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## Implications of China's Investment in Pakistan-Iran Relations in the 21st Century



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**Abstract:** *The Belt and Road Initiative (BRI) shapes the complex relationship between Pakistan, China, and Iran. Geopolitical interests, historical tensions, and economic goals all influence these ties. Strategic ports like Gwadar and Chabahar are important for regional connectivity and BRI's success. The countries navigate external pressures like US sanctions on Iran and India's influence. Collaboration opportunities exist in the technology and energy sectors, but trust and cooperation are needed to address regional challenges and promote stability.*

**Key Words:** China-Iran relations, Economic cooperation, China's Investment

**JEL Classification:**

### Introduction

Any discussion of how relationships might be formed via intricate interconnectedness among nations must start with the economy. State-to-state ties are fostered through the intermediary function of economic interests. State-to-state connections in the economy are heavily impacted by the global and regional geopolitics and geostrategic environments. There are instances in which a state's and other states' strategic objectives coincide. Over the last 10 years, there have been serious disagreements between Pakistan and Iran over both political and economic concerns, which has badly damaged their relationship. Many governments indicated interest in taking part in this enormous project when the China BRI (Belt & Road Initiative) initially surfaced in 2013 (Freeman & Tugendhat, 2023) China saw

both countries as equally important for the development of the Belt and Road Initiative (BRI) due to their strategic geographic location. With the establishment of the China-Pakistan Economic Corridor in 2014, following the visit of Chinese President Xi Jinping to Pakistan, development efforts in several areas were initiated, such as the modernization of infrastructure, energy, and industrial sectors. One of the largest ports in the Indian Ocean was intended to be built in Gwadar as part of the China-Pakistan Economic Corridor. The project has a total cost of about \$60 billion. However, an agreement to construct the Chabahar port was agreed by Iran and India in 2016. India primarily constructed this port to counterbalance China's increasing sway, which created the impression that the two ports were rivals. Because of Pakistan's security arrangement with China and the KSA

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and Iran's strong links to India, there is a lack of mutual confidence between the two countries. Iran is also looking for fair Chinese investment in the current situation to counter US sanctions. If Iran and Pakistan work together closely and make use of the Belt and Road Initiative, both countries may overcome their financial troubles. To create conditions where both of these nations gain, cooperation between them is required. Recently, they have ratified many accords aimed at enhancing their geopolitical and geostrategic collaboration. China, Pakistan, and Iran inked an important trilateral agreement for security and counterterrorism consultation on June 7 in Beijing. This article looked at relations between Iran and Pakistan, especially considering China's major role in the Belt and Road Initiative (BRI) (Pakistan-China-Iran Trilateral Consultation on Counter-Terrorism and Security, n.d.). Creating a contemporary setting in China after the conflict between Russia and Ukraine China and Pakistan have worked closely together to promote peace in the area. The paper's only objective is to explore some key observations that aid in our understanding of the makeup, character, and organization of the cooperation between these three nations. This article will also look at the extent of triangular political and strategic cooperation and how it affects both regional and global politics. 1) Is China possible to engage both nations at the same time while taking into consideration their various geostrategic and geopolitical differences? is one concern that has arisen as a result of this strategic clash between Pakistan's and Iran's strategic and political goals. 2) Could these states form a triangular alliance to broaden the Belt and Road Initiative's reach and address threats on a local and global scale?

### **Theoretical Framework: China's Investment and Pakistan-Iran Relations**

The following theoretical ideas will probably be examined in this article in order to assess how China's investment may affect Pakistan-Iran ties in the twenty-first century:

1. **Realist idea:** According to this idea, states behave primarily to maintain power and security for their own country. China's investment in Pakistan may be interpreted as a means of expanding its clout in the area, which might have an effect on Pakistan's ties with Iran, another significant player in the area.
2. **Economic liberalism:** According to this thesis, governmental collaboration and peace are encouraged by economic interdependence. China's investments may strengthen Pakistan-Iran economic connections, which may result in improved political relationships.
3. **The idea of Balance of strength** contends that nations aim to preserve an equilibrium of strength within the global framework. China is becoming a more formidable force in the area, both militarily and economically, and this might affect Pakistan's strategic thinking when it comes to its relationship with Iran.
4. **Regional Integration Theory:** This theory looks at how political collaboration within a region is facilitated by economic integration. An extensive trade network is the goal of China's Belt and Road Initiative (BRI), which is one of the main investment sources in Pakistan. If they are included in the BRI, this may result in Pakistan and Iran working together more.
5. **Domestic Politics:** Pakistani and Iranian domestic political systems will also be significant variables. It will be important to see how the leadership of each nation perceives China's investment and how it affects their mutual ties.
6. In order to illustrate the intricate link between China's investment, Pakistan's strategic decisions, and Iran's position in the area, the paper will probably examine how these theoretical notions interact.

## Research Methodology

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To conduct this investigation, a practical methodology would be utilized. The study would employ a qualitative approach, including published materials pertaining to the dissertation, historical perspectives of the events, and a review of the literature. The quantitative method would also be utilized to support the qualitative approach in order to achieve scientific goals. Along with quantitative resources like a collection of graphs, tables, and figures, qualitative tools like pertinent literature, historical eight viewpoints, published contents, and discourse analysis will be used.

## Hypothesis

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The study will cover the Geo-economic development plan of China and its implications on the agreed initiative by China. Countries as well as the regional neighbouring Countries Iran and Pakistan. Will it play a role in the positive or negative geo-economic and strategic role? The regional Countries especially Iran and Pakistan leading role in the region. My study will focus on the multi-dementia impact of this process on the region through its independent and dependent, useable and unusable variables to prove the hypothesis of the growing future of China.

## Review of Literature

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There are so many books, available on Paki, Iran and China relations:

"Frontier of Pakistan" written by Dr Mujtaba Rizvi provides unique and valuable information on Pak-Iran relations. He thoroughly and critically analyzed the Pak-Iran relations and the factors forcing both countries to tie a bond of mutual interests despite the external intervening powers.

A.H.H. Abadi's 1982 book *Iran, China and the Persian Gulf* was released in the wake of the Iranian revolution of 1979 and Deng Xiaoping's Chinese political consolidation. Although it is a little dated, it is informative and well-written, with little to offer in light of the

numerous changes that have occurred both domestically and internationally in each state since then. The first section of the chapter describes the beneficial and long-standing friendship between China and Iran as well as their common experiences as ancient civilizations, major powers, and victims of European expansionism. "Friendly contact between the countries dates back more than 2000 years," Zhou Enlai says, addressing Princess Ashraf on April 14, 1971. "There have been fewer contacts in modern times due to imperialist obstruction and sabotage," he continues. As such, even while it acknowledges the importance of this kind of conversation, it doesn't really have much to give in the modern day. In contrast, Shariatinia (2011) only gives Iran a small part, despite the fact that it is thought to be the centrepiece of Chinese policy in the Middle East. Though Jacques does not particularly give examples of speeches that indicate confidence or amity between the two nations, he highlights the role of language to "create a shared affinity between the two countries".

Despite his marginalization of this fact, he maintains that the connection is based only on fundamental power and developmental interests.

## China, Iran, and Pakistan: The Belt and Road Initiative

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Although China is becoming more and more entrenched in the Middle East, the United States has long retained its political clout and sway over the area. The Middle East's geopolitics are shifting as a result of their competing interests, spheres of influence, and—more importantly—their attempts to assert greater diplomatic and economic security in the area. (Josh, 2023)

The One Belt One Road initiative, also known as the China-Pakistan Economic Corridor, is a joint venture between China and Pakistan that is anticipated to foster economic growth and peace in the region. This corridor will include a 2,000-kilometer road, rail, and pipeline transit link from Kashgar, in northwest China, to Pakistan's Gwadar port, which is located on

the Arabian Sea close to the Iranian border. (M Abid, [2015](#)) Pakistan and Iran are the two nations with the most significant strategic positions. The Belt and Road Initiative is Chinese President Xi's dream project (Belt and Road: Just How Successful Is Xi's "Chinese Dream"? – DW – 10/16/2023, n.d.). Because they are both grappling with similar difficulties, Iran and Pakistan have a tremendous opportunity to help China and make major contributions to the development of the China-Pakistan Economic Corridor. Iran has expressed its desire to be a member of the multibillion-dollar China-Pakistan Economic Corridor project. Iran and Pakistan might have simultaneous revolutions because of the enormous CPEC project. Iran may assist Pakistan in the energy sector through this enormous effort (Iran Expresses Desire to Join CPEC, 2019). A deal was struck in 2023 between Pakistan and Iran to supply 100 MW of electricity to the Gwadar metropolis. This agreement, in defiance of Iran's sanctions, was momentous. Pakistan decided to satisfy its electricity needs using the least costly option available, in defiance of pressure from the West. Given that China's primary objective in the CPEC is to distribute trade surpluses to the Middle East and Africa, Iran may prove to be a vital strategic ally. Iran is seen to be the region's most important force. Furthermore, this would provide peace and stability, which are prerequisites for promoting economic activity (Pakistan, Iran Seal Energy Deal to Power Gwadar, n.d.). Sixty-nine per cent of Pakistanis favor the establishment of tight bilateral ties with Iran, according to the 2013 Pew Poll. Pakistan is the eleventh-biggest trading partner of Iran. This bilateral partnership has a lot more space (Bilal, 2019). Following new international economic and financial restrictions imposed on Tehran, East Asian countries were forced to reduce their purchases of crude oil from Iran significantly, despite their growing reliance on energy resources in the oil-rich Middle East. As a result, in order to keep some of its most important Asian clients—China in particular—the Persian Gulf nation had to provide a

number of incentives and privileges, including concessional crude oil. (Azad, [2022](#)) Iran and China have strong trade ties as well; in March 2021, the two nations signed a 25-year cooperation agreement to expand their strategic and economic cooperation (Vaisi, [2022](#)). China actively cooperated with Russia and Iran in Syria and Iraq to counter US-backed forces. China and Iran are both affected by the United States, therefore their partnership with Pakistan may enable them to emerge as significant strategic partners in the contemporary day. One of these developing markets is Iran, a nation that depends heavily on European supply networks. The upkeep of these supply networks directly affects how well Iranian doctors are able to care for their patients. (Batmanghelidj, [2020](#))

### **Trilateral Nexus: Pakistan, China, and Iran in addition to India's hegemony in the region**

India has been planning to use the port of Chabahar to deepen its connections with Afghanistan and the surrounding area since 2016. Chabahar port will serve as the hub for the INSTC project, a transportation endeavour that links Russia, Central Asia, India, Iran, Afghanistan, Armenia, Azerbaijan, and Russia. India is confronted with a dilemma: how to interact with Afghanistan after the Taliban take control of the country again? It is more important to consider how to interact than whether to do so. In order to comprehend this unexpected but seemingly inevitable sequence of events, this article looks at India's actions toward the Taliban since the group's early ascent to power in 1990. (Commuri, [2022](#)) China interprets this move as an outright threat to its large investment in Pakistan.

India has been making constant efforts to disturb the peace in this region, especially in the province of Balochistan in Pakistan. India is determined to bring about peace and security in the area. This plan's objective is to lessen CPEC's consequences. Kulbushan Yadav is among the Indian insurgents whom Pakistani intelligence services have captured in Balochistan. Yadav took an active part in the

activities of the Indian Research and Training Wing. To ensure that the CPEC is successful, Balochistan has to be as safe and peaceful as possible. This volatility and disarray is one of the key causes of CPEC projects running longer than anticipated. Iran must so cooperate with China and Pakistan to counter this Indian threat to regional security. Given that it made large investments in Afghanistan before August 2021, India plans to stay in the nation even under the Taliban administration. To allow the Taliban regimes to have a substantial presence in the country, India is giving them financial backing. Kulbushan Yadav is among the Indian insurgents whom Pakistani intelligence services have captured in Balochistan. Yadav took an active part in the activities of the Indian Research and Training Wing. To ensure that the CPEC is successful, Balochistan has to be as safe and peaceful as possible. This volatility and disarray is one of the key causes of CPEC projects running longer than anticipated. Iran must so cooperate with China and Pakistan to counter this Indian threat to regional security. Given that it made large investments in Afghanistan before August 2021, India plans to stay in the nation even under the Taliban administration. To allow the Taliban regimes to have a substantial presence in the country, India is giving them financial backing. India is providing financial support to the Taliban administrations so they may maintain a sizable presence in the country. India has stepped in to fill the hole left by the US soldiers' withdrawal in August 2021. India provided humanitarian relief to the Afghan people during the epidemic by sending 500,000 doses of the COVID-19 vaccine (Kaura, 2023). This clever and effective use of soft power has allowed India to regain some of its regional clout, but it also threatens the stability of Pakistan's Khyber tribal areas. Iran may be a significant player in the area as a big force in retaliating against that.

### **China-Pakistan Economic Corridor: Chinese Investment Faces Security Risks**

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The planned attack on a convoy carrying 23

Chinese engineers by the Balochistan Liberation Army in August 2023 show that the China-Pakistan Economic Corridor (CPEC) is still beset by security concerns. Since the beginning of the initiative, terrorist groups allegedly supported by the Indian intelligence agency RAW have targeted Chinese workers in CPEC projects. These security difficulties have raised questions about the safety of the people and the infrastructure that is crucial to CPEC's success, raising doubts about China's future investment strategy in the area. Pakistan has expressed concerns over terrorist camps on Iranian soil, claiming that forces within Iran give these groups training and support. Pakistan has urged Iran to take urgent action against these terrorist organizations in order to promote peace and stability in the region. In addition, the recent political upheaval in Afghanistan that resulted in the Taliban's control has increased security concerns. The unpredictable nature of the Afghan situation poses a severe danger to regional stability as well as the safety of CPEC personnel and projects (Rising Anti-China Sentiment in Balochistan Threatens Increased Attacks on Chinese Interests in Pakistan, n.d.).

The idea of the "China dream" gradually gained greater traction and complicated resonances, leading to an increase in attempts to define or reinterpret the word, such as by connecting it to China's longer-standing humanist traditions.<sup>8</sup> Symbolically, expectations of a resurgent China were spread by the 2008 Beijing Olympic Games, the 2009 National Military Parade, and the 2010 Shanghai Expo. (Ferdinand, 2016)

These security concerns have a significant impact on China and other CPEC participants. To ensure the success and longevity of CPEC projects, personnel safety and security as well as the protection of critical infrastructure must be ensured. All relevant parties, including Pakistan, China, Iran, and Afghanistan, must collaborate closely and coordinate their efforts to address these security challenges. Counterterrorism and extremism initiatives must be combined with measures to improve border security and intelligence-sharing. The

security issues facing the initiative, which vary from targeted attacks by terrorist groups to geopolitical uncertainty in neighbouring countries, demand a comprehensive and coordinated approach to ensure the long-term viability and success of CPEC projects. To mitigate these risks and protect the interests of all stakeholders in the development of the China-Pakistan Economic Corridor (CPEC), sustained efforts are required to enhance security cooperation, counterterrorism measures, and regional stability initiatives.

### Strategic Comparison of the Two Ports: Gwadar vs. Chabahar

The distance between Gwadar in Pakistan and the port of Chabahar in Iran on the Makran coast is only 70 kilometres. Fear of strategic encirclement and struggle for regional control over resources and markets are driving the construction of infrastructure at these ports in South Asia. Strategic relationships between China and Pakistan and between India and Iran have been strengthened by the establishment of Port Gwadar in Pakistan and Chabahar in Iran, respectively. (Khetran, 2018)

The port of Gwadar is the backbone of the CPEC project. This research posits the geo-economics and geopolitical significance of Gwadar port for China and Pakistan. A qualitative research approach is used to analyze Gwadar port in the changing maritime scenario. (Rahman, 2023)

Unlike Gwadar, Chabahar does not have a deep seaport. Both ports are quite important because of their positions on the biggest commercial routes and their capacity to connect to other parts of the world, such as the Middle East, Central Asia, Africa, and Europe. Chabahar is also an extremely effective route to transport energy-related materials, such as LNG and petroleum. Nonetheless, Gwadar is a very helpful port since it provides a direct route connecting China and Russia with Africa and the Middle East. In addition, China intends to develop Gwadar into a hub for energy transit as a fallback in case the flow of oil from the South China Sea is cut off (Shah et al., 2021). Thanks to the port city of Gwadar, Pakistan enjoys a

unique strategic depth in the Indian Ocean as a result of its advantageous location. Control over these two ports is shared by China and India, two separate but growing global powers. These two ports are therefore viewed as competitors. India began its attempt to use proxied terror groups like the BLA to undermine this enormous economic project between Pakistan and India in an effort to prevent the China-Pakistan Economic Corridor from being successful. Numerous geography experts have asserted that the ports of Gwadar and Chabahar cannot be compared. Chabahar is a commercial port project, but Gwadar is a complete strategic project that would change the dynamics and framework of regional geopolitical and geostrategic strategies. Consequently, Gwadar's involvement in the Chinese Belt and Road Initiative elevates the port's overall significance and strategic location.

### Shift in Iran's CPEC strategy: Is Iran Able to Join?

Iran was forced to reassess its position on the CPEC as a result of US sanctions and increasingly dire conditions. During Xi's 2016 visit, Iran became a part of the Belt and Road Initiative, which was started by China. This state visit resulted in a rise in Chinese investment in Iran (OBORurope, 2020). On a historic visit in 2019, Prime Minister Khan emphasized the value of strong collaboration on joint projects such as the China-Pakistan Economic Corridor (CPEC). Locally, Iranian and Pakistani energy industry authorities are closely collaborating on the major ports of Gwadar and Chabahar. In a February 2019 meeting with Pakistani trade officials and Iranian ambassador to Pakistan Mehdi Honardost, Iran formally announced its ambition to join the China-Pakistan Economic Corridor (CPEC). One of the primary barriers to Iran's participation in the CPEC is Saudi Arabia's ambitions to construct a \$10 billion oil refinery in Gwadar. Two of the strongest countries in the area, Saudi Arabia and Iran, are unable to cooperate on any project because of their ideological differences. China had a significant role in the Saudi-Iranian deal

of 2023. This illustrates China's influence on regional affairs. This illustrates how China has an impact on regional affairs. Due to the agreement's resolution of other persistent issues in the region, tensions between the two Islamic governments have escalated (Jash, [2023](#)). This deal will also have positive impacts on the trilateral collaboration between China, Pakistan, and Iran. After this agreement, many of the barriers to Iran's involvement in the CPEC will be removed.

### **US-backed sanctions' effects on Iran: A hindrance to collaboration**

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Iran has been subject to sanctions since 2005 by the US and the UN on the grounds that it has broken nuclear agreements and is aiding Hezbollah, a terrorist group in Lebanon. Various economic, political, and military sanctions are among them; they include restrictions on commerce, freezing of Iranian cash, and tightening of the arms embargo (Laub, [2015](#)). Iran's economy has collapsed as a result of these sanctions as Iran is unable to complete any commercial agreements. A number of commercial agreements have also been struck by Pakistan, including the Iran-Pakistan Gas Pipeline. The project, which is projected to cost 7.5 billion dollars, has had many delays since its beginning. After 14 years, (Dumbaugh, [2010](#)) Iran are limited to this one occurrence. It is indisputable that Iran's strategic isolation from the rest of the world has aided its advancement despite these challenges. China, Iran's largest commercial partner, and Pakistan, its neighbour, are unable to reach any deals or do any business on an economic or geopolitical basis. These penalties are therefore the main barriers to this trilateral interaction.

### **China's Increasing Might: Possible Advantages for Iran and Pakistan**

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China's economy and military power are expanding swiftly. In the end, China now has more influence over international relations. Iran, which has the second-highest GDP in the world, as well as Pakistan may benefit from it.

China, a major and enduring member of the UN Security Council, has consistently stood behind Pakistan during its times of strategic necessity. China relies on Pakistan to firmly back Beijing's stance on a number of crucial national goals, such as the PRC's claims that Taiwan is sovereign Chinese territory, Tibet and Xinjiang have always been a part of China, and China has the right to use force to ensure ethnic stability in these regions. In public statements about ties between China and Pakistan, Pakistan frequently restates its support for certain Chinese stances. Pakistan is frequently relied upon by China to serve as a go-between in the Islamic world. China has exhibited consistency in supporting Pakistan's stance toward Kashmir throughout time. Whatever happens, the bond between China and Pakistan will always be unbreakable. This may lead to these nations developing a wonderful cooperative relationship. To achieve their strategic objectives in the area, especially in Afghanistan, they must cooperate in the strategic triangle. China's Belt and Road Initiative has Iran and Pakistan as key partners; Chinese investment can be attracted to these nations to improve their infrastructure. Furthermore, given China's scientific breakthroughs will bolster its industrial and technological infrastructure, Pakistan and Iran stand to benefit. Because of the sanctions, Iran is in desperate need of foreign assistance, especially from China and Russia. Its nuclear development has led to sanctions supported by the US, which have completely cut it off. If Iran can join this network of trilateral strategic ties, it will be able to overcome its current challenges.

### **Trilateral cooperation's fundamentals**

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Pakistan and Iran face a wide range of difficulties, such as similar strategic goals, different political and cultural perspectives, hostility toward one another, and worries about border security. The two sides have reciprocal trust in one another. But when discussing the development of connections through complex interdependence, these distinctions must be ignored or set aside in the

goal of mutual economic prosperity. China, Pakistan, and Iran are important regional actors that might greatly advance the prosperity of the region if they collaborate in the fields of security, business, culture, and tourism. These three nations can cooperate to ensure peace in Afghanistan and the Middle East because of their combined influence. China, Pakistan, and Iran are important regional actors that might greatly advance the prosperity of the region if they collaborate in the fields of security, business, culture, and tourism. These three nations can cooperate to ensure peace in Afghanistan and the Middle East because of their combined influence.

### **Possibilities in the technology and energy industries Collaboration**

Iran has the fourth-largest oil resource and the second-highest gas reserve in the world. These vast energy reserves are Iran's most important resource. China is the world's most populous country, with Pakistan coming in at number five (WorldOMeter, 2016). China and Pakistan do not have enough energy resources to fulfil their massive energy demands, especially when they have to import energy from the Gulf and Russia. Iran can spend these deposits and obtain technology from China in return for Pakistan offering to facilitate the transportation of energy goods (Raza, 2019). The only barrier to this plan is the sanctions placed on Iran due to its nuclear program. But in this desperate scenario, these strong nations—China and Pakistan, for example—can still help Iran get over these sanctions. The price of petroleum products has lately increased noticeably as a result of energy crises brought on by regional territorial disputes including Russia, Ukraine, and the Middle East. China and Pakistan now find it more challenging to purchase energy sources at such high prices. Through a multilateral agreement on cooperation in the energy industry, Iran has a great deal of potential to assist these two nations. When it comes to low-cost techniques for making industrial things, Chinese technology is unmatched. Pakistan and Iran both have very high manufacturing prices when compared to

China's production costs. China's better infrastructure and more advanced technologies are the main reasons for this (Iran's Increasing Reliance on China, 2023). Iran and Pakistan can make progress in this field if they equip themselves with the required information and materials. They'll be able to supply their own requirements in addition to exporting.

### **China's participation in the Pak-Iranian Conflict**

It makes the case that cooperation between these two governments is unavoidable and will continue despite notable differences and geopolitical obstacles, as well as domestic and international volatility. Pakistan has been seen as a significant and vital ally by Iran, both under its monarchy until 1979 and after that as the Islamic Republic. (Czulda, 2023) Pakistan greeted the July 2015 nuclear agreement between Iran and the six major nations with the expectation that further chances will arise for both countries to deepen their bilateral political and economic ties after sanctions against Iran are lifted. (Rafique, 2016)

China has made considerable investments in the region, so the attack was worrying. China, Iran's largest trading partner, put pressure on Iran to refrain from retaliating after Pakistan's strike. The Iranian Foreign Ministry welcomed the de-escalation and invited Pakistan to resume amicable ties in a statement released in response to Pakistan's response. In response, Pakistan said it would send its envoy to Tehran once more and praised the Iranian government's stance.

### **China's potential investments in Iran and Pakistan and its future investment initiatives**

The prime minister of Pakistan hinted in October 2023 at a significant infusion of Chinese investment into the nation, indicating a favourable trend for regional economic relations. It is anticipated that about twenty Memorandums of Understanding (MoUs) will

be signed, a symbol of closer ties between the two nations. During his two days in China, a number of agreements were reached in the areas of digital economy, infrastructure, industry, and the Belt and Road program. Of particular note is China's intention to invest in Pakistan's agricultural sector, indicating a commitment to raising the country's agricultural productivity—a vital first step toward meaningful economic growth. Furthermore, China plans to introduce new energy projects under the Shanghai Cooperation Organization (SCO). Additionally, China's plans to start new energy projects under the Shanghai Cooperation Organization (SCO) are going to alter the energy landscape in the area. These initiatives are projected to significantly boost energy commerce inside Pakistan while also enhancing member nations' energy self-sufficiency. Iran possesses the world's second-largest gas resource and fourth-largest petroleum reserve, therefore it stands to earn much by participating in these SCO initiatives. By providing a more affordable alternative to the country's present energy sources, Iran may be able to ease some of its financial limitations and foster stability and economic progress. Given that Iran has been shut out of overseas markets for a lengthy period of time due to Financial Action Task Force (FATF) sanctions, the timing is perfect. China, one of the world's largest oil consumers, offers Iran a once-in-a-lifetime opportunity to boost oil output and reestablish its position as a significant player in the global energy market. Iran's increasing reliance on China and China's status as its largest commercial partner underscore the significance of this potential alliance (Iran's Increasing Reliance on China, 2023). Joining up with China and Pakistan in this audacious economic venture would benefit Iran's commerce, energy production, and infrastructure development. This will lay the groundwork for sustained, long-term regional growth. Chinese investments include initiatives for renewable energy and the construction of extensive infrastructure, going beyond trade agreements. China intends to

use its strategic alliances with Pakistan and Iran to advance greater prosperity and economic integration in the region. With these nations cooperating under the SCO's guidance, the region may play a significant role in the global economy and bring in a new era of stability and economic development. As China maintains its influence through strategic relationships and investments, Iran and Pakistan stand to gain from the growing cooperation and prosperity shared by both.

## **Conclusion**

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It is clear from the previous discussion that these three nations are capable of cooperating in a number of fields to form a trilateral alliance. Through this alliance, they would be able to collaborate in the fields of energy, infrastructure, trade, and tourism in addition to countering the other regional superpowers. To fulfil the needs of the evolving global order, these regional powers need to work together and resolve concerns of mutual security. They may resist US participation intentions with the support of stronger security and commercial links inside the region. China would be the ideal ally to aid Pakistan's and Iran's economies in recovering from their serious economic issues, which will surely take some time to address. Through the Belt and Road Initiative, Pakistan and Iran have a vital chance to entice Chinese investment in order to improve their internal infrastructure and escape their current financial predicament. Since India continues to pose a threat to the regional instability needed to withdraw the China-Pakistan Economic Corridor, security consolidation is also vital to halt the flow of terror into Pakistani territory from Iranian turf. There are other glaring examples, including Kulbushan Yadav, who infiltrated Pakistan using the Indian Research and Analysis Wing's suitable network in order to damage ties between China and Pakistan in the region. There are several security agreements in place, but they need to be effectively enforced if security in Balochistan and the rest of the area is to improve. Peace talks between Saudi Arabia and Iran have the potential to bridge

the political gulf that has arisen between Pakistan and Iran as a result of the Saudi-Pak connection. Strong ties between the two countries will allow Saudi Arabia to invest in the area by constructing infrastructure and oil

refineries. China, a rapidly developing world power, has the potential to mediate disputes between Iran and Pakistan about land, ideology, and other matters that jeopardize regional security.

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