

No. 04/2026 Dated: 30 March 2026

QTTA and Pakistan's Northern Pivot: Reconfiguring Trade amid Regional Disruptions

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SYNOPSIS

Pakistan stands at a critical strategic crossroad. The Afghan way to Central Asia is closed by the security crisis and the lack of diplomatic relations, and the Pakistan corridor is also facing challenges due to war, sanctions, and border closures. Therefore, the Quadrilateral Traffic in Transit Agreement (QTTA) between Pakistan and Kazakhstan and Kyrgyzstan through the Karakoram highway in Pakistan has become the only possible, safe, and operationally tested trade route to the Central Asian Republics (CARs). Being activated under the TIR system since 2023 and the Khunjerab Pass opening year-round, Pakistan needs to immediately make QTTA a strategic national priority instead of a dormant structure, and the potential addition of Russia can enhance its geopolitical and geo-economic value. This will transform QTTA from a sub-regional transit agreement to a broader Eurasian corridor.

The QTTA is a transit trade agreement between China, Pakistan, Kyrgyzstan, and Kazakhstan, signed in Islamabad on 9 March 1995. It gives a multimodal overland route that connects Pakistan ports at Karachi and Gwadar to the north along the Karakoram Highway (KKH) to Khunjerab Pass in China and then to Kashgar in Kyrgyzstan via Torugart Pass, then to Kazakhstan via the Kordai border. This was a route that, in recent decades, has been rather sleepy, with the Afghanistan transit route taking its toll. But the strategic environment of Pakistan has been altered essentially. The decision by Afghanistan to deny Pakistani traders the right to transit through Central Asia without giving India the same has rendered the Afghan route virtually ineffective. Cross-border security threats have been enhanced, bilateral trade has stagnated, and the Afghanistan-Pakistan Transit Trade Agreement (APTTA) has been in suspended animation with the Taliban in power. The Afghan corridor is practically shut: the relations with the Taliban regime worsened in the year 2023 because of the TTP militants being hosted by the Taliban, increased cross-border attacks, and the process of sending back more than two million Afghan citizens. Bilateral trade is in suspension, and there are no high chances of APTTA being revived in the prevailing conditions. At the same time, the Iran passage is now untrustworthy and legally hazardous. The impending war between

the US, Israel, and Iran in February 2026 has derailed trade routes and shut airspace. Combined, neither of the two corridors becomes reliable anymore, and urgent recalibration of the strategy is inevitable. The QTTA provides Pakistan with what the Afghan route never promised: a non-hostile route that is not based on political conditionality, with a legal multilateral framework underpinning it and with the support of the most reliable strategic partner, China.

QTTA: From Framework to Functioning Corridor

This is the most remarkable aspect since QTTA is not just a dream anymore but a reality. QTTA became operational on 2nd June 2023 when National Logistics Corporation (NLC) shipped between Lahore and Almaty via the Khunjerab Pass and Torgart border under the TIR system. It was a historic milestone: the first TIR operation ever to cross the Chinese territory. On 20 October 2023, China and Pakistan agreed that, at least temporarily, the Khunjerab crossing would be kept open throughout the year, and thus the seasonal closure (November to March) that had been the most crippling structural defect of the corridor was settled. Other promises between the two nations included improved infrastructure, better conditions for passing the Khunjerab Pass, and better administration. The TIR framework that Pakistan signed in 2015 and China signed in 2017 is a game-changer in the business feasibility of QTTA. In TIR, goods are transported in closed compartments and accompanied by a single customs guarantee document (TIR carnet) so that they are not inspected many times at the intermediate borders. TIR routes operated by NLC have already reduced transit times by up to 80 percent as compared to the traditional routes.

The present trade between Pakistan and Kazakhstan is about 250 million, which is a small percentage of what it can be. The trade between Kyrgyzstan and Tajikistan with Pakistan is also not much. The QTTA corridor provides access to a joint CAR market that has high demand for Pakistani pharmaceuticals, textiles, rice, and light manufactures. In 2020, Uzbekistan also showed interest in QTTA. QTTA is regarded as a substitute for the existing reliance on the longer maritime routes by China, Russia, or Turkey. QTTA fits in the logic of CPEC. The Karakoram Highway, Gwadar Port, and the intra-regional road system of Xinjiang all constitute the physical foundation of the given corridor. The activation of QTTA directly increases the returns of CPEC in the region. Being a transit country to landlocked CARs, Pakistan can derive huge transit fees on transit freight estimated in the hundreds of millions of dollars a year, taking advantage of Gwadar and Karachi as the closest access points to warm water ports to Central Asian exports to international markets.

The possible addition of the Quadrilateral Traffic in Transit Agreement to a larger Eurasian connectivity framework, especially the inclusion of Russia, can radically change the geopolitical and geoeconomic environment in the region. Connecting Russia and Central Asia to the warm-water ports of Pakistan, notably the Gwadar Port, QTTA may become one of the key trade routes running north-south. Strategically, Pakistan has a unique opportunity to become a regional

transport and logistics hub as it has dual access, both by land to the rest of Central Asia and by sea to international sea routes. The geography of Pakistan allows it to work as a channel between energy-rich areas (Russia and Central Asia) and energy-starved markets in South Asia. Russia would become a part of QTTA, which would not only establish a two-way flow of trade, with exports of energy (oil, gas, and refined products) from Russia and Central Asia to Pakistan and other countries, but also exports of Pakistani products to the North, including Moscow. This would not just diversify trade routes, but also not be over-reliant on traditional trade routes that are susceptible to geopolitical disruption.

Recommendations

- The Ministry of Commerce should have a QTTA National Coordination Cell that has representatives of Customs, NLC, TDAP, and the Ministry of Foreign Affairs to have a single-window solution to complaints and bottlenecks by traders.
- Agreement with China to eliminate Beijing pre-clearance of TIR-sealed trucks crossing the country at Sust and introduce special QTTA green lanes at all three bilateral crossings (Khunjerab, Torugart, Kordai).
- Formal incorporation of Uzbekistan and Tajikistan is a necessity. Enhance Tajikistan and Uzbekistan to become active members of QTTA with intensive diplomacy. Membership expansion should be supported by bilateral trade agreements, commercial attaché posts in Tashkent, Almaty, and Bishkek, as well as trade facilitation centers.
- Speed up the digitalization of the customs systems of QTTA participants with the primary focus on the e-TIR implementation, electronic pre-declaration, and smart queuing system at the major border crossings. Continuous border crossing delays, non-harmonized customs operations, and poor digitalization (e.g., no pre-clearance systems) negatively affect the efficiency of the corridors. It is essential to introduce integrated e-logistics systems and uniform transit documentation. CAREC is already effectively active in the trade digitalization of the Central Asian region, and under QTTA, joint efforts can be channeled.
- Create a railway feasibility study of the Gilgit-Khunjerab section of CPEC Phase II, which would fill the gap in railway connectivity in the North. The absence of a railway network in Pakistan's northern areas forces over-reliance on road transport along the KKH, which remains vulnerable to landslides and extreme weather despite year-round Khunjerab access.
- Pakistani traders lack familiarity with Central Asian business environments, legal systems, and languages. Government-facilitated business centers, commercial counsellors, and language programs are essential.

Conclusion

Pakistan has never encountered a more pressing demand and a better moment for the institution to put its trade route to the north to work. The limitations of the Afghan and Iran routes are not just a short-run hiccup, but a symptomatic sign of profound systemic instability that will not be sorted out any time soon in any planning timeline that is of relevance in the economic revival of Pakistan. QTTA, on the other hand, is operational, based on the law, supported by China, backed by TIR, and is open all year round. The physical constraint of the corridor was eliminated by the Khunjerab year-round opening in October 2023. The only thing left is political will and reform of the administration. Although China is a key player because of its Belt and Road Initiative (BRI), the problem of coordination and delays in the process requires greater institutional cooperation between China, Central Asia, and Pakistan. The states involved in the QTTA need to implement a wider strategic vision to operationalise it as a geoeconomic corridor. To sum up, a larger QTTA system comprising Russia and the entire Central Asian region has the potential to establish a win-win trade system. It would increase regional interdependence, open up new markets to Pakistani exports, and allow Russia and Central Asia to have stable access to the maritime trade routes, redefining the balance of economic connectivity in the region.

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