CHANNELING CHANGE

THE TAPI PIPELINE PROMISES ENERGY SECURITY AND ECONOMIC BENEFITS FOR AFGHANISTAN AND ITS NEIGHBORS

By *per Concordiam* Staff

Machines shut down and the lights go dark when the power goes out at Bashir Printing, a textile factory in Faisalabad, Pakistan. Restarting after one outage is hard enough. But electricity shortages interrupt operations about four times a day, wreaking havoc on production.

"The textile industry of Punjab is doomed," the exasperated chief executive of Bashir Printing, Shabbir Ahmed, told *The Economist* in October 2011.

Power outages like this are cutting into Pakistan's economy, eliminating 3 to 4 percent of the country's gross domestic product. Blackouts also complicate everyday life: Food rots in refrigerators. Electric water pumps shut down. Entire cities are left in the dark.

But there is reason to hope in towns like Faisalabad and others in South Asia — a region hit hard by energy shortages.

Following an ancient trade route that once connected Central and South Asia, a pipeline to stream natural gas from Turkmenistan to Afghanistan, Pakistan and India is in the works. Named for each of the four participating countries, the TAPI pipeline will provide critical energy resources and fuel economic growth for each participant.

"The pipeline between Turkmenistan, Afghanistan, Pakistan and India will be a weighty contribution to the positive cooperation on this continent," Turkmen President Gurbanguly Berdimuhamedov predicted in a report published by the Journal of Energy Security.

Backed by the Asian Development Bank, the pipeline has been in development since the mid-1990s. But the project was stalled by security concerns over its route through Taliban strongholds in Afghanistan. When the extremist regime crumbled in 2001, however, leaders began to revive the $7.6 billion (6 billion euros) project. On April 25, 2008, the four nations signed the Gas Pipeline Framework Agreement. Construction should start in 2013, and the pipeline is expected to be operational by 2017.

The project will create a strong financial link among the countries, "and in the long term, the economic profits will create a security ring," political analyst Nasrullah Stanikzai of Kabul University told Pajhwok Afghan News in 2011. "With the launch of this project, all the countries involved, especially Pakistan and India, will gain economic benefits, and eventually political stability will be achieved and this will improve the security in Afghanistan."

Once under way, the pipeline will carry 33 billion cubic meters of gas per year from Turkmenistan's Dauletabad natural gas field. Afghanistan, Pakistan and India are still

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Cars queue to pick up compressed natural gas in Islamabad in January 2012. Once completed, the TAPI pipeline will help alleviate severe energy shortages in Pakistan and India and strengthen the economies of Turkmenistan and Afghanistan.

negotiating how much will go to each country. Initial figures indicate Pakistan and India will each purchase nearly half the gas that travels through the pipeline.

Countries along the route can keep the gas for domestic use or sell it for export. They will also collect transit fees on natural gas that moves through their nation en route to other customers. Afghanistan alone expects to collect about $300 million (235 million euros) in fees annually.

Turkmenistan has the fourth-largest natural gas reserves in the world, holding about 4.3 percent of the global supply, according to the June 2011 "BP Statistical Review of World Energy." Saudi Arabia has nearly the same amount. Others in the region with significant natural gas resources include Qatar (13.5 percent), the United Arab Emirates (3.2 percent), Iraq (1.7 percent) and Egypt (1.2 percent).

Turkmenistan also exports natural gas to Russia and China. The TAPI pipeline provides the former Soviet state with an alternative way to profit from its supply and strengthen its economy. Because Pakistan and India depend heavily on imported energy, the TAPI pipeline will help them address their growing energy gaps. Natural gas accounts for about 44 percent of Pakistan's energy use, followed by oil and coal, according to Pakistan's Center for Research & Security Studies (CRSS).

"Energy shortage, particularly due to the scarcity of gas, has become an importunate menace for Pakistan," wrote CRSS research assistant Ayesha Bint-e-Rafique in February 2012.

As the population grows, the gap between the country's natural gas supply and its increasing demand grows wider, creating a nationwide shortage that results in intermittent electricity outages. These blackouts are "crippling daily life across the country and [are] leading towards the closure of hundreds of industrial units, leaving millions of people, directly or indirectly attached to the textile manufacturing trade, unemployed," Bint-e-Rafique explained.

By 2014, it's estimated that the country will be short 70.7 million cubic meters of natural gas per day. The TAPI pipeline will help fill this gap and create other opportunities for Pakistan's growing economy.

The 1,680-kilometer (1,050-mile) pipeline will go from Central to South Asia, winding through Herat, Helmand and Kandahar provinces in Afghanistan; into Quetta and Multan in Pakistan; and finally to Fazilka in India. For the pipeline to be a success, however, the entire route must be secured.

Afghan President Hamid Karzai has promised to "put in efforts to ensure security both during construction and after completing the project," Radio Free Europe/Radio Liberty reported in 2010. The 1.4-meter (56-inch) diameter pipeline will be buried as deep as two meters (6.5 feet) underground, making it harder for extremists to target.

About 5,000 to 7,000 local security forces will be employed to protect the route, explained Afghan Mines and Industry Minister Wahidullah Shahrani. He expects the project to gain community support because the pipeline brings jobs, along with a power source. It will ultimately play a large role in the reconstruction of Afghanistan.

"We have every reason to believe that the situation in the areas of Afghanistan and Pakistan that the pipeline will run through will stabilize before 2014," Turkmen Petroleum and Mineral Resources Ministry economist Amankeldy Osiyev told Central Asia Online. "Our ministries' experts are now looking into protective systems used in Saudi Arabia, Mexico and Europe. Yes, such systems plus military security will be costly, but we are not going to be the first to use them. Such practices are used even in more peaceful regions." □