs are higher as compared to the rest of the world. The region is in a continuous effort to deal with these obstructions by various steps in the form of various agreements and programs, like “CAREC (Central Asia Regional Economic Cooperation) program”, and the cooperation like CNPC (China National Petroleum Corporation), TAPI (Turkmenistan, Afghanistan, Pakistan, India), BTC (Baku –Tbilisi-Ceyhan), and other pipelines. All these efforts will help the region to not only lessen its over-dependence over the Russian infrastructure but will also connect the region with the market-driven globalized economy.

From the details given above, it can be seen that there are vast deposits of hydrocarbon resources in the Central Asian States particularly in Turkmenistan, Kazakhstan, and Uzbekistan. After the Soviet Union disintegration, these states have made significant efforts in the process of transition. Given the huge demand for the energy resources in global markets, these states paid substantial attention to the development of the energy sector. Central Asia has a geo-economically advantageous location. Some of the fastest growing economies in the world are surrounding the region. Furthermore, the region’s resource potential has not only become the pulling factor for the attention of the world giant powers and the emerging economies of the world but has also been crucial for the growth of home economies. Because the most part of the GDP share of these states is the energy sector.

The Central Asian region has become a ground for competition for energy resources among the world powers like USA, China, India, Russia, Turkey and Iran, etc. The intense rivalry among these powers referred as the “New Great Game.” In the “New Great Game”, every power is trying to increase its influence in the region, directly or indirectly. There are both strategic as well as the economic interests of the external powers in the region. But, it is the economic interest which pre-dominates the strategic one. The current trend of the ‘New Great Game’ in Central Asia makes the observations of Mackinder and Rudyard Kipling relevant. Mackinder’s is relevant when he said that, who rules the Heartland commands the World-Island, who rules the World-

Island commands the World. And Rudyard Kipling, the famous British writer said that when everyone is dead, the Great Game is finished. Not before. Changing geopolitical and geo-economic scenario of the world motivates the superpowers to increase their dominant influence in the region. On the one side, the rivals are in a severe competition to tap up as much energy potential of the region as they can. On the other hand, the competition pushes these powers to dominate this 'heartland' to maintain their dominance in the world at large. This economic and strategic significance of the region has sustained and intensified the rivalry and competition among these great powers. Notably, in this New Great Game unlike the original Great Game (the 19th-century diplomatic confrontation between the Russian and British empires over and around Central Asia and Afghanistan region) the local states are also a part. These are now sovereign states. These states are now trying to take advantage of this competition to their respective advantages and try to attract the capital in their economies for tapping up of the energy potential to boost their economic growth.

This landlocked region that lies between China, Russia, Afghanistan, Turkey, Iran, and Pakistan has possibly largest energy resources outside the Gulf region. Kazakhstan has significant oil resources. Turkmenistan has a substantial amount of gas reserves. Uzbekistan has moderate hydrocarbon resources. Kyrgyzstan and Tajikistan meanwhile, have surplus hydropower. But, strangely India does not seem to have understood strategic significance of their region so far unlike China. With \$46 billion trade in 2014, China is the biggest trading partner of the Central Asian region followed by Russia at \$28 billion and India's trade stands only at \$1.6 billion (Muzalevsky, 2016). Central Asia has vast deposits of hydrocarbon resources. India is one of the fastest growing economies in the world. There is a tremendous increase in the demand for energy in India. Energy is also vital input across all the sectors of the economy. India's high growth in the gross domestic product (GDP) results in climb in the output of goods and services. The energy consumption in India is fourth largest after China, United States of America and Russia. The total primary energy consumption from crude oil is 29.45%, from natural gas it is 7.7%, from coal 54.5%, and from the nuclear energy the energy consumption amounts 1.26%, from hydro-electricity it is 5.0%. Besides, from biomass electricity, wind power, and solar power is 595 MW in the year 2013. India is dwelling place of 18% of the world's population. But India uses only 6% of the

world's primary energy (India Energy Policy, Laws and Regulations-Handbook, 2015, p. 56). India's energy consumption has almost doubled since 2000 and the potential for further growth is enormous. According to IMF World Economic Outlook Report April, 2017, India's economy is third largest in the world in terms of purchasing power parity (PPP) and ranks 6th in terms of nominal Gross Domestic Product (GDP). India's economy is growing speedily and policies are in place to focus ahead with the country's modernization and an expansion of its manufacturing. Achievement of well planned and well-managed expansion of energy supply of energy can prove a boon for the country in terms of improving welfare, standard and quality of life of 1.3 billion populations. The requirement of energy needs in the country is ever increasing. The energy consumption in India is fourth biggest after China, United States of America and Russia. Policy-makers at national and state levels are deepening their efforts to ascertain that energy is a boon, rather than an impediment, to India's advancement, looking to removing impediments to investment in energy supply while also focusing on energy efficiency and pricing reform.

Historically, India and Central Asia are not unfamiliar with each other. Indeed, the Central Asian relationship was significant at the time of Delhi Sultanate and it continued till the demise of Mughal Empire. Indo-Central Asian relations began to fade only after imposition of British rule in the subcontinent. But again, after the independence, India remained the close ally of the former Soviet Union and has close ties with these states being part of former USSR. These ancient ties serve as the basis for the relations between India and Central Asia. India has historical and civilizational linkages with Central Asia. These historical and civilizational bonds with Central Asian states have been translated into warm and friendly relations. India is one of the first countries to open diplomatic missions in the capitals of all the five Central Asian Republics immediately after independence. India realized the strategic importance of the Central Asian region very early. Relations between India and Central Asia started off well when Prime Minister of India Mr. Narsima Rao undertook visits to newly independent states after few years of their independence from the erstwhile Soviet Union. He visited Kazakhstan and Uzbekistan in 1992 and followed it with visits to Turkmenistan and Kyrgyzstan in 1995. To Tajikistan, it was Prime Minister Atal Bihari Vajpayee who visited the state in 2002. India and Central Asia had the robust exchange of visits of their leaders and have signed a number of cooperation agreements.

India's culture has deep linkages with Eurasian past due to active trade along "Silk Route" between India and Eurasia in past. Silk route, besides trade route, acted as a route for transfer of ideas, religions and culture that enriched both the regions. Buddhism has spread across the steppes of Eurasia. The warmness for Indian culture is expressed in Central Asia's deep curiosity in Indian cinema, Indian art and music. This curiosity intensified further during erstwhile Soviet Union times. Despite that India did not capitalize and remained far behind in strengthening relations with the region. As per many analysts, India has been a bit late to reach out to this energy rich and strategically important region of the world largely due to natural obstacles like limited land connectivity and hostility with Pakistan and unstable Afghanistan. Prof Ajay Patnaik noted that; "India's strategic concerns are tied up with Central Asia region and Central Asia may also be a future source used to supply India's energy requirements. Despite these strategic imperatives, India took a while to focus on its strategic interests in Central Asia. As a result, its level of engagement has below that of other powers and the advantages it had due to its historical and cultural affinity with the Central Asian region has lost." (Patnaik, 2011, p. 91). In almost similar note K Subramanian put forth the point that, "India is caught in the Central Asian vortex. It woke up rather late to the strategic importance of the area. It was only in 2012 that the Connect Central Asia policy was launched. Though in our diplomatic parlance we refer to the historical and cultural ties, our relations with the CARs in recent decades have remained low. In later years, our attention was more to counter Pakistan-sponsored terrorism than to promote economic cooperation. During the same period, China vastly expanded its economic relations with the region through trade, investment, etc." (Subramaniam, 2015). India needs to pursue its historical connect to CARs to give impetus to cordial relations to the CARs. New Delhi realized the significance of this vital geostrategic space and already took several initiatives to revive the ancient linkages to Central Asia. Some of the initiatives are 'Connective Central Asia policy', building Chabahar port in Iran and Zeranj Delaram road in Afghanistan etc. These initiatives are positive developments in connecting the two regions. Moreover, focus should be given on the alternatives connective projects keeping in view volatile Afghanistan and uncertainty in relations with Pakistan. It is crucial for India to have a foothold on this vital geo-strategic space.

India recognizes CARs as close political partners in the key element of foreign policy of 'extended neighbourhood'. India is pro-

active to reach this region mainly through its CCAP, based on economic engagement, political engagement and people to people connect with CARs.

India is in a continuous effort to rebuild Afghanistan. India already built Zaranj Delaram road and invest in many other infrastructures to make Afghanistan suitable link to connect central Asia. India realized the importance of the Afghanistan for the entire south and Central Asian region. The way forward is in converting Afghanistan into a hub for trade and energy, connecting Central Asia and South Asia. The land mark agreement over the construction of the TAPI pipeline has put forth the importance of the Central Asian region for India's future energy plans.

Many analysts believe India fails in fulfilling aspirations of Connect Central Asia Policy (CCAP) until recently. Moreover, India remains an insignificant player in the New Great Game whereby unable to match with other powers like Russia and China. On the one side, there is a discussion about China's increasing geo-economic influence in India's geostrategic space- Central Asia at the same time, India's apparent position in Central Asia reflects unwillingness and inability to invest the significant amount of diplomatic, military and economic investment to transform CCAP into practice. Moreover, there is much talk in India about the geostrategic importance of central Asia as a geostrategic space for India, yet India is not present among dominant players in the Central Asia States. Laruelle and Peyrouse noted that, "talk of the priority, New- Delhi gives to Central Asia and efforts to cut a major figure, these are more aspirational than actual and its discursive activity by far exceeds the reality of bilateral relationships." (Campbell, 2013, p. 10).

Central Asia is important geo-economically as well as geo-politically for India. India has both opportunities and challenges to reach CARs. Being the hub of huge hydrocarbon resources the region can secure India's increasing energy demand in long run and can reduce the India's over dependence for the energy resources over the unstable Middle East. For India, importance of Central Asia lies in its historical and civilisational links. Devandra Kaushak noted that, "few regions of the world can claim such uninterrupted multifaceted ties going back to antiquity as India and Central Asia." (Kaushak, 1998, p. 231). K. Warikoo notes that, "today, which (Central Asia) lies as a bridge between Asia and Europe, rich in natural resources and the shortest transit

route to Europe, is geopolitically axial and offers a lot of economic opportunities.”(Warikoo, 2011, p. 223). From the Indian perspective, the importance of Central Asian region needs to be seen in a context of energy needs. In addition to oil and gas, Central Asia has uranium reserves. Securing assured energy supply is crucial for the continuum of India’s economic growth and development. India presently imports most of its oil consumption. A major portion of it is imported from the unstable middle east region. Therefore, energy security is a vital element of India’s national interest and foreign policy. Ivan Campbell notes that, “with India projected to become ever more reliant on imported energy, reducing dependence on the middle east and cultivating alternative sources of energy has become a vital concern. Central Asia contains vast hydrocarbon fields both onshore and offshore in the Caspian Sea.” (Campbell, 2013, p. 3). CARs are rich in hydrocarbon resources like oil and natural gas. Most of this is found in Kazakhstan, Uzbekistan and Turkmenistan. As per UNESCO Science Report, “Kazakhstan and Turkmenistan have abundant natural gas reserves and Uzbekistan’s own reserves make it more or less self-sufficient...Kazakhstan has the world’s largest uranium reserves.” (UNESCO Report, 2016, p. 365). So, the region could be tapped as a source of uranium for India’s civilian nuclear program, which would in the long-run help diversify its energy base.(Campbell, 2013). This reflects importance of the Central Asia region for India’s energy security policy.

India is projected to proceed growing at a robust pace by International Monetary Fund (IMF). India’s demand for oil is anticipated to increase from 122 million tons in 2001-02 to 196 million tons in 2011-12 to 364 million tons in 2024-2025. The domestic production during this period is expected to increase from 26 million tons in 2001-02 to 80 million tons in 2024-25. A per International Energy Agency (IEA) report, “India is projected to experience the largest increase in oil demand of any country in the world-6 million barrels per day (mb/day), followed by China 5 mb/day.” (World Energy Outlook, 2015. p. 63). The reason for this is as the GDP of India is expected to grow at an annual rate of 6.5% over the future 25 years (World Energy Outlook, 2015, p. 37). Gross Domestic Product refers to the final value of all goods and services produced in a financial year and are broadly assumed as size of any economy. The rapid growth of gross domestic product will enable India to become a crucial driver for energy consumption over the long term. Besides, India has negligible oil reserves as compared to the global

oil reserves. Thus, India has to heavily rely on imports of oil due to huge gap between the domestic production and the consumption level in country. Hence, India is expected to contribute a ample share of the oil imports in the future, which indirectly makes it an crucial factor for crude oil demand. Lastly, according to IEA, a majority of India's oil demand growth is expected to be driven by the transportation sector. Currently, the vehicle ownership is significantly lower compared to the developed countries, such as the United States of America and the United Kingdom, as well as emerging countries, such as Brazil. Hence, India's growing economy will augment growth in the transportation sector, which will consequently, boost its demand for oil in the long term (India Energy Outlook, 2015, p. 12). Thus, India's demand for oil will increase due to number of reasons such as fast growth in the country's Gross Domestic Product, low level of per capita energy consumption and deficiency of reserves.

In the similar fashion, the requirements of the gas situation are grim in India. As per IEA report, in the New Policy Scenario, the production of natural gas show positive trend by increasing from 35bcm in 2013 to about 90 bcm in 2040. But at the end creates deficiency of 80 bcm that needs to be fulfilled or meet by imports. (World Energy Outlook, 2015, p.527). This deficiency can be tackled met by exploring the gas potential in general in Central Asia and particularly in Turkmenistan. The exploration of gas in Central Asia will not only enable India to meet its short term increasing demand for gas but will prove as a long-term destination for overcoming the India's growing demands for gas and other energy requirements. This mandated India's multifaceted engagement with the energy producing countries particularly the Central Asia as being the part of India's extended neighbourhood. Furthermore, India should engage with the foreign energy producing and transporting companies, particularly in the Central Asia. This can make possible for India to harness gas interest in the Central Asia region.

There are several challenges in the way to develop relations with the region including the unstable neighbourhood like Afghanistan and hostility with Pakistan which infringes the cheap route to the Central Asian region through Pakistan. India already took various initiatives for the development of Afghanistan but still is unable to motivate Pakistan for the same. And on and again relation between the two bitters. Keeping in mind the fragile relations with Pakistan India already has sorted out the route to connect via Chabahar port through Iran but it would have been less costly if it passes through Pakistan. There is yet another

route to connect Central Asia that is via ancient silk route that passes through Ladakh (Jammu and Kashmir) via China to Central Asia. The alternative connection to reach Central Asia through Ladakh (Jammu and Kashmir). Ladakh has an important geo-strategic location. Ladakh borders are adjacent to Baltistan/Skardu in Pak Adminstered Kashmir to the west, Tibet region and Xingjiang regions of China to its east and north. Ladakh historically and culturally plays an important role being close proximity to Central Asia. K. Warikoo noted that, "Ladakh enjoyed a central position in the network of overland caravan routes that linked to Silk Route. Ladakh acted as an important gateway in the Central Asian exchange of materials, men, and ideas through the ages." (Warikoo, 2011, p. 245). The internal disturbance and communist takeover of Xinjiang region in the 1930s and 1949 respectively deprived Ladakh and Kashmir of their prominent link and the central position of Indo-Central Asian trade that passed through a network of caravan trails criss-crossing Ladakh and Kashmir. (Warikoo, 2011, pp. 245-46). But still, this route has not been taken into consideration by the government. If India can develop this route it would have a demonstration effect on the development of the less developed region-Ladakh as well as the economically cheaper route to reach Central Asia.

Conclusion

India's foreign policy is based on non-interference and non-intervention in the internal affairs and sovereignty of any nation. India is not in any competition with anyone in Central Asia but is in a continuous effort to pursue its national interests both economic and strategic. India's past foreign policy record of Non Alignment Movement (NAM) and Panchshell makes India favourite to the CARs and India can have great influence over the region. India needs to play its cards well enough through its bilateral relations with each of Central Asian republics. This is possible through engaging with Central Asian Republics and develops cordial and cooperative relations with them. By this, reinforced by India as a trustful partner, despite the strong Chinese influence in the region, India will be able to accomplish the goals of its foreign policy in future in CARs. No doubt, India can revive the old routes to connect the 'Old Silk Route' but these links are presently hostage to difficult political relations of India with Pakistan and China as well as the unstable conditions in Afghanistan. But, the prospects of India using these old corridors are more in the long run. India has presently started

to be active in International North South Transport Corridor (INSTC) and Chabahar port to access to Afghanistan and Central Asian Region. Moreover, recent membership in Shanghai Cooperation Organization will help India's renewed linkages to the Central Asian region. Finally, Connect Central Asia Policy (CCAP) of India will enable India to not only increase its presence in the Central Asian region but will also help in pushing its energy agenda in the region effectively. However, the challenge is to bring the policy into practice effectively.

India has realized the practical difficulties to connecting Central Asia. India needs to pursue its CCAP effectively, irrespective of its unimpressive gains till recently, to achieve success in connecting the Central Asian region and tap up energy potential of the Central Asian Republics. The CCAP can further prove an effective tool for India to reach and have influence in the Central Asian region. India along with Pakistan recently became the members of Shanghai Cooperation Organization. This can prove helpful for India's renewed linkages with the Central Asian region. Moreover, it can enable India to take help of the RATs-SCO (The anti-terrorist wing of SCO) to counter the terrorism in India. SCO is an excellent example of confidence building among neighbours through confidence building among neighbours through a settlement of borders. The SCO's process of stabilization of Afghanistan would serve India's interest. SCO can also provide a useful forum to engage China and Pakistan on the issue of regional security. The close cooperation among the present members of SCO can also be helpful in fighting against international terrorism. India's membership in Shanghai Cooperation Organization will enable Indian leaders to communicate with the leaders of the Central Asian states every year. That India lacked before. This can bring the two regions, even more, closer and help in strengthening bilateral relations. Central Asia being in the close proximity to India is not only important from the economic point of view but also strategically. Any disturbance in the region can have a direct effect on India. Therefore the region cannot be neglect by India. Keeping in mind the resource potential of the region and the regions strategic significance for India, India needs the robust foreign policy to deal with the obstruction and the impediments in the way to reach central Asia. Further, the requirement is to revive the old silk route via Ladakh to reach Central Asia.

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