



CONFERENCE REPORT

PAKISTAN: A LAND OF OPPORTUNITIES FOR CENTRAL ASIAN REPUBLICS



21ST MARCH 2018



**National Security Division,
Government of Pakistan &
Center for Global & Strategic Studies**

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International Conference Report

“Pakistan: A Land of Opportunities for Central Asian Republics”



Jointly Organized by
National Security Division, Government of Pakistan &
Center for Global & Strategic Studies, Islamabad
at Serena Hotel, Islamabad
on 21st March 2018

Participants

The Conference was attended by almost 400 participants including government representatives, retired senior armed forces officers, diplomats, law enforcement officials from across the country and individuals from public and private entities.

Host	Major General Syed Khalid Amir Jaffery, HI(M), (Retd) - President, Center for Global & Strategic Studies (CGSS)
Guest Speakers	Mr. Ahsan Iqbal- Federal Minister, Planning, Development and Reform and Interior
	Lieutenant General Nasser Khan Janjua HI(M), (Retd)- National Security Advisor of Pakistan, National Security Division
	Ms. Tehmina Janjua- Foreign Secretary, Ministry of Foreign Affairs, Government of Pakistan
	Mr. Syed Iftikhar Hussain Babar – Federal Secretary, National Security Division, Government of Pakistan
	Mr. Sarmad Ali- President, All Pakistan Newspaper Society (APNS)
	Mr. Shaukat Tarin- Former Federal Finance Minister and Presently Advisor to the Chairman, Silk Bank
	Dr. Khudoberdi Kholiqnazar- Former Foreign Minister of Tajikistan and presently Director, Center for Strategic Studies under the President of Tajikistan, The Republic of Tajikistan
	Mr. Ikramov Adkham Ilkhamovich- Former Vice Prime Minister and Presently Chairman of the Chamber of Commerce and Industry of the Republic of Uzbekistan
	Ms. Irina Chernykh- Chief Research Fellow, Kazakhstan Institute for Strategic Studies under the President of Republic of Kazakhstan

Mr. Baidoletov Nuradil Esenbekovich- Deputy Director, National Institute of Strategic Studies of the Kyrgyz Republic, Kyrgyz Republic

Mr. Merdan Bayramdurdyev, Deputy Minister of Finance and Economy of Turkmenistan

Mr. Mustafayev Bakhtiyor Rasulovich- Director, Institute Of Strategic And Interregional Researches Under The President of The Republic of Uzbekistan

Introduction of the Speakers

The introduction of the guest speakers who presented speeches during the conference are as follows:

Mr. Ahsan Iqbal – Federal Minister for Planning, Development and Reforms and Federal Minister for Interior, Pakistan

Mr. Ahsan Iqbal, Federal Minister for Planning, Development and Reforms presented speech on "China-Pakistan Economic Corridor (CPEC): A Futuristic Success". Mr. Ahsan Iqbal is an elected member of the National Assembly of Pakistan since 1993. Currently, he is also serving as the Federal Minister for Interior.

Lieutenant General Nasser Khan Janjua HI(M), (Retd) The National Security Advisor of Pakistan

Lieutenant General Nasser Khan Janjua HI(M), (Retd) the National Security Advisor of Pakistan presented speech on "The Prospects of Multilateral Security Cooperation for Multi Dimension Security Issues in the Region". General Nasser Janjua is the National Security Adviser of Pakistan. He has vast experiences during his long military career, spread over nearly four decades. He possesses a unique insight into challenges confronting, National and International Peace and Security. The General Officer served Pakistan Army in various capacities. He commanded his Regiment in Gilgit and a Brigade in Siachin and led the Counter Terrorism Operation, "Operation RAH-E-HAQ" while commanding an Infantry Division in Swat.

Ms. Tehmina Janjua - Foreign Secretary, Ministry of Foreign Affairs, Government of Pakistan

Ms. Tehmina Janjua, Foreign Secretary of the Government of Pakistan presented speech on "Geo-Political Challenges to Enhance Regional Integration". Ms. Janjua has served as the Director General of Strategic Planning in the Foreign Secretary's Office. In 2011, she became Spokesperson of the Ministry of Foreign Affairs of Pakistan. She served as the Ambassador of Pakistan to Italy from 2011 to 2015. Later, in 2015,



Ms. Janjua became Pakistan's envoy to the UN Office in Geneva and in 2016 she became the first woman and first developing country representative to preside over the UN Convention.

Mr. Sarmad Ali - President of the All Pakistan Newspapers Society (APNS)

Mr. Sarmad Ali, President of the All Pakistan Newspapers Society (APNS) presented speech on "The Role of Media in Promoting Regional Harmony". He previously served as Secretary General and Joint Secretary of APNS . In 2013, the President of Pakistan conferred upon Mr. Sarmad the Sitara-I-Imtiaz, Pakistan's third highest Civil Award for his contributions towards the newspapers industry. Mr. Sarmad has around 30 years of experience in marketing, advertising and media management.

Mr. Shaukat Tarin, Advisor to the Chairman of Silk Bank and Former Federal Minister of Finance, Pakistan

Mr. Shaukat Tareen, Advisor to the Chairman of Silk Bank presented speech on "Pakistan on Crossroads of Developing Socio Economic and Financial Relations with People of Central Asian Republics". He has remained a senior banker and former Federal Finance Minister of Pakistan. Mr. Tareen was appointed as the Chairman & President of one of the country's largest nationalized banks, Habib Bank. He was associated with Union Bank from June 2000 as its Chairman and Chief Executive Officer.

Ms. Irina Chernykh - Chief Research fellow at the Kazakhstan Institute for Strategic Studies under the President of Republic of Kazakhstan

Ms. Irina Chernykh, Chief Research fellow for the Kazakhstan Institute for Strategic Studies under the President of Kazakhstan presented speech on "Potential and Prospects of Intra-Industry Trade in the Region". Ms. Irina was the Deputy Dean of the Faculty of International Relations of Al-Farabi Kazakh national university and Head of the Chair of Regional Studies and World Economy, Faculty of International Relations in the same university. She is the Author of more than 60 scientific works (monographs, sections in monographs, articles, textbooks and teaching aids).



Mr. Ikramov Adkham Ilkhamovich - Former Vice Prime Minister of the Republic of Uzbekistan and Current Chairman for the Chamber of Commerce and Industry in The Republic of Uzbekistan

Mr. Ikramov Adkham Ilkhamovich, Former Vice Prime Minister of the Republic of Uzbekistan presented speech on "Reconnecting Central Asia with South Asia – A Road towards Prosperity". He is currently the Chairman for the Chamber of Commerce and Industry in Uzbekistan. He worked as Deputy Prime Minister, as well as Minister of Health of the Republic of Uzbekistan. He also served as Deputy State Advisor to the President of the Republic of Uzbekistan.

Dr. Khudoberdi Kholiqnazar - Director of Centre for Strategic Studies under the President of Tajikistan

Dr. Khudoberdi Kholiqnazar, Director of Centre for Strategic Studies under the President of Tajikistan presented speech on "Building Regional Synergies to Achieve Peace, Security and Development". Mr. Khudoberdi has graduated from Oriental faculty, Dushanbe University in 1975 and got his PHD Diploma in the field of oriental history from Moscow University in 1988. In 2015, he got his PHD degree in the field of history from Tajik National University. Now he is professor of Tajik National University and is the author of 200 articles, 8 monographs and 2 collections of articles.

Mr. Baidoletov Nuradil Esenbekovich - Deputy Director of the National Institute of Strategic Studies of the Kyrgyz Republic

Mr. Baidoletov Nuradil Esenbekovich, Deputy Director of the National Institute of Strategic Studies of the Kyrgyz Republic presented speech on "Promoting Regional Integration through Socio-Cultural Exchange Opportunities". Mr. Nuradil joined the National Institute for Strategic Studies in June 2017 and leads the economic team of the Institute. His duties and responsibilities include coordinating the work of the economic team, providing research and analytical support to the Prime-Minister of Kyrgyz Republic and preparation of national-level strategic planning documents. Prior to this, he has worked as a Head of Strategic Planning Department in the Ministry of Economy of Kyrgyz Republic. The department is



responsible for preparing yearly Action Plan of the Government and monitoring its progress. During the service he managed development and launch of the state affordable housing program in Kyrgyz Republic. He has vast expertise and practical experience in planning and implementing economic policy.

Mr. Merdan Bayramdurdyyev, The Deputy Minister of Finance and Economy of Turkmenistan

Mr. Merdan Bayramdurdyyev is the Deputy Minister of Finance and Economy of Turkmenistan and he presented speech on “Energy Connectivity and Hub of Transit Corridors”.

Mr. Mustafayev Bakhtiyor Rasulovich, Director, Institute of Strategic and Interregional Researches under The President of the Republic of Uzbekistan

Mr. Mustafayev Bakhtiyor Rasulovich is the Director, Institute of Strategic And Interregional Researches Under The President of the Republic of Uzbekistan and presented speech on “Commonalities in Strategic Objectives of Pakistan and Central Asian Republics”.



Session 1

Opening Remarks

Major General Syed Khalid Amir Jaffery HI(M), (Retd) – President CGSS



Major General (Retd) Syed Khalid Amir Jaffrey extended a warm welcome to the distinguished guests. The esteemed guests from the Central Asian Republics (CARs) who had traveled all the way to participate in this conference were also warmly welcomed to the historic conference. His opening address comprised of the following remarks:

Central Asia has always held particular fascination and attraction for all of us in Pakistan. It has always been seen as an area with which we share very strong cultural ties. The spiritual connection is even stronger. Central Asia is the land from where Islam spread to the subcontinent, bringing the knowledge of great scholars, their teachings and their wisdom with them. Central Asia is also a land of great resources and potential. It has been the focus of strategists even during the 18th and 19th centuries and has been called the part of the heartland of the world island.

Ever since the opening up of the CARs in the 90s, we have endeavored to establish strong relations with these countries, however with limited success for various reasons. Nevertheless, due to the current environment, there appears to be a strong desire to develop relations on both sides, and this should be capitalized upon. Pakistan is a huge market which can be tapped by the Central Asian States, and vice versa. Security is an issue which has plagued the region for some time and the way forward is only by establishing peace in the region; which has now been achieved to a great extent.

Pakistan has always recognized the geo-economic significance of the Central Asian Republics. The region has abundant natural resources and offers unexplored markets to international goods. The China-Pakistan Economic Corridor (CPEC) offers a great opportunity to Central Asia to



emerge as a revived, economically significant region. The common vision for the region based on economic prosperity will significantly assist the improved relations between Pakistan and Central Asian Republics. CARs and Pakistan can also help use their collective resources to improve agricultural productivity in the Central and South Asian regions.

Pakistan is an ideally positioned country on the globe being at the crossroads of Central Asia, South West Asia and South Asia. Pakistan's credentials are very strong on account of geo-political, geo-strategic and geo-economic aspects. The Central Asian nations, along with Pakistan should capitalize on the spiritual and ethnic commonalities which entwine the interests of all the parties at play. Together, we can, indeed, re-establish the significance of Asia in the global world order.



Inaugural Address

Mr. Ahsan Iqbal- Federal Minister of Planning, Development and Reforms, Pakistan



Mr. Ahsan Iqbal- Minister of Planning, Development and Reform gave a very informative speech on **China Pakistan Economic Corridor (CPEC): A Futuristic Success**. He was of the opinion that we live in an age of connectivity, collaboration and networked economy, and that as the world becomes a global village, fractures within its systems deepen, creating tension between the world orders. As the world becomes more integrated economically, it is a challenge for global leaders to create spaces for collaborations between different economies and regions to make world more secure place, where we can fight terrorism, poverty and climate change and other problems not specific in any one country.

He stated that by 2050 Asia will contribute 52% to world GDP, making Asia the continent of the future and billions will walk out of poverty and this will create opportunities, for not only our regions but also for global economy for growth. He explained that Pakistan is uniquely situated with three engines of growth around Pakistan, uniquely located at the intersection of South Asia, China, and Central Asia. Pakistan can create the opportunity to connect them all.

Pakistan is shifting from the orbit of geopolitics to geo-economics unlike the past 70 years connecting regions to become hub of trade commerce and economic progress.

He discussed the economic potential the CPEC holds, as it is a step on the path to Pakistan's vision 2025.

Through this Pakistan has a portfolio of over 46 billion dollars that will be invested in Pakistan's energy sector to make itself self-reliant in energy, investment in transport infrastructure between

Pakistan and China, in Gwadar port that is the future hub of maritime trade and also connecting point of BRI initiative and maritime silk route through Indian Ocean.

He discussed two trading routes that CPEC offers: the Pakistan – Kabul – Tajikistan route, and the Gwadar – Quetta – Herat – Turkmenistan, as part of their plans to connect to CARs and extend the routes to Russia.

He implored the CARs to consider easy visa programs and allow access for private airlines to make direct flights between CAR destinations and Islamabad, alongside free and open media and education programs that can help bring the populations of the two regions together.



Speaker 1

Dr. Khudaberdi Kholiqnazar - Director, Center for Strategic Studies under the President of Tajikistan, Republic of Tajikistan



Dr. Khudaberdi Kholiqnazar delivered his speech on the topic of **“Building Regional Synergies to Achieve Peace, Security and Development”**. While extending Novroz greetings, he said:

The intensification of cooperation in the region is especially important - the dynamism of changes in the world conditions is very high. The scale and impact of global food, fuel and financial crises are growing. And apparently the high level and volatility of prices for food and energy will be felt for many more years

The increasing need to reduce the vulnerability of national economies can intensify the process of diversification - the economy, trade flows, and, accordingly, transport messages

The prerequisites for ensuring dynamic growth in the medium term are likely to be increasingly associated with resolving problems - weak investment flows, slow productivity growth, low commodity prices.

In the medium term, security will also be a priority - first of all, this is due to the consolidation of efforts to counteract terrorism and extremism.



The implementation of international transport communications and energy projects and their impact must be supported by security (including in the context of their high capital intensity and duration of implementation).

It seems that in economic cooperation there are at least four themes that apply- directions may be of interest to all SCO (Shanghai Cooperation Organization) countries. Let me also congratulate Pakistan on becoming a full member of the SCO which will prove to be a useful addition to the organization. Although new additions may have new challenges but also contains new opportunities to work more closely under framework of SCO.

There exists immense potential for cooperation of SCO countries in the fields of:

- Food security
- Water and energy issues
- Development of transport communications and transit potential
- Production cooperation

It is important to promote the formation of economic corridors, in the center of which there are transport and energy arteries, favorable terms of trade providing concentrated commercial types of activity, creating opportunities for business, tourism and other socio-economic activities

Conditions for the Formation of Economic Corridors

The concept of economic corridors is new and it is an important perspective format for regional cooperation. At the same time, the requirements that cover transport networks, energy, information and communication technologies, urban infrastructure and economic zones are growing. Promotion in the process of forming economic corridors presuppose the following prerequisites:

- A high level of support and trust between governments, the formation of common interests;
- Involvement of entrepreneurship in the formation and development of the corridor;
- Development of institutional mechanisms for coordinating the activities of various stakeholders;
- Qualitative macroeconomic and sector wise analysis of the development of the countries of the region, long-term planning horizon.

Sources of Investment in Infrastructure Projects: As a rule, the state accounts for the bulk of investments in infrastructure which is more than 65%. Accordingly, private investment accounts for about 35% of all investments in infrastructure. As a mechanism of public-private partnership in the total volume of infrastructure investments, the share is about 8%. Road concessions can be attractive as long-term profitability - about 10-17% on invested capital. When structuring a public-private partnership, it is extremely important to have an accurate forecast of long-term income from the project. Mechanisms are needed to form a long-term resource base for the implementation of infrastructure projects.

Security Perspective and Areas of Cooperation: The problem of terrorism and extremism in the short term will continue, the threats will remain relevant not only for the countries of Central Asia, but for humanity as a whole. This will primarily depend on the positions of the countries around



world and regional powers as well as the extent to which their geo-strategic and geo-economic interests are realized in the region. For the Central Asian Republics (CARs) the unsettledness of the Afghan crisis will prevail in terms of the main challenges and threats emanating from this country; since the stabilization of the situation in Afghanistan in the short term is not foreseeable. The countries of the region need to independently improve the forms and methods of fighting against the terrorist and extremist threats of our time by identifying and implementing this work within the regional organizations of which they are members. To effectively fight against terrorism a systematic approach to the organization of anti-terrorist activities at the state level is needed. The sufficient number of specialized structures available in the states can be called to prepare for the fight against terrorism only conditionally (there is a delay in the actions), we need advance operational work (work on anticipation). Other Areas of cooperation can be expanded to choose the priorities. This includes exchange of information and trainings, technical and advisory assistance and joint operations. The intensity of contemporary threats requires consolidating efforts.

Taking into account the evolving situation in the northern provinces of Afghanistan, as well as the fact that the situation on the southern borders of the SCO states-members may worsen, it is important to focus on the following points:

- The provision by SCO member states to have mutual assistance in developing the armed forces of Tajikistan, equipping them with modern weapons and military equipment;
- Improvement and development of the Collective Forces of the SCO;
- Development of integrated military systems;
- Development of the SCO Peacekeeping Forces;
- Organization of inter-agency information exchange using a modern telecommunication automated information system of secure communication between law enforcement agencies of the SCO member states;



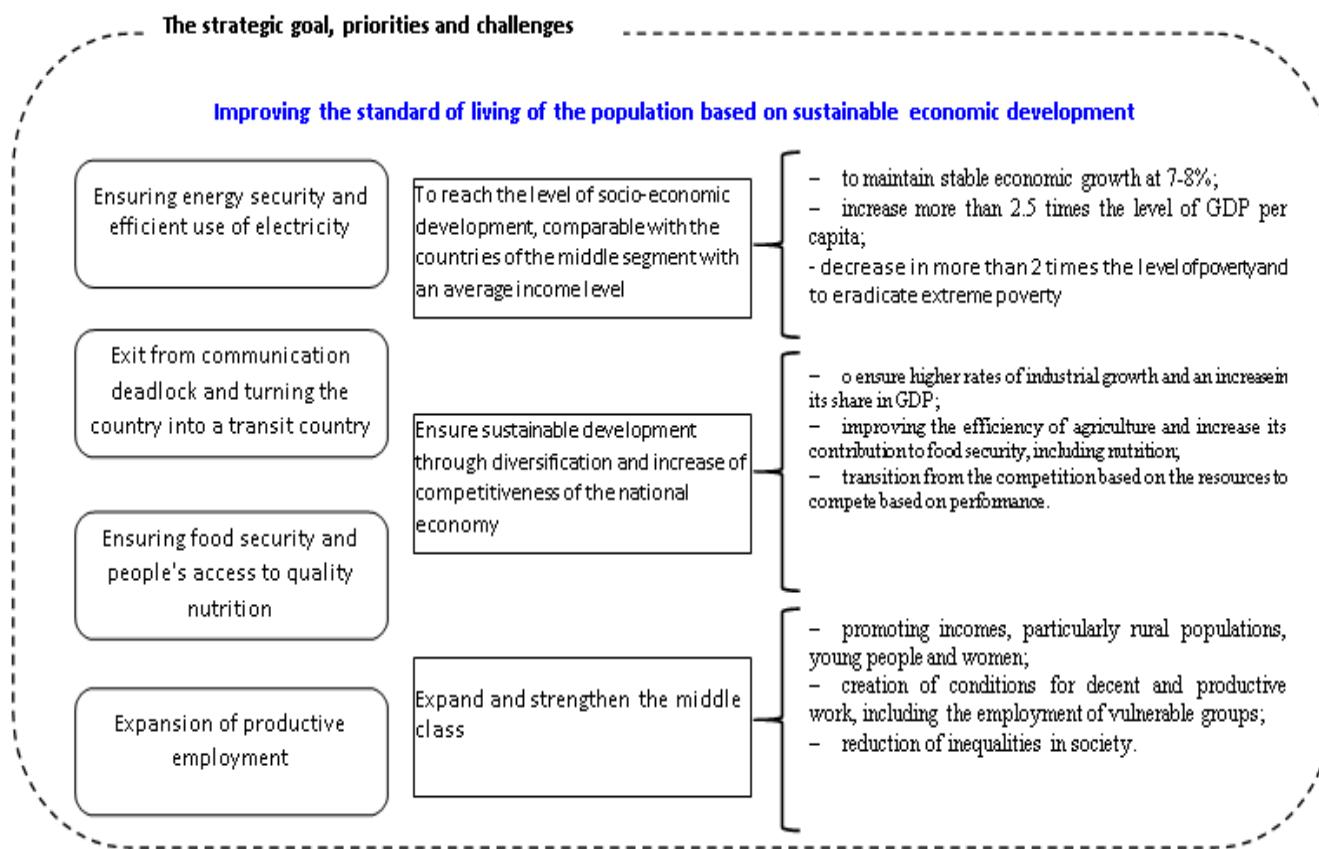
- Increasing institutional level through implementation of personnel trainings, retraining and training programs for law enforcement officers in the fight against terrorism, extremism and other challenges and threats.

Economic Cooperation: For the Republic of Tajikistan, it is also important to intensify foreign economic cooperation. It is important to actively continue resolving the basic strategic tasks related to the achievement of energy and food security, as well as the country's withdrawal from communication isolation and the modernization of the entire transport infrastructure. The priority direction of cooperation is not only trade and economic ties, but also the implementation of infrastructure projects and production cooperation. It is important to reduce the vulnerability of the economy due to slow growth in exports and a decrease in the inflow of remittances. Reasonable macroeconomic management and structural reforms aimed at diversification and better integration in global and regional markets will create more economic opportunities and reduce Tajikistan's vulnerability to shocks.



National Development Strategy of Tajikistan

The following components explain the “National Development Strategy of Tajikistan” through the flowchart.



Tajikistan – Pakistan Cooperation: Officially, diplomatic relations between these two countries were established in 1992. In the same year, a delegation of the Republic of Tajikistan visited Pakistan, during which a number of documents were signed, including an intergovernmental agreement on trade and economic cooperation. The volume of trade between countries is 41.4 million dollars (almost 1.5- 2% of total foreign trade) but has potential to reach more than 500 million dollars. There are various ways and means through which economic cooperation can be enhanced such as:



- a) Tajik-Pakistani intergovernmental commission on trade, economic, scientific and technical cooperation.
- b) Cooperation in the implementation of large infrastructure projects.
- c) Membership in the WTO, the SCO, the Islamic Development Bank, Islamic Economic Forum

Prospective Directions of Cooperation: The following fields can direct the future cooperation between Pakistan and Tajikistan. These are:

Industry:

Light industry:

- a) Organization of joint processing of tanning raw materials and the manufacturing of products from it;
- b) Creation of a joint production for washing wool up to 850-900 tons per year;
- c) Creation of joint manufactures for the production of garments (shirts, linens, outerwear, children's clothes);
- d) Creation of joint productions for the production of terry products (towels, bed linen, clothes) ;
- e) Creation of joint productions for the production of packaging materials;
- f) Joint production of folk craft products.

Chemical industry

- a) Creation of joint productions for the production of porcelain and ceramic products;
- b) Creation of joint productions for the production of cleaning and cleaning products.
- c) Health - There are great opportunities for establishing cooperation in the field of production of medicines.
- d) Technical cooperation and information exchange in the field of science and technology;



- e) cooperation in the field of joint implementation of research projects through specialized centers and universities, providing an opportunity for the implementation of scientific programs by these institutions;
- f) Preparation of mutual visits of experts to research centers of both countries and holding joint seminars, conferences and symposiums.



Speaker 2

Ms. Tehmina Janjua- Foreign Secretary, Ministry of Foreign Affairs, Government of Pakistan



Ms. Tehmina Janjua extended her warm felicitations to the speakers, the National Security Advisor, distinguished guests and wished them a happy Navroz. She remarked that it is a very auspicious start of spring and we can celebrate it together. She extended her gratitude to the hosts –CGSS, Islamabad and National Security Division for giving an opportunity to speak in the important seminar. She extended a warm welcome to the guests from Central Asia. She addressed the audience on the topic

“Addressing Geo-Political Challenges to Enhance Regional Integration”. Her speech included the following points:

This seminar has been organized to reflect Pakistan’s role in emerging scheme of things and flux in the global balance of power at a time of grand projects of regional integration finally taking shape. This conference will help in building consensus on present geopolitical challenges. I agree with the earlier speaker that Pakistan is the land of opportunities for the Central Asian Republics and vice versa. Pakistan has very strong connection with Central Asia with the bonds of kinship, culture, civilization and communion.

The end of the Cold War brought with it new hopes and expectations to the world, we felt that with the emergence of the independence of Central Asian Republics, with whom we are share civilizational link will be restored and that a new era of regional integration would open to us. Pakistan rushed to embrace its brothers and sisters’ from the Central Asian Republics. Pakistan was among the first to recognize the Central Asian Republics by establishing diplomatic relations. Last year, we celebrated 25 years of diplomatic relations with Central Asian Republics. Furthermore, the Economic Cooperation Organization (ECO) founded by Iran, Pakistan and Turkey was expanded to include Afghanistan and Central Asian Republics.



The defining principle of foreign policy with regards to Central Asian Republic is peace and sustainable development. The main thrust of engagement is trade, investment, energy connectivity and common culture that we share and want to promote in both Central Asian Republics and Pakistan.

The fundamental logic of connectivity sounds strong if handled through collective efforts. The region has been the center stage of currents and cross currents of international geo politics in many ways and a victim of history and circumstances. However, time has come to overcome the circumstances. Five distinct factors need to be kept in mind while analyzing the overall geopolitical landscape in the region.

Firstly, the changes in global power dynamic, the cold war, the post-cold war unipolar world, the global war on terror and now the emergence of multi polar world have been pulling the region and its component nations in different directions. However, we are coming together and getting closer now. Instability in Afghanistan is a direct consequence of great power rivalry. Afghanistan has been a geopolitical theater, where the last battle of Cold War was fought. It is a war that scattered Afghanistan and deeply impacted Pakistan. It turned Afghanistan into a war economy. Furthermore, it presented us with challenges such as weapons, drugs and refugees.

Secondly, examining the persistent threat in the midst of terrorism and extremism, these phenomenon are not indigenous to our region but had profound impact on our society. They are

the direct product of power wrangling between two superpowers in the Cold war, the Afghan war and the aftermath of soviet withdrawal from Afghanistan.

Thirdly, the emergence of transnational organizational networks, drug smugglers and human traffickers have also contributed to the menace of terror financing and instability in the region.

Fourthly, the persistent interstate disputes and disagreements also have collaboration in South Asia. The long standing dispute of Kashmir and Indian refusal to seek a peaceful resolution through dialogues poses the greatest hurdle to meaningful integration of the region.

Finally, unhealthy aspiration of certain countries that abused the region used it as a chessboard for gaining influence and playing blame and shame game; acted as spoiler to integrate the region. However, we will overcome all of this through mutual cooperation.

Ladies and gentlemen, opportunities are there to be grabbed with the peaceful rise of China. It created the right conditions to construct modern Silk Road in a world where international consensus is creating global community of shared interests. China's One Belt One Road Initiative is the ray of hope for the countries of the region to rectify the differences and work together with the single minded goal of mutually beneficial development.



Speaker 3

Mr. Ikramov Adkham Ilkhamovich - Former Vice Prime Minister and Presently Chairman of the Chamber of Commerce and Industry of the Republic of Uzbekistan

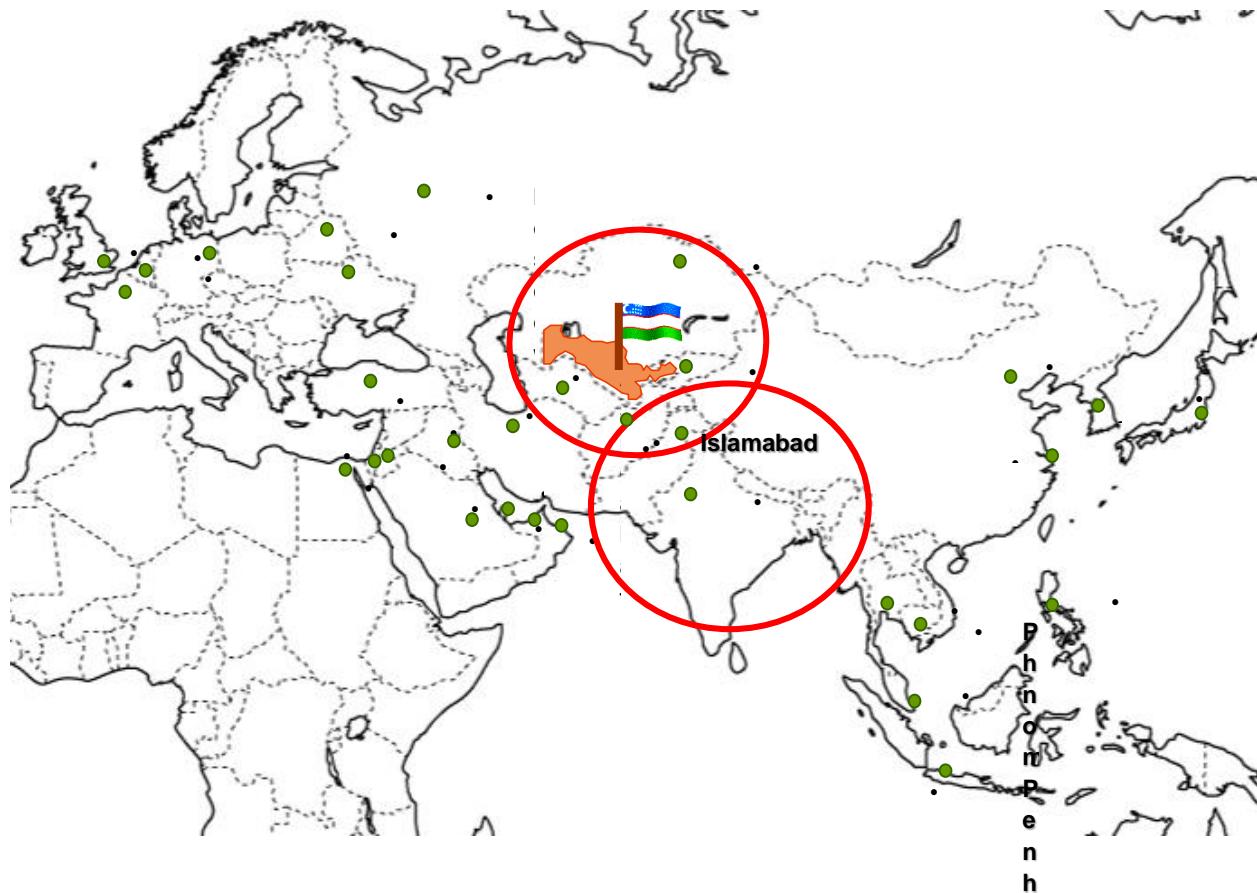


Mr. Ikramov Adkham Ilkhamovich conveyed his gratitude for being able to speak to the learned audience and greeted them on behalf of the Republic of Uzbekistan at the conference devoted to the topical issues of strengthening cooperation between the countries of Central Asia and Pakistan. He addressed the audience on the topic of **“Reconnecting Central Asia with South Asia- a Road towards Prosperity”**. His remarks contained the following

important features:

I would like to thank everyone especially the Minister for Interior, Mr. Ahsan Iqbal for the informative and insightful speech regarding the conference and Foreign Secretary, Ms. Tehmina Janjua for underlining the vision of the government. I am glad to be here on behalf of Uzbek government, embassy and diplomatic mission in Pakistan.

The reforms in various sectors of trade and economic sphere which are being carried out in Uzbekistan, as well as the prospects for strengthening cooperation between Uzbekistan and Pakistan, and the countries of Central and South Asia.



Uzbekistan enjoys favorable geographic location and demographics in the region. The main priority of Uzbekistan's foreign policy is expanding and deepening regional cooperation. Our country stands for the progressive development of multifaceted interaction between the countries of Central and South Asia. This will make full use of the enormous human and economic potential of a vast region with a population of about 1.8 billion.

Trade Turnover

Despite the negative consequences of the global financial and economic crisis, the trade turnover between Uzbekistan and Pakistan is steadily growing. Today it is 36 million USD. We are deeply

convinced that these figures absolutely do not correspond to the existing potential of our countries. It is important to do our utmost to create more favorable conditions for the entrepreneurs of both countries.

Transport Communication

Uzbekistan attaches high priority to the development of transport, communication and transit infrastructure in the vast region of Central Asia, designed to link the major markets of Europe and Asia, to fully reveal the transit potential of the countries of the region. In this regard, we support the development of all-round interaction with the countries of Central and South Asia in the sphere of expanding the existing and creating new transport corridors. So, in 2017 more than 20 thousand tons of Pakistani export products were transported through Uzbekistan. In 2011, the "Hayraton – Mazari-Sharif" railway was launched, which was built by the state railway company "UzbekistonTemirYollari". In December 2017, the governments of Uzbekistan and Afghanistan agreed on the construction of the Mazar-e-Sharif – Herat railway line, an agreement was signed. Undoubtedly, the implementation of this project will have a significant impact on the increase in cargo volume between the countries of South and Central Asia, as well as the Eurasian continent as a whole. The project will be further connected to Gwadar deep sea port in future.

Mr. Ahsan Iqbal talked about the direct flights between Pakistan and Uzbekistan. I am happy to inform that in April 2017, the national airline company "Uzbekistan Airways" resumed flights Tashkent-Lahore-Tashkent, which are carried out twice a week.

The launch of the flight gave additional impetus to strengthening the cooperation between our countries in the trade, economic and tourism spheres, particularly, in 2017; 12 thousand passengers have commuted, as well as 145 tons of cargo has been transported. Such initiatives are very important in bringing both the countries closer.

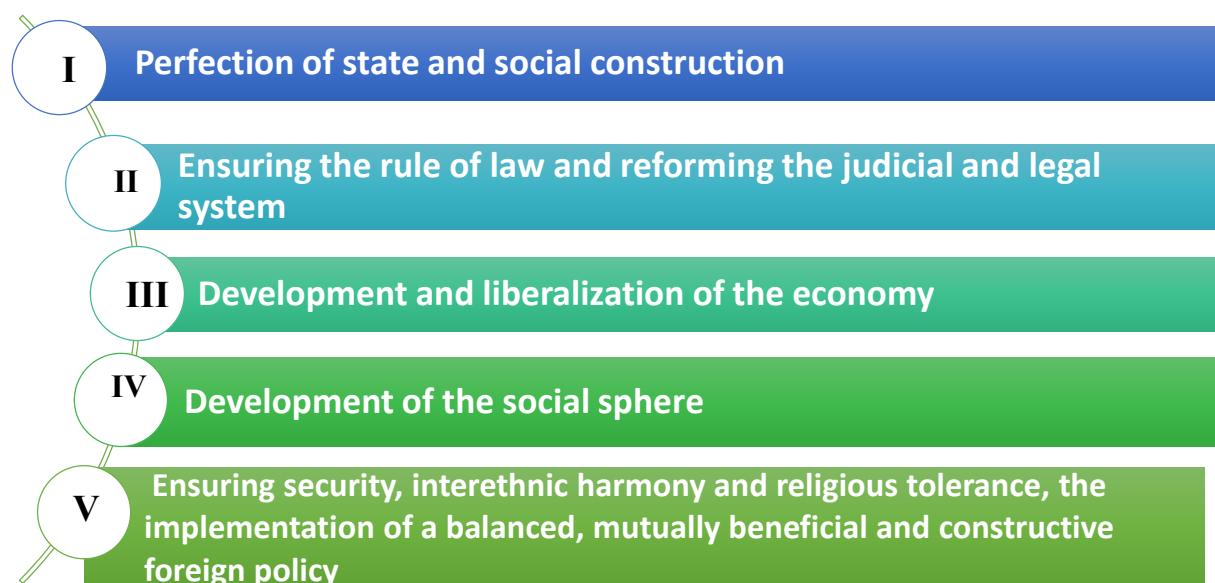
CASA 1000 Project

Uzbekistan sees great prospects for cooperation in the energy sector. So, Uzbekistan has put into operation the power transmission line "Hairaton – Puli-Khumri – Kabul", whereby electricity



supplies valued at over 100 million USD are carried out to the capital of Afghanistan annually. Nowadays, the "Surkhon – Puli-Khumri" transmission line construction project is being implemented, which, in the future, may be used to load the power transmission line, realized within the framework of the CASA 1000 project, and aimed at supplying electricity from Central Asia to Pakistan. Uzbekistan is also working on connecting electro energy connectivity which Tajikistan which is significantly important for the ties between both the countries.

Now let me briefly tell you about the reforms being carried out in the Republic of Uzbekistan, as well as the prospects for the development of Uzbek-Pakistan trade and economic relations. In February 2017, the President of Republic of Uzbekistan approved the Strategy of Action for the five priority development directions our country for the years 2017-2021, which is aimed at:



Uzbekistan is making great efforts to develop the private sector, simplify the procedures for doing business. In the report of the World Bank "Doing Business 2018" Uzbekistan is included in the list of so-called "Top 10 countries - Economic reformers". Over the past three years, Uzbekistan has

improved its position up to almost two times, rising from 141st place to 74th. In ease of registration of business, Uzbekistan is placed on 11th ranking worldwide.

Integration into the world economy

Integration into the world economy is a priority for Uzbekistan. We are convinced that stimulating foreign trade and bringing national legislation in this sphere in line with internationally recognized norms is a vital factor for the development of Uzbekistan.

In this regard, on the initiative of the President of our country, the Republic of Uzbekistan resumed the process of accession to the World Trade Organization.

Favorable Conditions for Investors

Today, Uzbekistan attaches special importance to the issues of attracting foreign investments. There are 14 free economic zones in the republic, residents of which are granted broad benefits, including exemption from all types of taxes and customs payments.

The creation of favorable conditions for foreign investors has contributed to the fact that large companies of various business areas from all continents of the world have started to operate in Uzbekistan. Currently, more than five thousand companies which were created with the participation of foreign capital are successfully operating in our country, 63 of which were created jointly with Pakistani partners.

Proposals for cooperation:

Oil and Gas Industry: Now, I would like to briefly refer to the spheres of business activity, where we see the prospects for implementing joint business projects. The oil and gas industry is one of the most attractive economic sectors for foreign investors. Today, a number of major projects in our country in the oil and gas sector are being implemented, in which the largest transnational companies are actively participating.



Automobile: Today, in Uzbekistan all types of vehicles are produced. In the period from 1994 to 2017, more than 2.6 million vehicles were manufactured in our country, and 40 factories for the production of auto components were built.

This industry has attracted the world's largest auto-building companies such as: General Motors, Isuzu, MAN, CNH industrial, Citroen, etc.

Chemical Industry: We also see great opportunities for implementing joint projects in the chemical industry. Nowadays, chemical products produced in Uzbekistan are exported to 30 countries of the world, and over the next 5 years, in this sector there have been envisaged the implementation of more than 40 projects with investments worth about 4.7 billion USD and the creation of 3,000 new jobs.

Pharmaceuticals: A rich raw material base contributes to the dynamic development of the pharmaceutical industry. Uzbekistan is interested in attracting foreign investment in this sphere. In this connection, seven free pharmaceutical zones were created in Uzbekistan in year 2017, residents of which are exempt from all types of taxes and customs payments.

Food Industry: Uzbekistan is one of the largest traditional producers of fruits and melons and gourds in the region. About 23 million tons of fruit and vegetable products are grown per year in the country. Favorable climatic conditions allow Uzbekistan to increase its output annually.

This provision creates good premises for the implementation of joint projects for fruit and vegetable processing and its export to third countries.

Construction Materials: The construction materials production sector is also becoming relevant for our cooperation today due to the availability of a rich raw material base for this sector of the economy in Uzbekistan and the increased demand for building materials both in our country and in the countries of our region.

Over the past 10 years, the construction materials industry has attracted more than 400 million USD investments.



Electro-technical Industry: Uzbekistan has localized the production of all major types of electrical products. Today, the world's largest manufacturers of household appliances are actively working in our country, which annually increase the range of products, as well as expand geography and volumes of export.

Tourism: The rich cultural and historical heritage, as well as the favorable natural and climatic conditions allows Uzbekistan to receive tourists at any time of the year both for leisure activities and traveling with the purposes of learning the rich archaeological and religious history of our country.

Visiting Great Islamic Heritage Places: Uzbekistan has been paying special attention to the potential of pilgrimage tourism. Muslim mosques located on the territory of Uzbekistan, such as the ensembles of Bakhauddin Naqshbandi, imams of Al-Bukhari and At-Tirmizi, as well as other great representatives of Islamic civilization are very popular among tourists. It is important to note that Uzbekistan is currently working on the construction of the Center for Islamic Civilization, which will be replenished with ancient manuscripts, lithographic books, and historical documents, unique antiquities relating to scientific and religious schools founded by the great religious figures in the territory of modern Uzbekistan.



Speaker 4

Mr. Sarmad Ali – President, All Pakistan Newspaper Society (APNS)



Mr. Sarmad Ali addressed the audience on the topic of “**Role of Media in Promoting Regional Harmony**”. His speech comprised of the following remarks:

Pakistan is 70 years old or 70 years young nation 70% of our population is below 30 years of age. This is a nation of almost 200 million people with a sizeable bulge of young people and that is where the potential of Pakistan lies. We have talked today about a lot of things regarding relationship with Central Asia. There is so much common between the Central Asian Republics and Pakistan that a lot of Central Asians friends feel that Pakistan is like a second home to them and vice versa. There are cultural, religious, spiritual and linguistic links that bridge Pakistan and Central Asia together. For most Pakistanis, cities like Samarkand and Bukhara are part of our culture and literature but over the years, it seems we lost our connectivity with Central Asia. May be this is the time to revive this connectivity.

Let me brief you about the media landscape of Pakistan. Pakistan has a very vibrant media sector. There are 90 television channels and 210 main stream newspapers. The internet population is around 35 million while total mobile phone subscribers have crossed one hundred 50 million. The number of 3g and 4g subscribers are 46 million and number of broadband users are 48 million. If we look at the digital manipulation in Asia pacific, 47% of the subscribers are the urban population, out of these almost 46% use the internet, and there are 36% active social media users who use social media actively with 96% mobile penetration. In Pakistan, mobile penetration is around 84%. So, this is a dynamic connected world that we living in.

While we talk about progress of CPEC, we talk about the progress of Belt and Road Initiatives, Pakistan has been witnessing its share of developments in the field of energy, power and infrastructure. Federal Minister Mr. Ahsan Iqbal talked about world class economic connectivity between Pakistan and China and his excellence talked about reconnecting Central Asia and South

Asia but all these efforts are incomplete without what we call the new form of connectivity (Media connectivity).



Historically, let's take a look at what connectivity is all about in the past so many years. It started with sea connectivity when ships started moving from one port to another while trade and commerce increased among the countries. Then technology moved to air connectivity and then to land connectivity because a lot of people probably thought air connectivity was expensive.

Today, we are talking about recreating the ancient silk route which was a combination of maritime and land connectivity. But all this modern connectivity becomes meaningless and does not make much of an impact although it does make an impact on infrastructure and the quality of the life of the people. However, more important is what we call a new form of connectivity, which is media connectivity. The famous media philosopher Marshall McLuhan predicted in 1960 that the world has become a global village, describing the world today as new electronic interdependent world. The media to media linkages help connect people, countries and cultures from around the world. Obviously, there is land, air and maritime connectivity but without connecting people to people linkages and changing the perception of the people, this connectivity becomes meaningless. CPEC is a buzz word in Pakistan as in other parts of Asia. This is encouraging foreigners to come into Pakistan and the economy of Pakistan is experiencing a great positive trend but a lot more still required as commercial and political power shifts from the west to east. As we start living in what

is often described as the Asian century, we need to connect people of our continent through cultural and media connectivity.

Pakistan we often describe is the gateway of Central Asia, a land locked but resource rich region. Central Asian Republics always look to find the access to regional markets including Pakistan, India, China and the countries of West Asia. In this regards, CPEC could strategically serve as an opportunity to Turkmenistan, Uzbekistan, Kyrgyzstan and Tajikistan to transport their goods and market them more compatibly to regional and global markets through Gwadar port. Pakistan also desires the access to opportunities and resources of Central Asia to meet its energy needs as well as send goods to Central Asia. We have century old linkages with Central Asia and also enjoy cultural, spiritual, historical and logistic linkages with Central Asia. His Excellency, the Ambassador of Republic of Uzbekistan informed that there are close to 10,000 words in Uzbek language and Urdu language that are common. Baber, the founder of Mughal Empire came from Central Asia. The entire Mughal dynasty had its root in Central Asia and a lot of Pakistani population looks at Central Asia as their ancestral roots. Today, we are living in the world which is fueled by perceptions. Unfortunately, it is the world we live, which is totally determined by the perception that is created about all of us, whether, it is Pakistan Central Asia or China or any individual. It is the perception that matters and unfortunately the reality has taken a back seat. It is famously said that the media is the most powerful entity on earth. It has the power to make innocent guilty and vice versa because it controls the mind and the masses. We live in a world that is controlled by western media, which creates perception about nations and about societies. There is a Pakistan which is beyond CNN and BBC. A Pakistan which we should not be looking from the prism of the western media but from our own prism. If there is a small cat, perception can make it a tiger or the other way around. Unfortunately that's the world we are living in this age.

We need to highlight our own realty and breakout of the perception that has been woven around us. While we see allies joining to malign BRI and CPEC as a new form of colonialism, we should come together to one platform and highlight true spirit of Belt and Road Initiative (BRI). This can only be done by focusing the language through media to media linkages, which is the most



important aspect thus providing an impetus to our desired connectivity of Central Asia with South Asia.

Our focus on today for better tomorrow prospers by connecting media. Currently the information we have about each other and about region is through media and we need to make maximum use of this tool to put our point of views across. We need to create connectivity between media of Pakistan and the media of Central Asia, so that we know more about each other. This can be best done in the form of exchange programs between media forums, seminars, art and culture exchange programs, film festivals, sharing and the exchange initiative for news as well as joint productions. Earlier, the Foreign Secretary and the Interior Minister suggested the need of joint productions. If we can have Turkish plays on our televisions then why can't we have Central Asian plays on our TV channels? Why can't we have Pakistani contents on Central Asian channels? The media must



play its role in highlighting common grounds and to fight against propaganda and portray true image of cooperation.

We have to change the rules of the game and start playing the game ourselves. Communication Practitioners has been emphasizing role that media plays for social Cohesion, national and regional integration for a long time. Media has been helping to free people of a country or region from the mutual hostility and help achieving national regional integration. Such cooperation removes insecurity in neighboring countries and acts as a barrier in its arm race or any type of conflict amongst them. Therefore, there is a need for a media corridor which saves regional countries related to BRI and answer to the criticism by the west and their regional proxies to thwart our progress. It is needed to portray positive and realistic approach to show what actually BRI is all about. We need our media to talk about our developments with the region and the shift of prosperity from the west to east. The media which is radio television and today's social media can be used to promote peace and to determinate truthful information or alternative viewpoints that would turn public sentiment towards peaceful resolution of the conflicts and counter hate speech.

Media specialist from across the world have been garbling over the role of media in the world of today. Mass media has 4 basic functions, that is:

- To inform
- To entertain
- To educate
- To influence

What we receive from media becomes perception through knowledge and experience. The power of media lies in its ability to transform perception into conviction. Effective media is an essential and indispensable part of society that is trying to make a transaction towards peace and harmony. Thus, media connecting the entire BRI nations will help in bringing positive ideas that is beneficial and promoting solidarity within the nations and encouraging peace. A media corridor will share interest of respective countries that will lead to achieve common development goals. It can serve





as a great platform for future policies and decisions. Countries utilizing this corridor will work in times of the crisis and even meet securities challenges. A connected media will be able to focus on the commonalities rather than differences between the countries. The expertise of each country will be utilized by the other to create favorable economic conditions to help the entire region grow. The increased human introduction and connection will bring harmony in cultures. With BRI in full swing, the people to people connectivity is on the rise as more people are traveling for trade and travel. For instance, more than 150 students received scholarships from China last year. This year 250 Chinese's universities have opened their doors for Pakistani students.

There is a need for Central Asian Universities to take a cue from this and start opening the doors to Pakistani students. More than 20 universities in Pakistan are teaching Chinese language courses as government IS focusing on the using the skilled work force for the CPEC. 197 institutes are catering for 50 thousands students for CPEC specific training of 30 different trades for mega projects. More than 50 thousand Chinese are working within Pakistan along with their families. Population is expected to grow to one lac. According to the estimate almost half of million Chinese have travelled through Pakistan in a year. This people to people connectivity help us learn each

other language, custom, lifestyle, ideologies, cultures and bring us closer like one big family as Marshall McLuhan called the global village in 1960s. Without people to people connectivity and cultural exchanges, there will be no economic activity and growth. Hence, no matter how much we focus on expanding trade, work or infrastructure, if we do not have people to people and media connectivity, we won't be able to achieve economic growth and stability that we are aspiring for. CPEC and the media connection of entire Central Asia thus becomes imperative for progress and for prosperity.

We need a media platform that connects Central Asia to South Asia, where all countries promote, support and stand with each other as one unit and face international challenges and adversities. This should also include collaboration of art, literature, culture, languages and festivities. It is only when we come together that we can combat all negative forces that are coming in our way of development. We must change perception through joint media forces and highlight a new reality of rising east as a future economic and cultural hub.

As the famous Pakistani poet and philosopher Dr Muhammad Iqbal famously said:

شرق سے ابھرتے ہوئے سوچ کو فراویٹھ
طہول آنکھ زمین دلکھ فلک دلکھ فضادلکھ

He said in 1936 that look at the rising sun from the east and that is what we should all be looking at while it is only possible if we connect our media and connect our people together because that's the only thing which will redeem this cooperation

Speaker 5

Ms. Irina Chernykh- Director - Kazakhstan Institute for Strategic Studies under the President of Republic of Kazakhstan



Ms. Irina Chernykh expressed her gratitude to Center for Global and Strategic Studies (CGSS) and National Security Division for organizing such an excellent event. She said that this will certainly contribute to the development of the relations between Pakistan and Central Asia. Furthermore, she congratulated everyone on this auspicious day of Novroz. She added that she is glad to be in Islamabad as it gives her a fair idea about the kind of country Pakistan really is, including the food, culture and traditions.

She also thanked you for enabling me to share my vision on the potential of Industrial and trade in the region. She addressed the audience on the topic "**Potential and Prospects of Intra-Industry Trade in the Region**". Her speech included the following remarks:

Pakistan has great significance for Central Asian Republics. It is not only the fact that Pakistan enjoys favorable geostrategic location but also shares a historical bond. Today, we can safely state that bilateral relations between Pakistan and Central Asian Republics are traditionally friendly. They are not aggravated by set of complex historical, ideological and religious differences. This has helped to strengthen the political ties at all levels and spheres. Today, not only Pakistan is a country of abundant opportunities for Central Asia but Central Asia is a region of opportunities for Pakistan. I would like to underline some factors that can impact both negatively and positively on the development of our relations. There are no worthwhile differences of opinion on various geopolitical aspects of the region between Pakistan and Central Asia but the relations with Pakistan will be increased with its entry in Shanghai Cooperation Organization. Pakistani and officials from the region exchange high level visits on regular basis. Kazakh President, H.E Nazarbayev has visited Pakistan twice. There are multilateral platforms which includes Pakistan and the Central

Asia Republics simultaneously. Apart from SCO there are various other organizations such as Organization of Islamic Countries, Economic Cooperation Organization, Central Asia Regional and Economic Cooperation. We have a similar understanding of the contemporary challenges. I am talking about our common attitude on struggle against terrorism, smuggling of drugs and weapons, illegal immigration etc.

Central Asia has great importance in terms of natural resources. It is on second place in terms of fuel and energy resources. At the same time there are impressive reserves of uranium, gold, iron and coal. Hydel power potential is extremely high in this part of the world. The region is the most important in terms of human capital development. More than 70 million population lives here while all adult population is literate and well educated. One of the key reasons for expanding cooperation with Pakistan is the interdependence among the countries in the region itself. Undoubtedly, Uzbekistan's change of policies towards the region beginning in 2017, gave rise to improvement of political atmosphere in Central Asia. Uzbekistan started to adopt and implement the action strategy on five priorities on the development of the Republic of Uzbekistan for the period of 2017-2021. This strategy is to set up a zone of security and stability and good neighborhood in Central Asia.



Despite all factors pointing out towards the level of interaction between Central Asia Republics it cannot be considered as absolutely satisfactory. We have further potential to develop our relations. This applies primarily to trade and other factors, as well as lack of sufficient regional transport and infrastructure in Central Asia. There is no unified railways structure that integrates the countries of the region. In a number of countries in Central Asia, the number of road networks are non-satisfactory. Logistical hubs and some other institutional mechanisms are not working very effectively. Until recently, the development of interstate infrastructure was limited by some tensions and even conflicts between the countries of the region. Hence, the transportation between Tajikistan and Uzbekistan was seriously restricted.

In 2011, an intergovernmental agreement was signed to create a transport corridor. Uzbekistan-Turkmenistan- Iran- Oman-Qatar which espouses to connect the countries of Central Asia to Persian Gulf. In 2014, the construction of Kazakhstan-Turkmenistan-Iran railway was completed.



Currently, the project of transport infrastructure under the Chinese Belt and Road Initiative is being actively considered in Central Asia. However, these projects and initiatives are not directed towards South Asia. One of the major stumbling blocks in this regards is the instability in Afghanistan. The security issue has seriously limited the connectivity of Central Asia with South Asia. The second drawback is the orientation of economies in Central Asia which is based on the exports of raw material. For example the basis for Kazakhstan's economy is its export of mineral resources which accounts to 65% of total exports which mostly oil and gas for Central Asia and for Kazakhstan as well.

It can be argued that the relations between Central Asia and Pakistan are mostly political but we have a potential for further development in economic segment. In case of Kazakhstan, the intergovernmental joint commission on trade, economic, scientific and technical areas acts as an instrument for the transition of cooperation to the economic sector.

Priority of cooperation includes the fields of mining industry, metallurgy, transport and communication. The Pakistani delegation actively participates in various international events which are conducted in Central Asia. Central Asia Trade Forum, Central Asia International Exhibition, Expo 2017 conducted in Astana and others which highlights the participation of Pakistan.

We would like to cooperate with countries of the region such as Pakistan for export of locomotive, aircraft and helicopter. The exchange of technology in such sphere is possible. Kazakhstan has a well-developed space program which is being run in collaboration with the Russian Federation. We can also work on the digitalization of our economies in the region. Furthermore, cooperation on the production of green energy technology and energy production can be enhanced. In addition to that, the renewable energy can also be harnessed through mutual cooperation in science and technology. Kazakhstan has well developed centers for such fields such as Astana International Financial Center, International Park of IT and well known university called Nazarbayev University which has distinguished science and technology programs are one of the many facilities on offer



in Kazakhstan. In the field of human development to sustain economies, Kazakhstan can work with Pakistan to enhance knowledge based economies.



Session 2

Speaker 1

Lieutenant General Nasser Khan Janjua HI(M), (Retd)- National Security Advisor, Government of Pakistan



Lieutenant General Nasser Khan Janjua HI(M), (Retd)- National Security Advisor was the first speaker in the second session of the Conference. The title of his speech was **“Prospects of Multilateral Security Cooperation for Multi Dimension Security Issues in the Region”**. His speech comprised of the following remarks:

Our honorable guests from Central Asia, General Jaffery (President -Center for Global and Strategic Studies), Mr. Shaukat Tareen, General Sardar , diplomats and distinguished guests. This is a great day to come together to carve a way forward for future which is so much common. On this day, I welcome all delegates who came all the way from their home countries of Central Asian Republics. I wish a very happy Nowruz to them from myself and the people of Pakistan. In addition, I also congratulate Center for Global and Strategic Studies and National Security Division (NSD) for organizing the amazing conference for putting in all the hard work.

Mr. Ikramov asked me “How did you conceive this idea of bringing all the Central Asian Republics under one umbrella in this conference”. So I whispered in his ears, “This is a love story!”

I would like to tell the audience about how this initiative started. When I visited Central Asian Republics, Uzbekistan and Tajikistan, I was looking for prospects that connect us. Incidentally, I happened to meet a journalist having extensive experience of Central Asian Republics, I called him over and told him to let's find ways and means to connect with these countries. He tried to impart as much knowledge on these countries with myself and CGSS. Hence, the desire to reconnect with Central Asia made us sit over here and discuss different ideas in this conference.

This is the beginning of the love story between Pakistan and Central Asia. We are so lucky to share the same religion and the commonality and this doesn't end here. We are the followers of Hazrat Muhammad (S.A.W) who taught us to live amongst other religion and co live with them. Our history, our culture, our education and our civilization has a greater depth. All of us here have been blessed with beautiful countries and we share immense similarities. In the constitution and flag of Pakistan, the rights of non- Muslims has also been guaranteed. This shows the large heartedness and inclusiveness of our nation.

Let me tell you about some important aspects of Pakistan that friends from Central Asia may not have heard of before:

We have glaciated regions and its temperature may vary till -50 degrees. In addition we have deserts that could have temperature up to 50 degree plus. We have a wonderful army that has given great sacrifices and so have the people of Pakistan.

Our daughters are involved in various walks of life and they contribute wholeheartedly. They also play different games on international level. This is the kind of progressive nation we take pride in.

In Pakistan we have snow deer and leopards. We have ornamental jewelry and use henna on special occasions, hence we are fashionable people. If we look at how Pakistanis decorate their buses and trucks, it is a beautiful art. We have a diverse culture and we are proud of it.

There is a very famous proverb, "Light descends over the earth", however, the other half of the proverb is "It ascends from Bukhara and Samarkand". So this is part of the love story.

Sufi movements such as Naqshbandi and Qadaria followed in the Indian subcontinent originated from Central Asia. After Makkah and Medina, Central Asia is the third seat of Islamic learning and spirituality for us. This is how we look at Central Asia.

Our geographical proximity also enhances the need for robust and mutually beneficial relationship. Pakistan is proud to share wonderful relations with all the countries of Central Asia. We have a common history with a vision of peaceful and progressive future.





In the sphere of history, I want to put some pertinent questions in front of the esteemed audience to ponder upon. If Pakistan did not stand with Afghanistan, can you imagine Afghanistan as a state entity today? If Pakistan did not help Afghan against a massive invasion, could there have been dismemberment of the USSR and would it have been possible that the Berlin wall would fall? Germany owes its unification to Pakistan. Would the world have been unipolar or bipolar today? If USSR had not dismembered, could so many Central Asian Republics emerge? There are 15 countries including the Russian Federation which emerged due to the same consequence. This is the character and role of Pakistan in the recent history and this is our relationship with Central Asia.

The US emerged as a sole super power after the dismemberment of USSR. However, this influence is fading and this order is under stress. The world is now re-orienting while the economy and security dimensions are altering the world. Recently, the US has declared China and Russia as the revisionist states. North Korea and Iran has been declared as rogue states. India has been declared as a strategic partner and net security provider. If you relate this competitive thought, what are the common challenges that are emerging in our region?

The great power rivalries have been aggravated in Asia. China and Russia are deemed as challengers. The rebalancing of the US policy is at play. Afghanistan is instable and is tailored to checkmate Pakistan, China and Russia. Again, it is rebalancing Asia policy. The presence of Daesh is an existential threat for the region and it is being nurtured and used in Afghanistan. Narcotics

are flourishing and Pakistan continues to fight the terrorism on its soil. Iran is under severe stress while Turkey escaped a coup. The entire Muslim world is undergoing turmoil. India is being empowered as a net security provider and is being prepared as a counter weight to China. One also needs to look into the asymmetry of India and Pakistan, the difference of defense budget. As a consequence, Pakistan is over relying on its nuclear arsenal. I want to ask, is it a good omen for the region? There is a two front situation coming for Pakistan and India. Many disputes are arising in the region without any dispute resolving mechanism in sight.

Pakistan has launched the biggest counter terrorism operation known as Zarb-e-Azb. In FATA, Baluchistan and FATA, we have already succeeded. We are endeavoring to build on our success. We are blamed from some quarters but we have to understand that it is such a prolonged and complex war, misunderstandings do occur. We are blamed that Pakistan is playing a double game and harboring Haqqanis and Taliban. It is ironic that the US is blaming us for siding with the Taliban while Tehreek-e-Taliban Pakistan is fighting Pakistani state that we are siding with infidels. So in other words, both are blaming us. It looks as if we are lesser gods and strongest have a louder narrative. If Pakistan is supporting Haqqanis and Talibans, then it may mean that we are aligning against infidels, then a question arises that why Tehreek-e-Taliban is attacking us. Why Pakistan could not use the Haqqanis and Taliban to influence the Tehreek-e-Taliban to stop attacking Pakistan? This is a jigsaw puzzle and hard to understand. However, Pakistan is morally a correct country and standing on the right side of the history. Similarly, questions can be asked that why the Afghan mission is not succeeding but we don't want to be a part of the blame game. The Honorable President of Afghanistan is interested in peace and given peace a chance so we want to support him in this endeavor.

There are certain opportunities and challenges for which we have to rise beyond our comfort level and look at the world as a whole. Let's look at the world from the top. If we look at the population, Asia is 60% of the world followed by Africa with 16% population. Europe has 9%, North America has 4.8% while South America has 8.5% of the global population. If you connect Asia with Europe, the population shoots to around 70% where all the opportunities are available. We have the



maximum resources and connectivity potential. So this is the potential. The Pacific is too far from China, Japan and South Korea while there are also possibilities of blocking maritime route at the Strait of Malacca. The north is frozen, so how do you connect? Then we realize that it is the Indian Ocean. There are three main countries such as India, Pakistan and Iran that gives access to Indian Ocean. In this region, if one wants to go to Central Asia, it is not possible directly from India. To connect with China through Iran, it is also impossible. So within this larger part of the world, the connectivity goes through Pakistan. Pakistan is one uniquely placed country. If one comes to Pakistan, they can go anywhere. Pakistan is a country that is providing largest bridge to the world and has great role in its development.

Pakistan is a land of love and opportunities for Central Asian Republics. The connectivity of Pakistan with Central Asian Republics is a part of divine management. The love story doesn't end here. The US and West has a saturated economy. We are the future economic bloc and emerging economies. So, Pakistan and Central Asian Republics has a major role to play. The proof is Belt and Road Initiative (BRI). We have the best countries and best region as a geostrategic location. Our ships must venture far across Eritrea, Somalia deep into Africa. This is how we have to encompass our vision. Hence we must broaden our horizon and think about the wider spectrum rather than focusing on one or two countries. We have to rise beyond the region together and maximize the opportunities on offer.

Pakistan can become a major trade, economic and industrial hub. It has immense capacity to achieve such marvels. Our biggest province Baluchistan, it has common borders with Afghanistan and Iran, it has abundance of fisheries, maximum livestock, fruit potential, maximum wind, coal and solar energy. Pakistan has the potential to come up with four more international cities like Dubai here. We can reach trillion dollars of economy. Till Afghanistan stabilizes, one must work on alternate routes such as Pakistan.

When the distinguished guests from Central Asia returns, I want them to carry the message of a Pakistan being a strategic partner with China, Russia, Central Asia and the gateway to Arabian Sea, Middle east and South Asia. A message that Pakistan is extremely cooperative to work with



for the Central Asian friends. We are a country of future and rising power to reckon with. Central Asia is waiting for stability and security in the region because there is a massive potential for mutual cooperation. The new sun of our progression is rising. We have tremendously beautiful countries with immense resources and a great future. I want to narrate the holy verses of Quran which incorporates the blessing of Almighty on us. That is:



وَيَسْأَلُونَ رَبَّهُمْ كَيْفَ يُحْكَمُ
وَيَقُولُ الَّذِي أَنْزَلَهُ مِنْ سَمَاءٍ

"Then which of the favours of your Lord will you deny?"



Speaker 2

Mr. Baidoletov Nuradil Esenbekovich - Deputy Director, National Institute of Strategic Studies of the Kyrgyz Republic, Kyrgyz Republic



The speaker appreciated the Center for Global & Strategic Studies (CGSS) for inviting him to deliver a speech on “**Promoting Regional Integration through Socio-Cultural Exchange Opportunities**”. He began his speech by highlighting the following developments of bilateral relations between Kyrgyz Republic and Pakistan.

Chronological Development of Bilateral Relations between Kyrgyz Republic and Pakistan.

- 1995 – The initial work started on Quadrilateral Traffic in Transit Agreement (QTTA). Transit trade deal between China-Pakistan-Kyrgyzstan-Kazakhstan.
- Kyrgyz – Pakistan relations established on 20 December 1991. Diplomatic relations were formally established on 10 May 1992.
- Between 2002 and 2007, the General Consulate of the Kyrgyz Republic was established in Karachi, later transformed into a full-fledged Embassy of the Kyrgyz Republic in Islamabad.
- August 2003 – 1st Meeting of Kyrgyzstan – Pakistan Intergovernmental Commission (IGC) on trade-economic and scientific-technical cooperation in Islamabad.
- January 2005 – President of the Kyrgyz Republic visits Pakistan.
- November 2007 – 2nd Meeting of Kyrgyzstan – Pakistan Intergovernmental Commission (IGC) on trade-economic and scientific-technical cooperation in Bishkek.
- October 2011 – Visit of the Federal Minister of Foreign Affairs of Pakistan to Kyrgyz Republic.
- March 2015 – Official visit of Prime Minister of Pakistan to Kyrgyz Republic.
- May 2016 – Groundbreaking for CASA-1000 project, to be completed by the end of 2018.



- March 2017 – Prime Minister of Kyrgyz Republic takes part on 13th Summit of Economic Cooperation Organization in Islamabad. Following the results of the ECO Summit, the Islamabad Declaration was adopted, which included projects involving Kyrgyzstan in energy and transport.
- January 2017 – 3rd Meeting of Kyrgyzstan – Pakistan Intergovernmental Comission (IGC) on trade-economic and scientific-technical cooperation in Islamabad.
- March 2017 – 1st official visit to Pakistan of the parliamentary delegation of Kyrgyzstan led by speaker of the Parliament, which resulted in the signing of a Memorandum on inter-parliamentary cooperation between Kyrgyzstan and Pakistan.

Kyrgyzstan and Pakistan established diplomatic relations in 1992. From this historical period, a number of meetings were held both at the level of heads of state, ministries and at the level of



expert communities, an Intergovernmental Commission on trade-economic and scientific-technical cooperation is functioning from 2003. In addition, within the framework of international cooperation, our countries are members of the Organization of Islamic Cooperation (OIC), The Economic Cooperation Organization (ECO), and the Shanghai Cooperation Organization (SCO). Such platforms offer great opportunities for successful interaction between our countries. Unfortunately, despite the existence of such a positive foundation, relations over the past quarter-century have not been particularly dynamic and stayed on the level of passive diplomacy, consequently do not meet the existing potential, which can be evidenced by the same low volume of goods turnover between the Kyrgyz Republic and Pakistan, which in 2016 amounted to \$ 3.6 million.

The CASA-1000 project, which has gone through many years of discussions and planning, will finally start functioning in the coming years. It is beneficial for both South and Central Asia: if in summer Kyrgyzstan and Tajikistan sell surplus electricity to Pakistan and Afghanistan, the revenues will be used to cover the winter deficit. Undoubtedly, this is the largest and most significant project between our countries, and I want to believe that it will not be the only project and will help bring our relations to a qualitatively new level.

Within the framework of the “Taza Koom” project, a state integrated program for the use of modern digital technologies to facilitate the lives of citizens, the Kyrgyz Republic plans to launch the Digital CASA project. It is designed to create cross-border telecommunications networks that will connect the countries of Central and South Asia into a single digital hub, provide reliable and efficient Internet services for citizens, link business with the global digital economy, and provide innovation in the provision of public services. Pakistan in this project is of particular interest, because thanks to its access to the sea routes, the Digital CASA project can be geographically expanded further through submarine cables, moreover, Pakistan is known for its achievements and highly qualified specialists in the IT field.



However, we must not forget that historically our countries have much in common with a cultural and religious point of view, and probably in this deeply unexplored common heritage, we can find that solid foundation that will further strengthen our ties in various fields. Today, our countries are in that period of their historical development when the forgotten historical terms such as Silk Road takes on a new embodiment thanks to the Chinese initiative to revive the Silk Road.

This initiative is attractive for the countries of our region not only from the economic point of view, but also from the historical and cultural side. If we recall the history of the formation and development of the Silk Road, it becomes clear that the establishment of socio-cultural ties between the peoples living along the Silk Road ensured the continued success of trade and economic ties. Unfortunately, despite the close mutual influence that we had in the recent past, the Indo-Pakistan subcontinent remained in the shadow of our attention for a long time. Today, we see that it is not the processes of globalization that actualize world development, but projects on regionalization are increasingly being put forward foreground. In this regard, the appearance of the project on the revival of the Silk Road was expected, which quite seamlessly fits into the discussion of the issues of regional integration.



The notion of Silk Road arouses in our minds a truly grandiose picture of the past, when the sea and land trade and economic routes that ran through our territories gave birth to an unprecedented combination of different cultures, customs, traditions and religions, while all this was not a spirit of gain and

destruction but cooperation, mutual knowledge and mutual benefit. Today, we, the countries that

stand in the way of democratic development, nevertheless have much to learn from the history of the Silk Road.

As once, when the Silk Road allowed people from distant continents to travel through vast territories not only for the sake of commercial gain, but also for the sake of seeking knowledge, we have all opportunities for developing this potential between our countries. It so happened that a number of contacts have recently been established in the sphere of education between our countries. Today, in the Kyrgyz Republic, we observe a large number of students from Pakistan;



getting knowledge in medical universities of the Kyrgyz Republic. Individuals are generally bolder and more flexible than their governments and today these students, seeking a qualified and relatively inexpensive education are giving our countries the opportunity to formulate a specific policy in this area. The deepening of our economic and cultural relations will depend on how seriously and deeply we work on this issue, and this aspect should be taken on government control between our states. In January of year 2017, the next meeting of the Inter-Governmental Commission (IGC) was held. The meeting noted that positive changes are taking place in the field of education. The system of higher education was examined in detail and during the discussion; three important proposals were adopted and included in the Protocol of the IGC meeting, which will give an additional impetus to the development of mutually beneficial Kyrgyz-Pakistani relations in the field of education. In particular, such concrete proposals as written down:

- 1) On the establishment of the Kyrgyz-Pakistan International Institute of Medical Sciences (CPIMM)
- 2) On the establishment of the Kyrgyz-Pakistan Institute of Distance Learning (KPIDO)
- 3) On joint activities for the accreditation of higher education institutions.

Kyrgyzstan pays special attention to the sphere of education and we believe that such joint projects will allow our young generation to receive quality education both in the Kyrgyz Republic and in Pakistan.

Bearing in mind unstable situation in neighboring Afghanistan, we should never forget that for more than a thousand years, Islam in our territories has played a unifying role, teaching people tolerance and mutual help. I truly believe that ideas behind this ideology will help us resolve the issues.

Taking into consideration the turbulent world in terms of losing cultural heritage and legacy all around the world, it is our primary goal for all of us to preserve the authentic image of our people. Following this idea, the government of Kyrgyz Republic initiated number of activities. “World Nomad Games” is one of the most prominent in scope and effect. This year in September, we are having it in a third time and believe that the idea behind the event will be fruitful and exemplary for all our partners.





Speaker 3

Mr. Shaukat Tarin- Advisor to the Chairman, Silk Bank



Mr. Shaukat Tarin addressed the audience on the topic “**Pakistan on Crossroads of Developing Socio Economic and Financial Relations with People of Central Asian Republics**”. His speech includes the following remarks:

In 1803, in his seminal work A Treatise on Political Economy, the French economist Jean Baptiste Say introduced the theory which later became known as Say’s Law. And that is “Supply Creates Its Own Demand”. At the heart of it, it means if you want something that others produce, you must have something of value to exchange it with, which is the basis of trade. Trade is a major source of nation building and generates wealth that flows through the entire economic system. It has been central to human development and prosperity since the beginning of time. The impetus to trade has always come from the opening of trade routes through secure passages that enabled the movement of goods from producers to consumers. The rise of western Europe was preceded by the opening of trade routes with the Arab world which introduced them to advancements in things as far reaching as science, alchemy, mathematics, weaponry, architecture, food and medicine. Portugal became a global empire in the 16th Century following the discovery of the route to India around the Cape of Good Hope. In the 19th Century, the opening of the Suez Canal was a revolution that singlehandedly reduced travel distance by 7000 Kilometers via the Mediterranean and Red Seas, resulting in major prosperity for Western Europe. Right now we are in a midst of revolution that has the propensity to bear results which are unparalleled in recent history and that revolution is the connectivity of a vast part of our world through the One Belt One Road Initiative of China. A lot has been written about OBOR and therefore I will not repeat what is already known. Instead, I would like to focus on one part of this initiative, the one that involves CPEC and its connectivity with Central Asia. As people we have strong ties with Central Asia and not only share the same religion, but our past converges in the Mughal Empire and beyond. Pakistan was among

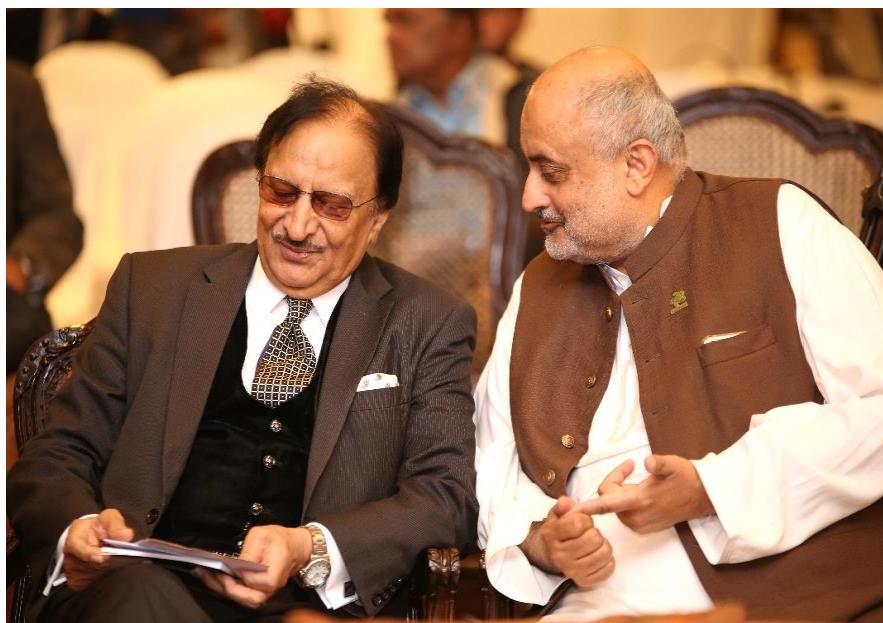
the first countries to recognize the Central Asian Republics. In 2017, we celebrated the 25th anniversary of the establishment of diplomatic relations between Pakistan and Central Asian Republics. We started off with great enthusiasm by signing MOUs in fields of economy, banking, culture and trade. Unfortunately we do not have material results to show for it. Total trade in 2016 between Pakistan and Central Asian Republics was only USD87mn which is less than 1% of CAR's imports of goods/services from Pakistan. A major hurdle to this situation is an unstable Afghanistan. That said, we cannot allow this problem to keep our two regions from realizing their true potential. In fact the OBOR and CPEC initiatives are so large and so unprecedented that it would be a shame if our countries did not ready themselves to take advantage of the opportunities they present. At the outset I want to say that trade is as much an outcome of connectivity as it is of economic efficiency in terms of allocation of resources to their most productive use. In our present day context it means that if we prepare our economies along the lines of best practices while keeping local considerations in mind and we should be able to generate maximum prosperity for our people. Pakistan has undergone a massive transformation since the early 1990s and can assist Central Asian Republics in achieving similar transformations. Of this transformation, I would like to discuss three important aspects and bring in a fourth that is currently underway such as:

- a) Banking Sector Reforms
- b) Public Sector Reforms
- c) Worker Remittances
- d) Special Economic Zones along CPEC

Banking Sector Reforms: Banking sector reforms lie at the heart of Pakistan's GDP growth performance as it grew up 7.3 times from USD40bn in 1990 to USD292bn in 2017. Banking is the central channel to transport national savings into productive loans and investments. Therefore it has to be given the highest priority. Central Asian Republics can speed up their banking sector reform process through collaboration with Pakistan.



The Pakistan Experience: Pakistan has a very well established banking system. From Independence (1947) until 1970, Pakistani banks grew rapidly into international financial institutions with branches across the country and in major global financial centers. There was a setback in 1974 when banks were nationalized. Hence, politically motivated lending, political unions, inefficiencies and no pursuit of shareholder performance plagued its performance. By late 90's, 25% of the loans had gone bad and nationalized banks had negative equity. Overstaffing was causing operational losses and affecting productivity.



Hence, reforms were taken place to mitigate the situation. The reforms undertaken included:

- a) Restructuring and privatization of public sector banks
- b) Opening of the sector to private investment
- c) Raising Capital Requirements
- d) Improving Asset Quality
- e) Liberalizing Foreign Exchange Regime
- f) Strengthening Prudential Regulations

Introduction of new ways of banking and financing were introduced such as:

- a) Islamic Banking

- b) Consumer Financing
- c) Mortgage Financing
- d) SME Financing
- e) Micro-financing

Results: More than 80% of the industry is in private sector and running efficiently. There is an efficient regulator that oversees the industry. Banks are motivated to compete on service and quality of products. Improved recovery laws keep balance sheets healthy while lower Tax rates from 58% to 35% encourage sponsors to continue investing for growth. Corporate Lending has enabled the country to set up large projects across Telecoms, Power, Oil and Gas and critical infrastructure. There is a thriving consumer industry which is generating taxes, creating employment and raising disposable incomes. Islamic Banking's contribution in overall financing has risen sharply. Small and Medium Enterprises (SME's) financing is witnessing a major revival through program based lending. Individuals at lower incomes are taking credit from Micro Finance banks, which are growing aggressively.

Public Sector Reforms: State owned enterprises ("SOEs") are a burden on the National Exchequer. Poor governance and corruption in SOEs sends negative signals to both domestic and foreign investors. The broad contours of Public Sector Reforms are as follows:

- Initiate a Holding Company Concept
- All SOEs earmarked for reform and sale are to be put under the Holdco
- Government support to these entities such as equity contributions which may be phased out
- Each entity to be assigned private sector management
- Management to be overseen by Independent Board of Directors made up of competent professionals
- Management to be given budget targets for growth and profitability



- A reward based system to ensure people receive proper pay for performance
- Strengthened/reformed SOEs to be auctioned through privatization

Remittances: Remittances from labor migrants are a major source of income for some Central Asian Republics. According to World Bank, in Kyrgyzstan and Tajikistan migrant workers sent home the equivalent of more than 30% of GDP last year. The Russian Federation and Kazakhstan hosted three-quarters of reported migrants from Kyrgyz Republic, Tajikistan, and Uzbekistan. Given this reliance on worker remittances, CARs could really benefit from Pakistan's experience in this field.

The Pakistan Experience: Pakistan has seen a large migration of workers to around the world since the last 6 decades. However, it was not able to take advantage of their repatriation of earnings to the country, which were mainly contributions to family members. Pakistan Remittance Initiative (PRI) was launched by State Bank of Pakistan, Ministry of Overseas Pakistanis and Ministry of Finance to create an ownership structure in Pakistan for remittance facilitation. As per World Bank's statistics, remittances to Pakistan rose at a CAGR of 12.7% during 2009 – 2016. Prior to the PRI, remittances to



Pakistan were USD6.5Bn in 2008. In FY17 they stood at USD 19.3 Billion while at the time of launch of PRI only a few banks in Pakistan were actively involved in this business. The number has significantly increased and resultantly a competitive environment has emerged. Turnaround time for remittances sent from non PRI participating banks is down to 24 hours - from 7-10 days previously. PRI is encouraging banks in Pakistan to enhance their outreach worldwide through new remittance-specific related arrangements with global players

Special Economic Zones (SEZ's): As part of the CPEC initiative, Pakistan intends to set up 9 SEZs across the corridor while the development of Gwadar SEZ has already started. New industries will increase country's productive capacity and export potential. Industries are being set up across steel, smining, food processing, textiles and packaging. SEZs enjoy a 10-year exemption from custom duties and taxes for all capital goods imported. Central Asian Republics should take advantage of this infrastructure and consider setting up plants and factories in these SEZs



Speaker 4

Merdan Bayramdurdyyev - Deputy Minister of Finance and Economy of Turkmenistan



Merdan Bayramdurdyyev appreciated the organizers of the conference for their hospitality and wished all the participants a happy Nowruz and a successful and mutually beneficial cooperation. He delivered his speech on the topic of "**Energy Connectivity and Hub of Transit Corridors**". His speech comprised of the following remarks:

One of the priority directions of increasing the competitiveness of Turkmenistan's economy is traditionally the intensive development of the energy complex, which is based on rich mineral resources and provides a significant part of the country's industrial production. The branches of the energy complex are not only the structure-forming for the country's economy, but also serve as one of the main sources of financial resources. Our country, according to independent experts' estimates, takes the 4th place in the world for natural gas reserves, which are estimated at 50 trillion cubic meters. Turkmenistan consistently continues implementing the energy policy aimed at further development of domestic energy and its dynamic integration into the international energy system. Cooperation in the energy sector, ensuring sustainable and equitable access to energy resources is one of the main directions of Turkmenistan's foreign policy strategy. Our state clearly and unswervingly carries out the provisions of the relevant resolutions of the UN General Assembly aimed at ensuring reliable and stable energy supply, and, to this end, reaffirms its readiness to develop close cooperation with all interested states and international organizations.

The main priority of energy strategy implemented by Turkmenistan is the diversification of export routes and, as a result, the creation of a developed, multifaceted pipeline infrastructure. From this point of view, large-scale projects implemented in recent years, in particular, the construction of new gas pipelines to China and Iran, can be regarded as a real contribution of Turkmenistan to the establishment of international energy cooperation, as an effective stabilizing factor that can have a positive impact

on the overall situation and development of the Central and South Asia, turning them into one of the world's energy centers.

Currently, with the active participation of Turkmenistan, another grandiose energy project is being implemented, extending far beyond the regional framework - both economically and politically - laying the pipeline between Turkmenistan-Afghanistan-Pakistan-India (TAPI), which will promote the rise of the national economies of the participating countries of the project and the consolidation of political stability throughout the region.

The implementation of this project can be an important factor in improving the overall situation in Central and South Asia, and will give a new, principally new sense to the geopolitical and economic processes taking place in this part of the globe. The TAPI project, in addition to the obvious economic, commercial benefits and dividends for all its participants, can become the starting point of the real integration of Afghanistan into the global economic system as an equal partner, an active participant and a subject of modern world economic relations.

In February 2018, the construction of the Afghan section of the TAPI gas pipeline began, which will connect our country as one of the world's largest energy suppliers with South Asian countries, which have a growing need for these resources and are experiencing a deficit. The resource base of the new highway is the large gas field "Galkynysh", located on the territory of the Mary velayat. In August 2015 "Turkmengas" State Concern elected as the leader of the TAPI consortium for the construction and operation of the gas pipeline, took over the functions of the main financier and project manager. Since 2013, the Asian Development Bank has been a transactional adviser to the TAPI project, it has provided more than 4 million USD in grants for pre-feasibility studies, risk analysis and mitigation, legal advice, market analysis, security research. The bank estimates that the financing of the TAPI project will include equity capital and debt financing and/or loans provided by multinational, regional and bilateral development agencies, export credit agencies and commercial financial institutions.

The construction of TAPI has already attracted a number of other partner projects. Thus, between Turkmenistan and Afghanistan, a railway section was put into operation, a power transmission line



was built, fiber-optic cables and other infrastructure facilities were started. Prospective projects are projects on the formation of alternative pipeline networks and supplies of Turkmen natural gas to the west, in connection with which our country intends to continue to actively study all aspects of this issue and cooperate in this direction. The Turkmen shelf of the Caspian Sea is increasing the volume of energy production, including with the participation of foreign companies. "Turkmengas" State



Concern, as a national gas company, cooperates with Foreign Service and contracting companies in all areas of its activity, from drilling production wells, field facilities, transport infrastructure, to construction of various facilities for the preparation and processing of natural gas. In addition, in accordance with the Law of Turkmenistan "On Hydrocarbon Resources", the State Concern Turkmengaz and the State Concern Turkmenneft are authorized to exercise the functions of the government body and act as a party to agreements on exploration and production of hydrocarbon resources concluded with foreign companies.

Currently, an active work is underway to create an updated legal framework to provide the most-favored-nation treatment to international companies willing to invest foreign direct investment in the oil and gas industry of Turkmenistan. At the same time, preliminary discussions are held with interested oil and gas companies to attract foreign direct investment for the implementation of new long-term investment projects, both in exploration and production, and in the complex processing and transportation of hydrocarbon resources.

In recent years, active work has been carried out to develop and explore new directions in deep gas processing, with the goal of complex processing of hydrocarbon resources, which ensures the production of various polymer and chemical products in demand on the world market. This year, for example, the construction of a large gas-chemical complex that will produce polyethylene and polypropylene, as well as a new plant for the production of high-quality gasoline from natural gas, is being completed.

One of the significant innovative projects is the construction of the first gas chemical complex in Turkmenistan, which is being conducted in the Balkan velayat. Its construction is carried out by the company "Hyundai" (South Korea). The plant's capacity is designed for processing 5 billion cubic meters of natural gas, and production of 386,000 tons of polyethylene and 81,000 tons of polypropylene per year. The organization of these industries will be the raw material basis for the production of a wide range of new products - plastics, polymer products, consumer goods, having import-substituting effect and export orientation.

The construction of one of the most important and promising projects of the gas processing industry, a state-of-the-art enterprise - a plant for the production of gasoline from natural gas in the territory of the Akhal velayat is continuing. Its construction is carried out by the Japanese company Kawasaki and the Turkish company Renaissance. The plant, equipped with the latest equipment and advanced technologies, will be able to annually process 1 billion 785 million cubic meters of natural gas and produce 600,000 tons of high-quality A-92 gasoline in accordance with the environmental



requirements of the Euro-5 standard. The construction of these gas-chemical plants will help increase the depth of natural gas processing and increase the output of marketable products with high added value. In the medium term, Turkmenistan will continue to implement the strategy for integrated gas processing and the implementation of several new large export-oriented investment projects for the production of synthetic liquid fuel from natural gas, various polymers and other gas-chemical products, using the most modern technologies.

In 2017, Turkmenistan served as the state-chairman of the International Energy Charter Conference. In accordance with the concept of its chairmanship, our country has implemented a number of comprehensive measures designed to intensify the process of developing a new international legal mechanism in the field of sustainable energy. I would also like to note that our country takes an active part in the process of creating the organizational, legal, economic, technical and other conditions necessary for the diversification of energy sources and energy supply routes.



One of the priorities of the world community in the field of sustainable energy is the strengthening of interaction between states and international structures in matters of energy efficiency and energy saving. In this regard, within the framework of the 72nd session of the UN General Assembly, our country has put forward the initiative to consider the initiation of a process to summarize the conclusions and recommendations of international meetings and conferences on energy issues held

under the auspices of the United Nations with a view to their future concentrated presentation in the relevant multilateral UN document.

Speaker 5

Mr. Mustafayev Bakhtiyor Rasulovich- Director, Institute of Strategic and Inter-regional Researches under the President of the Republic Of Uzbekistan.



Mr. Mustafayev Bakhtiyor Rasulovich expressed his gratitude to the Center for Global and Strategic Studies and National Security Division for organizing a world class conference delivered his speech on the topic of **“Commonalities in Strategic Objectives of Pakistan and Central Asian Republics”**. His speech comprised of the following remarks

Today, thanks to the constructive, pragmatic and benevolent policies of Uzbekistan, a new situation in Central Asia is emerging that offers many opportunities to the region. Uzbekistan has a common border with all states of Central Asia. It is objectively striving to turn the region into a zone of stability, development and good neighborhood.

In September 8, 2016, at a joint meeting of Parliament, the President of Uzbekistan Shaukat Mirzayev stated that the main priority of Uzbekistan's foreign policy is the Central Asian region with which the national interest of our country are linked. Last year has been a historical one in the context of regional cooperation, which is evident from high level of mutual trust and breakthroughs in many areas of cooperation.

For the first time in twenty six years, the treaty on state borders between Tashkent and Bishkek has been signed providing the delimitation of the 85 percent of the said borders between the two countries. In addition ties between the Central Asian counterparts have significantly increased in the sphere of trade and economics.

The formal visit of the President of Uzbekistan to Tajikistan this year, a treaty was realized to find a solution of Uzbek-Tajik border disputes. Progress has been made in the sphere of water and

energy cooperation. Tashkent showed its interest in the construction of hydel power stations in Tajikistan. These steps not only remove a potential conflict from the region but also creates an environment of harmony in the region.

A high level Central Asian heads of state meeting was held in Astana in March this year which discussed various issues concerning the region, whose solution was not possible on unilateral level. Moreover, an agreement was reached to conduct the heads of state meeting on a regular basis. In this context, we would like to emphasize the ongoing positive dynamics in Central Asia is of strategic importance. The significance of the new political atmosphere in Central Asia is also opens doors of opportunities for the region including Pakistan. The natural reserves in Central Asian such as energy can become a valuable resource for Pakistan owing to greatest demand.

Opportunities to create multiple systems of transport and communication in the region with a stable exit from Pakistan to the external promising markets can be materialized through concerted efforts. The China Pakistan Economic Corridor can connect with Central Asia through Tajikistan, Uzbekistan, Kyrgyzstan and Afghanistan enabling it with diverse opportunities of the region such as access to commonwealth states and Europe. Special attention must be given to the geostrategic location of Central Asia which is the center of Eurasian continent. In view of the importance of security situation, Uzbekistan aspires to contribute to the peace and stability, not only in Central Asia but also in South Asia.

Uzbekistan gives immense importance to the Uzbek-Afghan relations. Today, the security situation in Afghanistan requires an intrusive assessment of the situation. Some of the important observations regarding the Afghan problem are as follow:

- a) The three decades of war in Afghanistan demonstrates one distinct fact that the military solution to the conflict is not possible. The only way to achieve peace is a direct dialogue between the opposing sides.
- b) The internationalization of Afghan conflict has taken place while its context and structure have changed fundamentally. Therefore, in addition to consensus of inter-Afghan groups,



the regional countries may also be taken on board to enhance the understanding and common approach of the regional players.

- c) The most important aspect apart from political settlement of the conflict lies in the integration of the country through economic ventures where Central Asia may be considered as a viable partner. Afghanistan can also be viewed as an opportunity rather than a problem which can mutually benefit the whole region through regional cooperation. It is extremely important to realize the full economic, cultural and strategic potential of Afghanistan in conjunction with the regional countries.

The cooperation between Uzbekistan and Afghanistan has gained new impetus which can be termed as unprecedented. Afghan President Ashraf Ghani's visit to Tashkent in December 2017 took place in the backdrop of landmark agreements such as:

- a) Surkhan - Pull-e-Khumri Transmission lines
- b) Mazar-e-Sharif – Girad Railway project
- c) Opening of new educational center in Termez that offers 2, 4, 6 years full time degrees to Afghan students offering 70 higher educational majors and 60 vocational degrees. Presently 110 students have been inducted while 300 more students will be inducted in soon.

Uzbekistan is actively contributing on political and diplomatic level to resolve the Afghan conflict peacefully to promote peacebuilding and regional interaction cross the board. In this pursuit, Uzbekistan conducts a conference on 26 and 27 march in Tashkent. High level dignitaries from regional and international countries are invited to the conference. This process was initiated jointly by Uzbekistan and Afghanistan. The main objective of the conference is to create consensus and common approach on the Afghan conflict to pave the way for a peaceful settlement of the issue. The President of Uzbekistan Shaukat Mirzayev vision is to enhance peace and stability in South and Central Asia. The main objective of these efforts may be linked to the direct start of intra Afghan talks such as the government (including all ethnicities) and the Taliban. The Tashkent conference is expected to yield the following recommendations such as:



- a) The peace process must be spearheaded by the Afghans themselves rather than anyone else.
- b) Success of any talks depends upon the recognition of the opposition and its integration as a legitimate political entity.
- c) Rejection of terrorism international community on all forums without any distinction and inclusion of transnational terrorism, drug trafficking and organized crimes as big challenges. These are the issues which affects Afghanistan, the region and the whole world. In this context, organizing a peace conference by Uzbekistan to ensure stability and peace in Afghanistan is a big factor which will have positive implications on peace and stability of the entire world.
- d) Peace in Afghanistan is a guarantee of stability in Central and South Asia. It particularly ensures security and sustainable development of Pakistan.

The resolution of Afghan conflict may help integrate Central Asia with ports of Pakistan, India and Middle East through shortest possible route while the South Asia and Iran can be connected to Europe and Russia.

According to UN high commissioner for refugees, there are 1.4 million Afghan refugees in Pakistan. The Afghan conflict amicable resolution will ease burden on Pakistan in the face of severe stress on its economy by the Afghan refugees and possibility of the repatriation to their home country. It will improve the security situation in areas bordering Afghanistan. According to analysts and experts more than 80000 people have fallen victim to terror related incidents in Pakistan while 6000 of them were military personnel. The trade volume has shrunk from 2.5 billion dollars to 1 billion dollar over the past year which is a sharp decline. Peace in Afghanistan will increase the trade and commerce among Pakistan and Afghanistan. Stability in Afghanistan will also contribute towards the successful completion of infrastructure projects such as TAPI and CASA-1000 which will be mutually beneficial for Afghanistan and Pakistan. Uzbekistan will continue its support and assistance to Afghanistan in infrastructure development recognizing it as one of the most important pillar in rebuilding of the neighboring country. Ignorance and intolerance are the key reason for the radicalization of citizens while religious extremism is a key challenge facing the entire world.



In Uzbekistan, within the framework of the implementation of the Strategy for Action on the five priority development directions of the Republic of Uzbekistan in 2017-2021, the approaches to implementing measures to counter terrorism and extremism that previously were mainly aimed at fighting with consequences of challenges and threats to security were conceptually revised. These steps are:

- a) Firstly, the political and legal basis for securing inter-confessional consent and countering terrorism and extremism are being improved. In particular, the State Program for 2018 provides for the development and adoption of the draft law “On Countering Extremism”. In this bill, a legal definition of the concept of “extremism” will be given that prevent its different interpretation.
- b) Secondly, based on the fact that ignorance and intolerance, along with other factors, are the central part of international terrorism and extremism, Uzbekistan is making efforts to develop an international legal framework to combat the root causes of the problem under consideration. At the 72nd session of the UN General Assembly in September 2017, the President of Uzbekistan was invited to draft the UN International Convention on the Rights of Youth.



c) Thirdly, Uzbekistan focuses on studying and bringing to the wide world community scientifically grounded information about the truly humanistic essence of Islam in order to strengthen the foundations of spiritual enlightenment as one of the important mechanisms. At the first summit of the Organization of Islamic Cooperation in Science and Technology President of the Republic of Uzbekistan Shavkat Mirziyoyev initiated the establishment of the Imam al-Bukhari International Research Center in Samarkand and the Center for Islamic Civilization in Tashkent. To date, these Centers have been operating. Since January 15, 2018, the Islamic Academy of Uzbekistan has also started its work, aimed at training scientific and scientific-pedagogical personnel.



Speaker 6

Mr. Iftikhar Hussain Babar- Federal Secretary, National Security Division, Government of Pakistan



Mr. Iftikhar Hussain Babar expressed gratitude to the distinguished guests on attending the event and specially mentioned the delegates from Central Asian Republics. He also appreciated CGSS and National Security Division for conducting a successful conference. His speech comprised of the following remarks:

Pakistan is a land of opportunities in real sense while it enjoys favorable geostrategic location and can be termed as the “Heart of Asia”. In the north we are connected to China, in the east we share land boundary with India, in Northeast, Pakistan has close proximity with five Central Asian Republics merely divided by Wakhan corridor and only 16 km at shortest distance from Pakistan. In West we have Iran and Afghanistan as the neighbors and South Pakistan is connected to Arabian Sea which is connected with strategic Strait of Hormuz. Pakistan has three ports i.e. Karachi, Port Qasim and Gwadar and Pakistan is connected from North to South through a network of road and railways. The distance from Karachi to United Arab Emirates is only one and half hour flying-time. The lights of Muscat Oman can be observed at night from the newly developed Gwadar port; hence, we can imagine the proximity of both areas. The investors Central Asian countries have an excellent opportunity to invest in Pakistan to benefit from the booming market of 206 million people in Pakistan as well as export their goods to neighboring countries.

GEO STRATEGIC LOCATION



We are suffering from war on terror for the last 16 years which had an adverse impact on Pakistan's economy but despite these drawbacks, Pakistan has absorbed these issues with resilience and came out stronger than before. Despite all the problems, Pakistan is maintaining steady GDP growth of 5.28 percent and Pakistan's per capita income is increasing.

Pakistan's huge population whose majority area under 30 depicts enormous potential of manpower that is cost effective in comparison to other developing countries. Pakistan is on a threshold to join G20 in next 5-6 years. Pakistan has a huge middle class and its numbers are increasing. They want new products and improve their status and standard of living. Hence, the manufacturers can grab opportunities to make products that can be readily sold.

The stock exchange has performed considerably well which can be attributed to the strength of economy and confidence of the foreign investors. All the international rating agencies have evaluated the stock exchange positively. Pakistan has been included among top 10 emerging economies of the world. The global acknowledgement can be shown as:

- Standard & Poor's upgraded Pakistan's ranking from stable to positive (B-ve)



- Moody's upgraded Pakistan's ranking from stable to positive (B3)
- UN-ESCAP: Pakistan's economy is improving and is expected to increase by 5.28% during 2017-18

Bloomberg ranked Pakistan as:

a) 3rd amongst top ten Best Performing Markets in 2016

b) 14th amongst top potential investment locations in 2016-17

- Pakistan has been included among the Top 10 emerging economies of the world
- World Bank: Pakistan world's least expensive country
- Forbes: Pakistan has the potential to be a global turnaround story (Pakistan: The next Columbia Success Story)

Pakistan is a country which is rich in resources. It has:

- 2nd largest salt reserves
- 3rd largest copper reserves
- 5th largest gold reserves
- 5th largest coal reserves
- 5th largest iron ores
- 3rd in spinning textile after China & India

It is worthy to mention that 175 billion tons of coal in Thar is the 5th largest reserve in the world which is yet to be explored and measures are being taken to utilize its full potential for years and years to come. Oil and gas rich Central Asian Republics can venture in this project with their extensive experience and exploit the potential. Pakistan is also a thriving textile market and



produces quality clothing products of international standards. Pakistan is producing 25 million tons of wheat which is more yield than whole of the continent Africa and South America.

Pakistan has immense mines and minerals such as:

- Pakistan has 12.3 million tons of Copper & 20.9 million ounces of Gold reserves worth of \$3 trillion dollars. Over 52 minerals like Cobalt, Zinc, Lead, Limestone, Chromite, Marble, China-Clay, Gypsum & Bauxite are being explored while Pakistan is rich in precious gemstones like Ruby, Topaz, Aquamarine and Emerald in northern areas

China-Pakistan Economic Corridor is a fusion of multiple corridors - trade, transportation, infrastructure, energy & cultural. Chinese investors have been sensitized with all information and data in materialization of their projects at each stage of their project cycle. 33 potential sites alongside the corridor for SEZs in consultation with provinces have been proposed which will boost economic activity, expedite industrialization and generate huge employment opportunities. Chinese Groups have shown interest to invest more than US\$ 15 billion in early harvest projects. Gwadar would emerge as a mega port and industrial and commercial hub.

The potential in energy sector may have attraction for investors from Central Asian Countries as they have the required core competencies in energy sector. Some of the facts related to energy potential are as follow:

- a) 60,000 MW plus hydel power potential exists in northern areas of Pakistan
- b) 175 billion tons total potential of Thar Coal is estimated, equivalent to 50 billion Tonness Oil reserves (more than Saudi Arabia and Iran oil reserves)
- c) 340,000 MW potential for wind Energy
- d) 2.324 million MW potential for solar thermal & photovoltaic systems
- e) 105 trillion cubic feet of shale gas reserves



- f) 9 billion barrels of shale oil reserves
- g) 4.2 billion cubic feet per day of gas production
- h) 70,000 barrels per day oil production

A question comes in mind that why have Pakistan not utilized the vast mines and minerals in the country. The answer lies in lack of financial investments, machinery and the required skills in the past. Taking the example of marble market, Pakistan does not have enough capability to extract, polish and send the products to the European markets. Hence the raw material is sent to Dubai where it is marked as made in Dubai and sold to markets of European Union and other countries. Hence, central Asian countries are also invited to venture in this field and bring foreign exchange for their country while mutually benefitting Pakistan and their respective countries.

Pakistan has a knowledgeable workforce and ranked as third in English knowing workforce after India and the USA. Skilled labor is readily available while the raw materials for manufacturing products are very low. All these factors along with favorable taxation polices make Pakistan a “Land of Opportunities” in true sense.



PROMISING INVESTMENT OUTLOOK



Pakistan has a favorable investment policy for investors such as:

- a) No restriction on remitting capital, profits & dividends
- b) 25% tax relief on initial depreciation on machinery
- c) Exemption on import of Plant, Machinery & Equipment
- d) All sectors open to investments and there are no governmental restrictions on any sector except defense and money printing.
- e) Up to 100% foreign ownership on the businesses
- f) Same treatment for local and foreign investments and there is no discrimination
- g) Visa on arrival for 69 friendly countries and there is no problem in this regards
- h) Protection of Foreign Direct Investments via acts of parliament (Acts 1976 & '92) which ensures that investor has sense of security related to the investments in Pakistan.



For special economic zones, many incentives are being offered by the government, such as:

- a) Corporate Income Tax Holiday of 10 years for Investors and 10 years for Developers of the Zone which is an attractive opportunity for investors
- b) Duty free import of capital goods for Developers and Zone Enterprises
- c) Gas, electricity and other utilities will be provided at the zero-point of the Zones
- d) Country specific SEZs are encouraged. For example a Japanese zone or Uzbek zone or a Tajik Zone etc.

Incentives in Gwadar Free Zone: Pakistan is offering various tax holidays to attract the investors.

These are:

- a) Exemption for 43 years on Import of Machinery & Sales Tax for development of the port
- b) Tax Holiday for 23 years is offered to attract investors

Improving Law and Order: As a resilient nation, we have faced the challenges head on and suffered for the posterity. Our valiant forces have launched aggressive operations such as Zarb-e-Azb and Rad-ul-Fasaad and the remaining terror sanctuaries have been cleared from terrorists. Hence, the current security environment has changed immensely and everyone feel secure in the homeland. Whole nation is together against this menace. Pakistan has given huge sacrifices in war against terror and suffered loss of around 75,000 valuable human lives while accumulative loss of property & investment is around US\$113.1 billion over a period of 16 years.

Interactive Question and Answer Session

Question # 1

Can Central Asian Republics and Pakistan collectively do something to convince Afghanistan to streamline on the regional approach?

Answer:

Lieutenant General Nasser Khan Janjua HI(M), (Retd)- National Security Advisor



Unstable Afghanistan is a common challenge for the region, common challenge for Pakistan and the world. I had a meeting with honorable Ashraf Ghani who has a strong desire for connectivity. Central Asian Republics are also insisting on him to seek connectivity. It was also great of him because it is by way of connectivity, the economic prosperity and progression will come and it is something our region badly needs.

There is a great willingness and we all know we have a great future by way of connectivity. The only impediment is the instability in Afghanistan. The suffering of Afghanistan is regrettable because it is not its own fault. Similarly, Pakistan is also facing a blowback for no fault of its own. While we have been pondering upon the challenge of Afghanistan, we also see that a peace offer has come about from Ashraf Ghani which we so desperately professed. A new scene is emerging and we want to give peace a chance. All the regional countries must act collectively to overcome the challenge posed by instability of Afghanistan and its peaceful settlement. All of us should help Afghanistan to seek stability and Pakistan has great sympathies for the people of Afghanistan who have seen nothing but war and chaos since last four decades. Likewise, Afghan leadership should also respond likewise and work together with regional stakeholders. We have to seek peace and overcome fissures imposed by the external powers by bringing opposed sides against each other.



Dr. Khudaberdi Kholiqnazar- Director, Center for Strategic Studies under the President of Tajikistan, Republic of Tajikistan

In Afghanistan, more than 100 doctors are working from Tajikistan to help Afghanistan. Similarly, other Central Asian Republics are also helping Afghanistan in their own capacity and we will continue our assistance.



Ikramov Adkham Ilkhamovich- Former Vice Prime Minister and Presently Chairman of the Chamber of Commerce and Industry of the Republic of Uzbekistan

I would like to inform that through the initiative from Uzbekistan, all the countries in attendance will feature in a conference on Afghanistan in next week. Pakistan's foreign minister Khwaja Asif will participate along with many other delegates from the US, UN, European Union and other non-governmental bodies.

Uzbekistan is the first country to build railways in Afghanistan from Tashkent to Termez all the way to Mazar-e-Sharif. We are also helping Afghan people by providing electricity and helping Afghan students to study in Termez University through generous assistance. We will continue this cooperation and seek support from neighboring Central Asian countries and Pakistan.



Ms. Irina Chernykh - Director, Kazakhstan Institute for Strategic Studies under the President of Republic of Kazakhstan

Kazakhstan also supports Afghanistan's rebuilding efforts. In addition, I would like to emphasize that due attention must be given to transport corridors, creating infrastructure and trade initiatives. Kazakhstan would also like to assist the Afghan students who want to study in the educational institutes of Kazakhstan.

Question # 2

Zahid Latif Khan (President, Rawalpindi Chambers of Commerce)

I would like to suggest that apart from a conference in Afghanistan, the ambassadors from Central Asia, Iran and Afghanistan may be provided an opportunity to visit Gwadar and witness the development firsthand.

Answer:



Lieutenant General Nasser Khan Janjua HI(M), (Retd)- National Security Advisor

I thank you for valuable suggestions and recommendations. We would like to work on such initiatives in future.

Question # 3

Abdullah Hameed Gul (Chairman Youth Movement Pakistan)

Central Asia and Pakistan has so much to offer to each other. However, the turmoil and instability in Afghanistan is hampering the growing ties. How are we going to tackle these concerns if we want to improve ties?



Answer:

Lieutenant General Nasser Khan Janjua HI(M), (Retd) - National Security Advisor

As I look at the situation in Afghanistan, I see that it is burning badly and its people are suffering. There is so much negativity and lawlessness because of the lack of writ of the state. The Taliban is filling that vacuum which is a local entity, however, ISIS or Daesh is also emerging. There are about 20 terror organizations working in Afghanistan. Obviously we all have security concerns but we need common responses. Hence, we are gotten together to confront the challenges through collective approach as well as we are looking for opportunities in Afghanistan that can be mutually beneficial for Afghan people and also the region at large. It is a sad reality that Afghan people are the greatest casualty of the unrest in the country. They did not invite invasion or unrest. Similarly Pakistan has also endured tough times due to the instability emanating from Afghanistan which it did not invited. However, the heart of the problem is the instability which has a lot to do with the great game as well. Hence, there is much



more need to come much closer and confront the evolving challenges. We want to help Afghanistan and move with a positive mindset.

Question # 4

Raza Khan (Special Correspondent PTV)

The Afghan government has been acting as a stooge of the Indian intelligence. Our DG ISPR has repeatedly said that India is perpetrating acts of terror from Afghanistan. Did you get an assurance from the Afghan side that no APS styled massacres will be carried out from across the Durand line?



Answer:

Lieutenant General Nasser Khan Janjua HI(M), (Retd)- National Security Advisor

When you look at Afghanistan, there exists an evident fissure within. This has been created by a mismanagement of a campaign that everybody has a parallel objective within alliance or campaign. Then it starts to erode from within because there is no unity of purpose. The commonality is

missing in Afghanistan which is affecting its efforts to curb militancy. Pakistan is finding a two front hostility and region is becoming fragile because India is also facing a two front situation. While we have so many disputes but no such dispute resolution mechanism. I think we are seeking more instability for the region. Responsible will be that state which does not fall for the fragility of the region. We expect that India does not fiddle with that fragility in connivance with Afghanistan. Having said this, it is our legitimate national security concern. Definitely we assure each other that our borders will not be used against each other's and we are working on that goal. Pakistan's Chief of Army Staff has played a key role in this regards while Afghan President Ashraf Ghani also pledged to seek a road map to handle these affairs. We have to work together to eradicate the menace of Terrorism. By means of mere assurances and words won't help. We must understand that our enemy has transited into the sovereignty of another country. So there are complexities on display here which requires a collective approach to deal with the situation.



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