

Resource Diplomacy and Development Assistance: An Analysis of Opportunities and Challenges in China–Afghanistan Relations

By

Hashmat Ullah Khan

Research Fellow, Institute for Strategic Studies, Research & Analysis (ISSRA), National Defence University, Islamabad, Pakistan.

Asif Iqbal Dawar

Assistant Professor, Department of Peace and Conflict Studies, National Defence University, Islamabad, Pakistan.

Aman Ullah Khan

, Assistant Professor, Department of Peace and Conflict Studies, National Defence University, Islamabad, Pakistan.

Abstract

In the wake of the US withdrawal from Afghanistan in 2021, the region's geopolitics are shifting, notably the role of China in Afghanistan. This study examines China's increased involvement in Afghanistan after the US withdrawal, focusing on the opportunities and challenges that arise from this engagement. By examining the trajectory of Afghanistan-China bilateral relations, the study addresses a fundamental question: what are the possibilities and challenges China has encountered, and why has China increased its level of involvement in Afghanistan following the US withdrawal? To answer this question, the paper systematically highlights both the challenges and opportunities in bilateral relations between these two neighboring countries. Moreover, the study posits that, unlike Western powers, China provides aid based on noninterference and without political conditions, which resonates well with Afghan stakeholders. However, challenges remain, including terrorism, political instability, weak state institutions, and competing interests from global powers. The study finds that despite China's model offering an alternative to military-based interventions, its success depends on navigating complex regional dynamics and maintaining a long-term commitment to Afghanistan's reconstruction and sovereignty.

Keywords: China-Afghanistan relations, regional security, economic development, strategic interests, non-interference, foreign aid, terrorism, post-withdrawal Afghanistan.

Introduction

Historically, the link between China and Afghanistan dates back to the 7th century, when visitors from modern-day China travelled over the Silk Road to the Buddha sculptures in the Bamyán district of Afghanistan.¹ Several ancient sites of Chinese and Afghan origin have been found during excavations at the Aynak mines. These locations also hold historical significance for China. Afghan and international historians and archaeologists have extensively debated the cross-border cultural ties that span these two areas. With the People's Republic of China at the epicenter of trade, the Silk Road was widely used to create a vibrant commercial connection between Europe and Asia. The history of Afghan-Chinese relations dates back to ancient times; in 128 B.C., Zhang Qian, an ambassador to the Han emperor, is believed to have been the first to visit northern Afghanistan. The Han Dynasty received representatives from King Kanishka of the Kushan Empire in Afghanistan. Although there were obviously both religious and economic aspects to the relationship between the two nations, reciprocal trips persisted into the contemporary era. Mohammad Sharif Khan's nomination on August 30, 1922, marked the beginning of Afghanistan's formal ties with China in the twentieth century. Habibullah Khan Tarzi was appointed as Afghanistan's representative in Nanjing in 1934. Additionally, China and Afghanistan signed a formal declaration of cooperation in March 1944.²

For emerging powers like China, neighboring countries always remain a significant factor because they share a common future and mostly common objectives. Peace, prosperity, and stability in neighborhoods strengthen peace, prosperity, and stability within that country. As an emerging global power, for China it is important to strengthen and build friendly relations with its neighboring countries. Afghanistan, which also shares a border with China, has a 76 km border where the country faces long-term destabilization, terrorism, foreign occupation, weak institutions, civil war, and economic hardship. Instability in Afghanistan has a direct negative impact on China, while a peaceful and prosperous Afghanistan will likely benefit China's rise and help realise the Chinese Dream 2050. Since the beginning, China has been working to promote peace and prosperity in Afghanistan. China-Afghanistan relations are shaped by both internal developments within Afghanistan and external global engagement. This study contributes to the understanding of China-Afghanistan relations after the US withdrawal. It primarily addresses the topic, "What are the possibilities and challenges China has encountered, and for what reason has China increased its level of involvement in Afghanistan following the US withdrawal?" It seeks to understand China's

¹ Andy Scott, "Afghanistan Now Part of China's Central Asian Push," *China Briefing*, September 23, 2018.

² Zabehullah Bashardost, "A Comparative Study on the Afghan-China Relation Based on Afghan-US relation," *Journal of Social and Political Sciences*, 2, No. 2 (2019): 287.

engagement in Afghanistan since the US withdrawal, emphasising the potential benefits the two nations may derive from one another while also examining the difficulties they currently face in their relations. China's foreign policy toward Afghanistan has been based on four key foundations since 2001: first, stability and security; second, the development of the financial system; third, improved governance; and fourth, international assistance.

Research Methodology

This study adopted a case study research design based on qualitative research methodology. A single case of Afghanistan-China bilateral relations was chosen to examine China's post-2014 engagement in Afghanistan. The analysis is based on secondary sources drawn from academic literature, policy briefs, official government statements, think-tank reports, and news sources to analyze the strategic, economic, and security dimensions of China-Afghanistan relations. A qualitative analytical approach is adopted to understand China's foreign policy behavior, particularly its use of economic investment and development assistance as instruments of expanding influence in bilateral relations. Selected Chinese initiatives in Afghanistan, including mining, energy, and capacity-building projects, are examined as case examples to illustrate broader patterns of engagement. This qualitative approach is well-suited as it enables an in-depth understanding of the complex political and strategic dynamics in a fragile post-conflict environment. This study discusses the whole trajectory of China- Afghanistan bilateral relations to propose a structure evaluation of both opportunities and constraints facing China in Afghanistan.

Bilateral Relations during the Period 1955–1979

Following the emergence of the communist regime in 1949, China and Afghanistan established bilateral relations on January 20, 1955. A delegation from Afghanistan met with Zhou Enlai in Beijing in 1956. He then visited Kabul in 1957, and the Afghan Prime Minister, Daoud, visited Beijing in 1959, leading to an official statement calling for expanded collaboration between the two countries. The first Afghan envoy to the People's Republic of China was Abdul Samad. In August 1960, the Treaty of Friendship and Non-Aggression between China and Afghanistan, and in 1963, the "Beijing Treaty" of formal border demarcation was signed, clearly demarcating the 76-kilometre border between Afghanistan and China. Later, in 1964, King Zahir Shah of Afghanistan visited China, leading to a border demarcation agreement between the two countries.³ Over the following years, their bilateral relations experienced both periods of divergence and stability.

³ Jonathan Z. Ludwig, "Sixty Years of Sino-Afghan Relations," *Cambridge Review of International Affairs* 26, No. 2 (2013):395.

In the 1960s, the People's Republic of China extended its first loans to Afghanistan, and numerous steps were taken to strengthen the bilateral relationship, including the signing of several agreements. China provided a \$28.5 million loan to Afghanistan in 1964, which was later increased to \$44 million in 1972. These loans were mainly invested in industrial projects, especially in paper and textile mills. Additionally, during this period, China constructed the Parwan Irrigation System, a significant infrastructure project to enhance Afghanistan's agricultural productivity and water management.⁴

Another significant development in that period was the Saur revolution in Afghanistan. After the 1973 Saur Revolution in Afghanistan, in which the then-prime minister Daud was overthrown, King Zahir Shah was also overthrown in a coup, prompting Beijing to become concerned about its relations with Afghanistan. As in the 1950s, Sardar Daud established close relations between Afghanistan and the Soviet Union; therefore, Beijing hardly regarded Sardar Daud as a good friend. This anxiety turned out to be untrue. Sardar Daud sent his brother Naeem Khan to China to hold talks with Mr. Zhou Enlai. Naeem Khan's visit to China resulted in a \$55 million loan for Afghanistan. It was reserved for more developmental schemes, but their bilateral relations continued to be on a friendly footing during the 1970s, until the USSR attacked Afghanistan.

An Analysis of Bilateral Relations during the Period 1979–2001

In December 1979, the Soviet Union invaded Afghanistan, which made China concerned about the situation as it was expected to lead to deeper Soviet Union involvement and role in Afghanistan. Therefore, China strongly opposed the Soviet occupation of Afghanistan. The USSR's attack on Afghanistan concerned China that the USSR still had the goal of surrounding it with unfriendly governments. Therefore, China opposed the USSR's attack on Afghanistan.⁵ Civil disputes broke out in Afghanistan following the Soviet departure, and as a result, the Chinese mission left in 1993, and ties stalled. After the Civil War started and the rise of the Taliban in Afghanistan, China-Afghanistan relations started to be based on some internal security factors of the PRC and reached their most controversial phase.⁶ Taliban captured Kabul in the midst of 1996 in the midst of chaos, which spread throughout Afghanistan since the beginning of the Civil War, which was started after the USSR's withdrawal. It is clear that China had no role in the formation of the Taliban government and also didn't recognize the Taliban regime.

⁴ Ludwig, "Sixty Years of Sino-Afghan Relations," 397

⁵ Jonathan Z. Ludwig, "Sino-Afghan Relations in the Twenty-First Century: From Uncertainty to Engagement," *Griffith Asia Quarterly* 3, No. 1 (2015): 44.

⁶ Andrew Small, *The China–Pakistan Axis: Asia's New Geopolitics* (London: Hurst, 2015), 187–195.

The Northern Alliance, led by Ahmad Shah Massoud, had close coordination with Tajikistan and was backed by several other countries, including Russia, India, Iran, and the US. Although the PRC dispatched a team to see Mr. Ahmad Shah Massoud in 1998, it refrained from intervening in Afghan internal politics.⁷

Bilateral Relations (2000-2014)

In 2001, after the 9/11 attacks, the People's Republic of China, like many other regional countries, supported the US-led coalition in Afghanistan as it had created a threat to China by providing safe havens to anti-China militant groups, but China was also not in favor of the US's long-term stay in Afghanistan. However, the PRC played no role in this alliance for two similar reasons. First, it wanted to continue her long-lasting strategy of not being involved in armed activities abroad. The reopening of the embassy signaled a new phase in diplomatic relations following the collapse of Taliban control and the return of democratic governance in Afghanistan on February 6, 2002. After the 9/11 attacks and the U.S. attack on Afghanistan, the PRC has played a constructive role in the development of the country. Beijing supported the international community in addressing key issues and supported the plans to reconstruct and develop Afghanistan. China and Afghanistan's ties transformed after 9/11 and the subsequent war on terror that the United States began.⁸ The evolution of their relations over this period reflects rapid shifts in China's perspectives on Afghanistan and its policies toward Kabul. After the installation of the new government in Afghanistan following the 2001 attack, the PRC was among the countries that established relations with the new administration installed under Hamid Karzai's leadership. China reopened its embassy in Afghanistan in February 2002, which had been closed in the early 1990s. At that time, both countries also agreed to improve their collaboration in numerous areas, particularly the economy and technology.⁹ In the post-2001 era, the principal point of PRC policy in Afghanistan remained to enhance its presence in the country.

China assumed that the United Nations would play a crucial role in Afghanistan following the Tokyo conference. Beijing primarily played a supporting role in Afghan affairs and did not become directly involved. It maintained a relatively low profile in Afghanistan. Even though anti-China militant

⁷ Ludwig, "Sixty years of Sino-Afghan Relations," 400.

⁸ Marc Lanteigne, "China's Regional Security Policy and Afghanistan," *Asian Security* 8, no. 3 (2012): 215–233.

⁹ Syed Waqas Haider Bukhari, "The Role of China in Economic Stabilization and Reconstruction of Afghanistan," *Margalla Papers* XVI, No. 1 (2012): 31.

organizations, trying to ignite a separatist movement in China, sought shelter in Afghanistan.¹⁰

For a long time, China and Afghanistan have enjoyed good relations. However, it is also a fact that since the formation of diplomatic ties, the People's Republic of China has shown relatively little interest in Afghanistan until the emergence of the Taliban in 1996.¹¹ After the emergence of the Taliban and the 9/11 attacks, increased its interests. At the end of 2002, they had signed the “Kabul Declaration on Good Neighbors”. In 2006, they signed the “agreement of bilateral cooperation and friendship” during Hamid Karzai's official visit to China as Afghanistan's president. A number of additional agreements, including the Trade and Economy Cooperation Treaty between the two governments, were simultaneously inked in 2006. Nevertheless, because of the worst law and order situation and the substantial number of foreign troops in Afghanistan, the development of their relationship did not significantly improve. However, in 2008, the PRC expressed deep interest in the country after the Afghan government decided to allow foreign investors to invest in the country. In 2010, during the visit of the then-President of Afghanistan, Hamid Karzai, to the People's Republic of China, both states signed 3 agreements on technical and economic cooperation. Duty-free access was given to many goods from Afghanistan to China, and more assistance in mining, infrastructure development, agricultural development, irrigation, and hydro-electric fields was planned. Thus, both countries enlarged collaboration in natural resources, road construction, agricultural development, and power generation.¹² When the PRC started showing interest in Afghanistan, the political leadership as well as the people of both nations started exchanges of regular visits as their policy-makers recognized that when political ties would probably improve, and their corporations would work smoothly. The leaders of both countries also hold meetings on the sidelines of various forums, and the PRC has joined many initiatives, forums, and regional and international organizations aimed at promoting the peaceful resolution of the Afghan issue. Currently, many PRC corporations are engaged in the rebuilding of the Islamic Republic of Afghanistan.

Active Participation in Afghanistan's Affairs from 2009–2014

¹⁰ Marvin G. Weinbaum, *Afghanistan and its Neighbors: An Ever Dangerous Neighborhood*, Special Report 162, (Washington DC: United States Institute of Peace, June 2006), 16

¹¹ Hafizullah Emadi, *China's Foreign Policy towards the Middle East* (Karachi: Royal Book Company, 1997), 18.

¹² Avinash Paliwal, “Silent Game: China's Engagement in Afghanistan,” *Observer Research Foundation*, Issue Brief No. 31, (August 2011), 3.

In 2009, US President Barack Obama outlined his vision for Afghanistan and called on China and other countries to support stability in the country.¹³ For the first time, the United States openly expressed its desire for China to have greater involvement in Afghanistan's related matters. Since 2009, China has been more active in Afghanistan. Beijing offered diplomatic support and provided observer membership in the Shanghai Cooperation Organization to Afghanistan which was helpful in fighting terrorism, drug trafficking, and other crimes in the country.¹⁴ The SCO held its first-ever special international summit on Afghanistan concerns in March 2009. Afghanistan and the SCO together released a declaration on combating organized crime, illicit drug trade, and terrorist activity, launching institutional collaboration to address these problems together. Chinese officials declared that Afghanistan's admission as an SCO observer state "opened up numerous possibilities for China-Afghanistan interactions as well as increased collaboration between Afghanistan and SCO and gave special attention to and firmly backed Afghanistan."¹⁵

The relationship between China and Afghanistan was further strengthened through the signing of a cooperation agreement in 2012. There have been three rounds of China-Afghanistan-Pakistan Dialogues. The first round of discussions between China and Pakistan began on January 21, 2013, along with the introduction of a discussion mechanism on territorial problems and the Afghan crises in general. China, Russia and Pakistan held a discussion on the Afghan issue in Beijing the day after the second meeting on April 2, 2013. Along with financial contributions, China also helped build infrastructure, including water conservation projects; a national center for technology, science, and education; defense equipment and tools for drug- and narcotics-search operations; and assistance for emergency and rescue operations. In its policy towards Afghanistan, Beijing has visibly shown its support for the government of Afghanistan on diverse UN resolutions related to Afghanistan.¹⁶

China's Aid to Afghanistan from 2001 to 2014

With the passage of time, China emerged as a dynamic economic player in Afghanistan. Between 2001 and 2014, China provided substantial economic assistance to Afghanistan. It received aid pledges of over \$ 4.5 billion from more

¹³ The White House, "Remarks by the President on a New Strategy for Afghanistan and Pakistan", March 27, 2009, <https://obamawhitehouse.archives.gov/the-press-office/remarks-president-a-new-strategy-afghanistan-and-pakistan>"

¹⁴ Thomas Fingar, "China's Afghanistan Dilemma," *The Washington Quarterly* 33, no. 4 (2010): 47–58.

¹⁵ Barnett R. Rubin, *Afghanistan from the Cold War through the War on Terror* (Oxford: Oxford University Press, 2013), 312–318.

¹⁶ Raffaello Pantucci, "China's Afghan Calculus," *Survival* 56, no. 4 (2014): 47–60.

than sixty different countries, including China, during the International Conference on Reconstruction Assistance to Afghanistan held in Tokyo in 2002. At the Tokyo summit, China agreed to provide \$1 million in funding and \$3.62 million in material assistance. Afghan President Hamid Karzai met with President Jiang Zemin in China shortly after the summit ended. Following this, China provided an additional \$150 million in emergency assistance.¹⁷ At the beginning, Beijing extended 10 million dollars in economic aid to Afghanistan for various projects, including the Parwan Irrigation scheme and a hospital in Kabul. In 2003, China provided a grant of 15 million dollars when they signed the Economic and Technical Cooperation Agreement. In 2009, China provided \$75 million in economic aid.¹⁸ Over 8 years, from 2002 to 2010, China provided Afghanistan with 205.3 million dollars in economic aid. In 2011, China provided 23.7 million dollars in aid to Afghanistan, and in 2012, 23.8 million dollars.¹⁹ Additionally, the Chinese telecommunications companies ZTE and Huawei updated and digitized 200,000 analog telephone lines. Moreover, the PRC provided training to about 800 officials in Afghanistan and practical technical training at the local level to people working in diverse departments.²⁰ In addition, of the above-mentioned economic aid and support in different fields and bilateral trade agreements, the China-Afghanistan joint economic committee identified several new aspects and areas of collaboration, like infrastructure development, agriculture, hydro power generation, and exploration of natural reservoirs. Afghanistan remains a highly underdeveloped country, characterized by widespread poverty, unemployment, limited economic opportunities, and poor infrastructure. During the period, foreign financial assistance accounts for nearly 90 percent of Afghanistan's national budget.²¹

Chinese Foreign Direct Investment in Afghanistan

There are significant untapped natural resources in Afghanistan. Coal, iron, copper, cobalt, mercury, gold, oil, gas, thorium, and lithium are just a few of the many untapped mineral assets. These minerals are believed to be worth over 1 trillion dollars. China invested in the exploration of these reservoirs. Today,

¹⁷ Chinese Foreign Ministry, "Officials from Ministry of Foreign Affairs Revealed the Visit of President Hamid Karzai of Afghanistan Provisional Government to China to Foreign Correspondents in Beijing,"

<http://www.fmprc.gov.cn/chn/wjb/zjzg/yzs/gjlb/1206/1209/t5486.html>

¹⁸ Paliwal, "Silent Game: China's Engagement in Afghanistan", 3.

¹⁹ Bukhari, "The Role of China in Economic Stabilization and Reconstruction of Afghanistan," 38.

²⁰ Nicklas Norling, "The Emerging China-Afghanistan Relationship", Central Asia-Caucasus Institute Analyst, (May 14, 2008).

<http://www.cacianalyst.org/?q=node/4858>

²¹ Bukhari, "The Role of China in Economic Stabilization and Reconstruction of Afghanistan," 34.

China is one of the largest economies in the world, while the war-affected and fragile Afghanistan is in serious need of economic development, as its economy is badly destroyed due to continuous wars. China's industry is among the world's largest and fastest-growing, which requires raw materials to sustain its continued growth. Therefore, to meet this demand, China is enhancing its relations with Afghanistan. Chinese companies are also working on numerous important projects, which are significantly improving Afghanistan's economy.²² Chinese companies have invested in developing energy sources, provided professional training to Afghan workers in mining and related fields, and cooperated with the Afghan government to combat drug production nationwide.

Trade Relations

In the twenty-first century, China emerged as one of Afghanistan's fastest-growing trading partners. The "China-Afghanistan Economic Committee" was founded in 2006 to foster trade relations between the two countries, granting tax-free access to 278 products. Following that, the two governments signed the "Comprehensive Cooperative Partnership Agreement" in 2010 to further expand their trade relations. This agreement provided for greater financial and technical collaboration and offered a low tariff on several goods from Afghanistan.²³ From 1999 to 2009, bilateral trade between the two countries increased from \$19.58 million to \$216 million, making China Afghanistan's one of the main trading partners.²⁴ In 2011, two-sided trade was recorded at \$234 million, with Afghanistan's exports to China totaling \$4.4 million. In such a short time, this was a significant improvement in their trade. China's exports to Afghanistan are mostly low-cost items; therefore, they are more beneficial to the Afghan people, as they are mostly poor.

Economic Opportunities

China's FDI in Afghanistan's mining and minerals sector is also a key opportunity for both countries. According to the United States Geological Survey, Afghanistan is rich in mineral resources worth a total of 1 trillion dollars, including 240 million tons of copper, 16 trillion cubic feet of gas, and 1.6 billion barrels of oil.²⁵ China is currently funding infrastructure development, mineral exploration,

²² John Garver, "China's Afghanistan Policies," *China Quarterly* 201 (2010): 41–60.

²³ Paliwal, "Silent Game: China's Engagement in Afghanistan", 3.

²⁴ Jeff Reeves, "Does China's Afghan Foreign Policy Constitute a Grand Strategy?," *Defense Concepts* 5, No. .4 (2011), 30.

²⁵ Daveed Gartenstein Ross, Daniel Trombly & Nathaniel Barr, *China's Post-2014 Role in Afghanistan* (Washington DC: Foundation for Defense of Democracies, 2014), 63

and extraction initiatives in the country, and invested 4.4 billion dollars. Significant lithium deposits are also found in the country. Its iron deposits are estimated to be valued at 421 billion dollars.²⁶

Despite ongoing terrorism, security challenges, and the effects of prolonged conflict, Afghanistan is still important for FDI as it possess significant amount of untapped reserves of natural resources — including iron ore, limestone, coal, various metals, precious stones, lithium, cobalt, mercury, gold, thorium, chromite, potash, graphite, sulfur, asbestos, asphalt, and, most significantly, hydrocarbons. China expressed interest in exploring these reservoirs when they became available to foreign companies. Since revenue growth is essential to establishing long-term peace and stability in Afghanistan, China's involvement in the country's economic development offers a potential opportunity to advance these goals.

Additionally, the Amu Darya basin in northern Afghanistan is rich in hydrocarbons. The Aynak field, which Soviet geological experts discovered in 1974 and explored in 1979, is estimated to contain copper deposits worth \$ 88 billion. It is projected that China will pay at least 250 million dollars in taxes to Afghanistan, and the amount could be higher depending on the price of copper.²⁷ China engaged in the project after the Afghan government opened its reservoirs to international companies in 2007. Aynak copper field and the Amu Daria oil and gas projects are among the most significant Chinese ventures in Afghanistan. The largest investment in Afghanistan comes from the People's Republic of China.²⁸ In addition to the Aynak project, the Chinese multinational corporation is building educational institutions, mosques, and roadways in the project area. According to geological experts, Aynak, located in Afghanistan's Logar Province, contains the second-largest undiscovered copper deposit in the world. Its copper reserves are believed to be valued at three trillion dollars.²⁹ After production began, it would provide hundreds of millions of dollars in annual royalties and tax revenues to the Afghan government, as well as hundreds of thousands of jobs for Afghan citizens. Coal, iron ore, and known gas and oil deposits are abundant, and each nation might expand cooperation in the energy industry and the development of mineral assets.³⁰ In this

²⁶ Raja Muhammad Khan, "China's Economic and Strategic Interests in Afghanistan," *FWU Journal of Social Sciences* 1, No. 1 (2015), 7.

²⁷ Ludwig, "Sino-Afghan Relations in the Twenty-First Century: From Uncertainty to Engagement," 47-48.

²⁸ Abbas Daiyar, "China-Afghanistan Trade," *Daily Outlook Afghanistan*, November 10, 2009.

²⁹ Raja Muhammad Khan, "China's Economic and Strategic Interests in Afghanistan," *FWU Journal of Social Sciences* 1, No. 1 (2015), 4.

³⁰ Abbas Daiyar, "China-Afghanistan Trade," *Daily Outlook Afghanistan*, November 10, 2009.

way, China National Petroleum Corporation won the bid for three crude oil deposits in the Amu Darya River Basin for the following 25 years, towards the very end of 2011. Under the terms of the finalized deal, the China National Petroleum Corporation is investing approximately 400 million dollars in this oil extraction venture, which is expected to generate 7 billion dollars in revenue for Afghanistan. According to the signed agreement, PRC will pay 20% income tax and 15% of revenue to the Afghan government. It is a 25-year contract under which the government of Afghanistan will receive \$7 billion over that period. Afghanistan is expected to receive 304.35 million dollars a year for this initiative. A study estimates that there are around 87 million barrels of oil in these oil fields.³¹ Another major Chinese project is a \$300 million oil refinery contract in the Amu Darya oil field.

As the world's largest industrial center, China needs to import various resources and raw materials, while Afghanistan has many of them. China's rapid industrial growth requires a vast supply of raw materials.³² It has coal and oil in the Western and Northern regions and hydroelectric assets in the South and South-western regions. Thus, China's resources, especially energy, are not satisfying the demand of this fast industrial growth. Due to rapid industrial expansion and upgradation initiatives, its energy needs are rising significantly, accounting for 7% of global energy consumption. According to IAEA estimates, China's total energy consumption will reach 44%.³³ At the same time, Afghanistan has vast energy resources. These factors led China to invest in Afghanistan and strengthen its relationship with it.

China's soft image in Afghanistan and the five guiding principles of harmonious relations give it influence over other interested stakeholders, despite Beijing's economic interests being at odds with those of other foreign players in the country. Afghanistan is still far from producing heavy machinery, while China is far more advanced in this field. Afghanistan can export heavy machinery, mining and construction equipment, electronic products, and garments at comparatively low cost. In return, it can import gems, precious stones, copper, gold, and other mineral products, creating another valuable opportunity for both states to benefit from each other. Chinese assistance in boosting the economy of Afghanistan is crucial in lowering the incentives and possibilities for terrorist and extremist groups to recruit new members. Many illegal activities in Afghanistan are fueled by an absence of employment opportunities and inadequate resources. It is anticipated that the

³¹ Noor Rahman Tahiri, "Afghanistan and China Trade Relationship," *MPRA Paper No. 82098*, (August 6, 2017), 8.

³² Andrew Scobell, "China's Evolving Approach to Afghanistan," *Asian Affairs* 42, no. 3 (2011): 372–384.

³³ Bukhari, "The Role of China in Economic Stabilization and Reconstruction of Afghanistan," 28.

economic agenda will help reduce fundamentalism, extremism, and terrorism. The nation with the highest adolescent joblessness rate is Afghanistan. China has created many employment opportunities through its investment in Afghanistan. The Afghan government and the general public officially acknowledge Chinese assistance and support.³⁴ Hamid Karzai, once told Chinese Foreign Minister Yang Jiechi that Afghanistan is happy to be a partner with China and greatly values its relationship of trust with the PRC. He also extends his sincere gratitude to China for its backing, generosity, and cooperation in promoting harmony and funding the rebuilding of war-affected Afghanistan. In addition, Hamid Karzai anticipated that two-way cooperation would increase and create an ideal environment for collaboration across shared areas of interest. These relationships would help in the battle against terrorists.³⁵ Beijing is actively contributing to the restoration of stability and security not just in Afghanistan but in the entire region.³⁶

China is building a 400-megawatt power plant and a water development and sanitation facility in Afghanistan.³⁷ China also provided 10 million dollars for repairs to the Parwan Irrigation System. Twelve Chinese enterprises have invested in Afghanistan.³⁸ One of the most important factors in bringing stability, growth, and security to Afghanistan after the war is China's significant investments in the economy.³⁹

In addition, the Haji Gaak and surrounding mines are thought to contain over 2,260 million metric tons of steel, with marks more advanced than 62 out of 100 iron, and the Alluvial iron reserves are abundant.⁴⁰ China has another excellent opportunity to invest in Afghanistan, which would bring in a substantial sum of money for the country's already fragile economy. Furthermore, China is assisting the Afghan government in establishing peace in the country by providing employment opportunities for its workers in these mining and petroleum exploration

³⁴ Small, *The China–Pakistan Axis: Asia's New Geopolitics*, 187–195.

³⁵ Pantucci, "China's Afghan Calculus," 47–60.

³⁶ Bukhari, "The Role of China in Economic Stabilization and Reconstruction of Afghanistan," 44.

³⁷ Ariana News, "Chinese Investors Pledge 400 Megawatts of Coal-fired Power Generation", *Ariana News*, January 22, 2026. <https://www.ariananews.af/chinese-investors-pledge-400-megawatts-of-coal-fired-power-generation/>.

³⁸ Zhu Yongbiao, "China's Afghanistan Policy since 9/11 Stages and Prospects," *Asian Survey* 58, No. 2 (2018), 296.

³⁹ Nirav Patel and David Capezza, "From Washington to Kabul to Beijing: Assessing Prospects for U.S.-China-Afghanistan Cooperation", *Small War Journal*, 3, <https://smallwarsjournal.com/jrnl/art/assessing-prospects-for-us-china-afghanistan-cooperation>

⁴⁰ Tahiri, "Afghanistan and China Trade Relationship," 4.

projects. These investments would generate significant revenue for Afghanistan and help to rebuild the country.⁴¹

For a long time, Afghanistan has sought Chinese assistance in building a direct road by opening the narrow Wakhan Corridor across the remote China-Afghanistan border. The Wakhan Corridor lies near the Chinese city of Kashgar. It is hoped to re-establish Keshgarh as a launchpad and help China restore its former position on the legendary Silk Road. The opening of this corridor will definitely connect China with the Central Asian Republics via Afghanistan. In other words, this route will serve as the new Chinese Eurasian Land Corridor. The previous Afghan government asked Beijing to open the Wakhan Corridor. The people of Afghanistan would undoubtedly benefit significantly from this route when it is opened.⁴² To link Afghanistan and China, the Chinese government is therefore advised to build a road and maybe a railway line along this route. During his official trip to China in October 2014, Afghan President Ashraf Ghani also suggested to his Chinese counterpart, President Xi Jinping, that we should endeavor to build a rail route via the Wakhan Corridor.⁴³ In the near future, China will undoubtedly have significantly greater influence and a larger role in the region than the US or any other nation. To enhance bilateral trade, Afghanistan also needs the opening of the Wakhan Corridor. Additionally, the Lapis Lazuli Corridor presents another excellent opportunity. To increase trade and commercial activity throughout the region, Afghan President Ashraf Ghani opened this corridor in Herat province in December 2017. In November 2017, during the Regional Economic Cooperation Conference on Afghanistan (RECCA-VII), the Lapis Lazuli Corridor Agreement was agreed upon to boost transportation, trade, and business relations in the region.⁴⁴ Recapping Afghanistan's historical role in communication and cooperation with countries in the region and as a global crossroads, President Ashraf Ghani said that Afghanistan is the gateway to Europe and the Caucasus. Through Turkmenistan, Azerbaijan, Georgia, and Turkey, the Lapis Lazuli route connects Afghanistan to Europe, providing an indispensable channel for global trade between Central Asian, South Asian, and European nations. China, the largest supplier to the nations connected by this corridor, considers it vital. It is at the forefront of broad expansion through trade and transportation. Afghanistan's increased connectivity is opening new possibilities for expanding trade with China, Central Asia, South Asia, and the

⁴¹ Garver, "China's Afghanistan Policies," 41–60.

⁴² Wang Jisi, "China's Search for a Grand Strategy," *Foreign Affairs* 90, no. 2 (2011): 68–79.

⁴³ Ankit Panda, "Afghanistan and China Open a New Chapter," *The Diplomat*, October 29, 2014. <http://thediplomat.com/2014/10/afghanistan-and-china-open-a-new-signed>

⁴⁴ Bates Gill and Matthew Oresman, *China's New Journey to the West* (Washington, DC: CSIS, 2013), 33–39.

broader region. Additionally, a trade route is being planned as part of the Belt and Road Initiative (BRI).⁴⁵

The OBOR initiative is also a good opportunity for Afghanistan. As China grows, it appears that the world economy's focus is shifting from the West to Asia under the current global structure. As a result, China became critical for Western nations, especially the US. Afghanistan has also shown interest in the China-Pakistan Economic Corridor (CPEC), which makes sense. Afghanistan's geographical location enables it to play a significant role in the Silk Road Economic Belt; however, substantial investments are required to support its growing economy. In this regard, Afghanistan can provide China with one of the quickest and most straightforward routes to Central Asian and European marketplaces. China needed markets for its exports and energy imports.⁴⁶ Afghanistan has substantial energy resources, making it a potential energy supplier to China. Afghanistan also imposes significant amount of essential goods from China. The greatest potential for financial growth and a paradigm shifts in Afghanistan will occur when the country joins the One Belt One Road initiative.⁴⁷ This venture's primary objective is to integrate the region into the realm of financial development; however, without a stable and peaceful region, such integration is not feasible.

Conclusion

China's growing involvement in Afghanistan represents a strategic shift driven by both regional imperatives and global aspirations. Motivated by a need to ensure stability along its borders, curb extremism, and secure long-term economic interests, China has emerged as a key actor in Afghanistan's reconstruction and development. Through large-scale investments, infrastructure development, training, and aid, China offers a non-military model of engagement, grounded in the principles of non-interference and economic cooperation. These efforts align with its broader vision of regional connectivity, particularly through initiatives such as the Belt and Road. However, significant challenges persist. Afghanistan's fragile institutions, ongoing security threats, and the involvement of competing regional and global powers continue to complicate China's role. Moreover, the unpredictability of the post-US withdrawal landscape, combined with internal Afghan political instability, poses risks to sustained engagement. Despite these challenges, China's consistent economic and diplomatic presence has positioned it

⁴⁵ Hujjatullah Zia, "A surge in China-Afghan trade," *China Daily*, February 2, 2019.

⁴⁶ Qasem Torabi and Raziye Saneie, "Explanation of Obstacles to the Realization of Silk from the Perspective of the Convergence Theory," *Political Science Quarterly* 35 (2016), 12.

⁴⁷ Yun Sun, "China and Afghanistan after the U.S. Withdrawal," *Brookings Institution Report*, July 2021.

as a long-term stakeholder in Afghanistan. By promoting peace through development and mutual benefit, China seeks not only to protect its own national interests but also to contribute to a more stable and interconnected region. The path forward will require continued commitment, adaptability, and cooperation between both nations to transform opportunity into lasting impact.

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