



CENTER FOR GLOBAL &
STRATEGIC STUDIES, ISLAMABAD



SEMINAR REPORT

SHANGHAI COOPERATION ORGANIZATION (SCO) –
CHALLENGES AND OPPORTUNITIES



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Seminar Report

“Shanghai Cooperation Organization (SCO) – Challenges and Opportunities”



**Organized by
Center for Global & Strategic Studies, Islamabad
at
Serena Hotel, Islamabad
On 27th February 2018**

Participants

The Seminar was attended by almost 300 participants including international guest speakers, diplomats, former Ambassadors, government representatives, armed forces officers, experts of foreign policy and individuals from public and private entities.

Host **Lieutenant General Muhammad Zahir Ul Islam HI (M), (Retd) - Chairman Center for Global & Strategic Studies (CGSS)**

Guest Speakers **His Excellency Mr. Yao Jing - Ambassador of People's Republic of China, Embassy of Pakistan**

Dr. Vladimir Kozin –Leading Expert, Center of Military-Political Studies, Moscow State Institute of International Relations, Russian Foreign Ministry, Russia

Dr. Muminova Farida Mahmoodovna – Deputy Director of the Center for Strategic Studies under the President of Tajikistan, Dushanbe, Republic of Tajikistan

Mr. Xu Wenhong - Deputy Secretary General of One Belt One Road, Chinese Academy of Social Sciences, Beijing China

Ambassador Jalil Abbas Jilani – Former Foreign Secretary of Pakistan

Ambassador Abdul Basit - Former High Commissioner of Pakistan to India

Mr. Amer Hashmi, Advisor, National University of Science and Technology (NUST), Islamabad

Details of the Speakers

- a. His Excellency Mr. Yao Jing - Ambassador of People's Republic of China, Embassy of Pakistan, Islamabad

Topic: Strategic Role of China in Strengthening the Shanghai Cooperation Organization (SCO)

- b. Dr. Vladimir Kozin – Leading Expert, Center for Military-Political Studies, Moscow State Institute of International Relations, Russian Foreign Ministry, Russia

Topic: Role of Russia in Shanghai Cooperation Organization: Challenges and Opportunities

- c. Dr. Muminova Farida Mahmoodovna – Deputy Director of the Center for Strategic Studies under the President of Tajikistan, Republic of Tajikistan

Topic: Challenges and Opportunities for Regional Economic Cooperation in Shanghai Cooperation Organization

- d. Mr. Xu Wenhong - Deputy General Secretary, One Belt One Road Center, Chinese Academy of Social Sciences, China

Topic: China's Strategic Interests Viz-a-Viz Shanghai Cooperation Organization (SCO)

- e. Ambassador Jalil Abbas Jilani – Former Foreign Secretary of Pakistan

Topic: Pakistan's Geostrategic Role in Shanghai Cooperation Organization

- f. Ambassador Abdul Basit - Former High Commissioner of Pakistan to India, President Islamabad Policy Research Institute

Topic: Shanghai Cooperation Organization: India's Perspective and Impact on Bilateral Relations with Pakistan

- g. Mr. Amer Hashmi, Advisor, National University of Science and Technology (NUST), Islamabad

Topic: Pakistan in the Emerging Markets of SCO Members

Introduction of the Speakers

His Excellency Mr. Yao Jing - Ambassador of People's Republic of China, Embassy of Pakistan

His Excellency Mr. Yao Jing is the Ambassador of People's Republic of China in Pakistan. Mr. Yao Jing served as the Third Secretary, Deputy Director, Department of Asian Affairs, Ministry of Foreign Affairs. He also held the significant position of Minister Counsellor, Embassy of China in India. He also served as the Ambassador Extraordinary and Plenipotentiary of China to Afghanistan.



Dr. Vladimir Kozin –Leading Expert, Center of Military-Political Studies, Moscow State Institute of International Relations, Russian Foreign Ministry, Russia



Dr. Vladimir Kozin is the Leading Expert, Center for Military-Political Studies, Moscow State Institute of International Relations, Russian Foreign Ministry, Russia. Dr. Kozin holds the title of “Honorary Staff Member of the Russian Foreign Ministry” and served at various ranks at the Russian Foreign Ministry including Deputy Director at the Information and Press Department, and the Head of the Analytical Division.

He was also a member of the Expert Team of the Inter-agency Working Group on the Ballistic Missile Defense talks with NATO, Russian President Administration. He was also awarded the title of “Global Senior Fellow”, from National University of Sciences and Technology (NUST), Islamabad, Pakistan. He also published 11 monographs on Arms Control.

Dr. Muminova Farida Mahmoodovna – Deputy Director of the Center for Strategic Studies under the President of Republic of Tajikistan, Dushanbe, Republic of Tajikistan



period of 2016-2020.

Dr. Moominova Farida Mahmoodovna is the Deputy Director of the Center for Strategic Studies under the President of Republic of Tajikistan, Dushanbe, Republic of Tajikistan. Dr. Moominova is working as lecturer on International Economy at the Technological University of Tajikistan. She was also the member of the committee of the National Development Strategy-2030 and Medium-term development program for the

Mr. Xu Wenhong - - Deputy Secretary General of One Belt One Road, Chinese Academy of Social Sciences, Beijing China

Mr. Xu Wenhong is the Deputy General Secretary, One Belt One Road Center, Chinese Academy of Social Sciences, China. Mr. Xu is Associate Researcher at the Institute of Russian, East European and Central Asian Studies, Chinese Academy of Social Sciences. He is also a prominent Professor at several leading Universities in China.



Ambassador Jalil Abbas Jilani – Former Foreign Secretary of Pakistan

Ambassador Jalil Abbas Jilani is the Former Foreign Secretary of Pakistan. Ambassador Jalil Abbas Jilani has 38 years of bilateral and multilateral experience as a career diplomat, having served as Pakistan's Ambassador to the United States, E.U, and Australia. Ambassador Jilani also served as the Foreign Secretary of Pakistan, the top civil service official in the Ministry of Foreign Affairs. He remained Director General for South Asia and SAARC,



Deputy/Acting High Commissioner to India and Director (India) in the Ministry of Foreign Affairs.

Ambassador Abdul Basit - Former High Commissioner of Pakistan to India

Ambassador Abdul Basit is the Former High Commissioner of Pakistan to India and presently President Islamabad Policy Research Institute. Ambassador Abdul Basit joined the Islamabad Policy Research Institute (IPRI) in August 2017, as its President. He joined the Foreign Service of Pakistan in 1982. In the recent past, he served as the High Commissioner for Pakistan to India from 2014 to 2017 and Pakistan's Ambassador to Germany from 2012 to 2014. He has also served in various diplomatic capacities while being posted at Moscow, New York, Sana'a, Geneva and London at Pakistan Missions. Ambassador Basit has also served as the Foreign Office Spokesman from 2009 to 2012. Ambassador Basit holds a Master's degree in International Relations from Quaid-e-Azam University Islamabad.



Mr. Amer Hashmi, Advisor, National University of Science and Technology (NUST), Islamabad



Mr. Amer Hashmi is the Advisor, National University of Science and Technology (NUST), Islamabad. Mr. Amer Hashmi is a global strategist & entrepreneur. He was Senior IT Advisor to the Commonwealth Society of Canada. Mr. Hashmi is the founding CEO of Si3 – one of Pakistan's pioneering technology outsourcing firms. He is the Vice Chairman of Arfa Karim Foundation and is the Chairman of eOcean (Pvt.) Limited, a leading mobile value-added services company. Mr. Hashmi is currently Advisor NUST & President of the NUST Global Think Tank Network, Islamabad.

Opening Remarks

Lieutenant General Muhammad Zahir Ul Islam HI(M), (Retd) – Chairman CGSS



Lieutenant General Muhammad Zahir Ul Islam HI(M), (Retd) – Chairman CGSS, welcomed the esteemed guests to the seminar titled “Shanghai Cooperation Organization (SCO) Challenges and Opportunities”. In his introductory remarks, he said:

It is my proud privilege to welcome you all on behalf of Center for Global and Strategic Studies (CGSS). My special thanks to the worthy members of the panel who would talk on this all important subject of “Shanghai Cooperation Organization (SCO) Challenges and Opportunities.” I thank you all for sparing time and being with us. I hope that today’s seminar would be an informative session for all of us.

Ladies and Gentlemen, we all know that the history of mankind is full of examples of both accord and discord. Humanity has also experienced cooperation, at all levels, which further leads towards development and results in peace, prosperity and security.

The Shanghai Cooperation Organization (SCO) is an intergovernmental organization comprised of China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan formed in Beijing. It was initially formed as a confidence building forum to demilitarize borders. The organization’s goal and agenda has since broadened to include increased military and counter-terrorism cooperation.

One of the main goals of SCO is to maintain peace and security in the region. Other major goals of SCO include promoting cooperation in education, science and technology, economic issues and environment.

The Shanghai Cooperation Organization (SCO) has emerged as a major player in regional and global affairs. As Pakistan became a member on June 9th, 2017, it has attained the opportunity to further improve relations with the regional countries by

facilitating trade through Gwadar Port; contributing to a regional solution to Afghan issues; learning and contributing to SCO's Regional Anti-Terrorism Structure (RATS).

The SCO has all important players within its folds. In the wake of fast paced globalization and number of regional and global developments in the political, economic and security environment, the organization has broadened its purview to multidimensional issues confronting the member states at the regional level. The SCO is an important regional alliance and the inclusion of Pakistan provides SCO with a link to South Asia and Indian Ocean. China along with its implementing partners is developing a new silk world order. Belt and Road Initiative (BRI) with CPEC as its most important component is a manifestation of this order.

Pakistan is an ideally positioned country on the globe being at the crossroads of Central Asia and South West Asia and South Asia. Pakistan's credentials are very bright on account of geo-political, geo-strategic and geo-economic aspects. Pakistan is a natural link between SCO countries, especially Central Asian Republics (CARs), Afghanistan, Xinxiang Province of China towards South i.e. Arabian Sea and the Middle East.

Speaker 1

His Excellency Mr. Yao Jing - Ambassador of the People's Republic of China in Islamabad, Pakistan

His Excellency Mr. Yao Jing addressed the audience on the topic of "Strategic Role of



China in Strengthening the Shanghai Cooperation Organization (SCO)". His speech comprised of the following remarks:

I am delighted to attend the seminar on SCO challenges and opportunities. Let me first thank CGSS for the excellent arrangements you have made for this seminar. But more importantly I would like to appreciate CGSS in initiating such an important seminar and inviting so many distinguished guests and scholars across the region to discuss the role of SCO.

This year marks the 17th anniversary of SCO and the first year after Pakistan and India became new members of the SCO. By now, the eight SCO members have a population of half of the world population, an area of 3/5 of the whole Euro-Asia, and a GDP of nearly 20% of the world total. Though the global situation is undergoing such profound changes, SCO itself is growing in strength. By firmly upholding the Shanghai Spirit, the SCO has established a new model of international relations based on mutual respect, fairness and justice and win-win cooperation.

At this new juncture, how should SCO go into the future? How should it play a more constructive role to address the common challenges of the region? How should each country make its own contribution to it? These are some of the questions deserves more serious deliberation. Just now, General Zubair Mahmood Hayat made a very good speech with a strategic view of the current global and regional situation. It enlightens to us to think about our cooperation under the SCO framework to jointly safeguard our common interests.

Today, I'd like to share my views on the role of China in Strengthening the Shanghai Cooperation Organization (SCO).

As the founding member of SCO, China is willing to, together with all parties, promote the building of community of shared future, a common home of security, stability, development and prosperity. At the SCO Astana Summit June 2017, President Xi Jinping reached important consensus with all parties on consolidating solidarity and mutual trust, strengthening security cooperation, docking development strategies, deepening people-to-people and cultural exchanges and other aspects.



Generally, China has put forward the following proposals as five pillars of cooperation:

First, consolidate solidarity and coordination. China thinks that all member states should deepen political mutual trust, increase mutual support, enhance exchanges and cooperation between legislative bodies, political parties and in the judicial fields, and build a community of shared future featuring equal treatment, mutual support, and sharing of weal and woe as well as safety and danger. The Chinese side proposes to draw up a 5-year outline for the implementation of the Treaty on Long-term Good Neighborliness, Friendship and Cooperation of the SCO Member States.

Second, jointly tackle challenges. SCO members are all facing security challenges. China supports the implementation of the SCO Convention on Combating Extremism, advocates strengthening the building of regional counter-terrorism institutions, and proposes to hold a defense security forum and formulate a three-year program of cooperation to combat the "three forces".

As peace and reconciliation in Afghanistan is imperative to the peace and security of the region, China calls upon all parties to support it, and expects the SCO-Afghanistan Contact Group to play a more active role in it. We also should strengthen the mechanism construction of law enforcement and security cooperation, and enhance cooperation in combating drugs and cross-border crimes.

Third, deepen practical cooperation. China and relevant parties are actively advancing the integration between the "Belt and Road" construction and regional cooperation initiatives as the construction of Eurasian Economic Union and other national development strategies like the "Bright Road" of Kazakhstan.

It is China's suggestion to gradually put in place institutional arrangements for regional economic cooperation, and we may begin with a SCO trade facilitation agreement. For greater connectivity between regional countries, China supports the opening of the cross-border routes on schedule as prescribed in the Agreement between the Governments of the Member States of the Shanghai Cooperation Organization on Creating Favorable Conditions for International Road Transportation. China welcomes non-SCO countries in our region to join the

Agreement, and endorses the formulation of a plan for coordinated development of roads among SCO member states.

To mobilize more resources and driving force for practical cooperation under the SCO framework, China supports the establishment of a mechanism for sub-national cooperation and has vigorously promoted SME cooperation by its initiatives of economic think-tanks alliance and e-commerce alliance of the SCO. China suggests that we fully utilize the existing platforms to raise finance for SCO projects, while at the same time exploring at the expert level possible ways to establish the SCO development bank. China also encourages financial institutions such as the Asian Infrastructure Investment Bank, the Silk Road Fund and the SCO Interbank Consortium to provide more financing support for connectivity projects.

China will host the first China International Import Expo in Shanghai this year. It is a major initiative and action by China to promote trade liberalization and open up its market to the world. SCO members including Pakistan are more than welcome to take part in the Expo, and China will provide you with assistance and facilitation.

Fourth, enhance people-to-people and cultural bonds. We should build the SCO "family consciousness" and continue strengthening exchanges and cooperation in such areas as education, science and technology, culture, health care, environmental protection, sports, tourism, youth and locality. China is willing to, together with all parties, continuously well operate the SCO University, and well hold the youth



exchange camp and the summer camp for primary and middle-school students. China will host SCO cultural and art festival events, and launch a "China-SCO cooperation program in human resources development". China also suggests setting up a mechanism for media cooperation, and would like to host the first SCO media summit.

Fifth, uphold openness and inclusiveness. Openness has been a defining feature of the SCO since its inception. China supports the SCO in carrying out cooperation of various forms and in a broad range of areas with its observer states and dialogue partners as well as other countries, and in further reviewing the applications from the related countries for legal status in the SCO in accordance with its regulations and the principle of consensus. China stands for more exchanges and cooperation between the SCO and the United Nations and other international and regional organizations, in a joint effort to promote lasting peace and shared prosperity in the world.

Ladies and Gentlemen,

At the end of last year, the Communist Party of China successfully convened its 19th National Congress, and outlined an ambitious blueprint for building China into a great modern socialist country which is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful by the middle of this century.

General Secretary Xi Jinping emphasized that, the Communist Party of China strives for both the well-being of the Chinese people and progress of the entire humankind. He also declared to the world that in the new era, China will stay committed to peaceful development and to a win-win strategy of opening up. China has the resolve and confidence to explore a way of building a great country, that is different from the one followed by the traditional powers.

The mission of China's diplomacy in the new era has been identified, that is to work with all other countries to forge a new form of international relations featuring mutual respect, fairness, justice, and win-win cooperation, and to build a community with a shared future for humankind. China will align its own development and integrate its security with that of regional countries to jointly build a neighboring community of shared future with the SCO countries. The path of good-neighborly and friendly

relations as well as the common development we followed together will be definitely broader.

China and Pakistan are all-weather strategic cooperative partners. Bilateral cooperation in various fields has maintained developing momentum. We have a good tradition in coordinating in regional and international affairs. China welcomes Pakistan to become a full member of SCO and is willing to continue intensifying coordination and communication with Pakistan within the SCO, helping Pakistan to adapt itself to SCO rules, better using the SCO platform to promote security and development. China is willing to, together with the Pakistani side, well implement the major projects on infrastructure construction, and steadily push forward cooperation in production capacity, jointly address trade imbalance.

Ladies and Gentlemen,

China has an ancient saying, "A pagoda can be piled up with grains of sand, and a mountain can be formed with heaps of stones." We are ready to work together with SCO member states and regional countries to meet challenges and promote regional stability and prosperity while sharing development opportunities. We do not treat any regional cooperation framework as a geopolitical tool. This year, China is the rotating presidency of SCO and will host the SCO Qingdao summit in June. We need contributions from all member countries to make the Summit a full success. I am sure that when China, Pakistan and other SCO member countries work with common purposes and an unrelenting spirit, we will write new and brilliant chapters for SCO cooperation.

Thank you.



Speaker 2

Dr. Vladimir Kozin – Leading Expert, Center of Military-Political Studies, Moscow State Institute of International Relations, Russian Foreign Ministry, Russia



Dr. Vladimir Kozin addressed the audience on the topic of “Role of Russia in Shanghai Cooperation Organization: Challenges and Opportunities”. His speech comprised of the following remarks:

Mr. Kozin commenced his speech by extending his gratitude for being invited for the seminar by the Center for Global & Strategic Studies. Shanghai Cooperation Organization still has tremendous challenges to face with regards to the military and political sphere especially in the last several years, and for the years to come these challenges will only get more complicated. The three major military strategies recently stamped by the Trump administrations directly targeting SCO are:

1. National Security Strategy
2. National Military Strategy
3. Nuclear Posture Review

In general terms, the SCO is confronted with the Cold War 2.0, which has been imposed by the key Western community actors, headed by the USA. The biggest issue is that two of SCO’s original members, namely People’s Republic of China and the Russian Federation have been labelled as long-standing strategic competitors of the United States. Both China and Russia have defensive nuclear doctrines, and have never threatened the US as a country or the American population, and shall continue not to threaten both. In the next 5 years, the USA will allocate \$3.6 trillion in its military budget with the emphasis to contain the People’s Republic of China and the Russian Federation.

He further stated that the Islamic Republic of Pakistan, as a full member to the SCO is also under constant pressure from the US for allegedly offering safe havens to

terrorists. It is indeed strange to hear such a claim by the US, because it is namely Pakistan which has made formidable contribution to eradicate the menace of terror from the region. In the last few years, the number of terrorists in the country has reduced by two-third. Moscow is grateful to Islamabad for such tireless contribution to deliver a decisive blow to terrorist activity. Later this year Russia and Pakistan will conduct anti-terrorist exercises that are essential in combatting terrorism. In general terms, Russia is happy that its relationship with Pakistan is developing very actively and rapidly along all directions.

Talking about other regional discrepancies, the speaker stated that Iran has been arbitrarily categorized as a developer of the ballistic missile system, having nuclear ambitions and being a terrorist sponsored state. According to this claim, it has been predicted that a nuclear deal with Tehran, will drive the region towards a nuclear arms race. US plans to develop new coalitions to consolidate success in Afghanistan, but what is the



definition of 'success' to the US is still unknown to the world. During the presidency of Barack Obama, the US landed approximately one hundred thousand troops in Afghanistan. Currently the Trump administration is unable to control the situation in Afghanistan despite the intention to increase the number of the U.S. and NATO-led 'Resolute Support' military operation to 29,000 military personnel. During prolong U.S. and NATO military presence in Afghanistan 19 more terrorist organizations have been created in addition to two existent ones, namely Al-Qaeda and Tehrik-i-Taliban Pakistan. The extended stay of US troops in Afghanistan will not bring peace to the country, but only a longer list of casualties. Although, North Korea is not a member state to the SCO, a similar military pressure from Washington is being observed by DPRK. United States 2018 Nuclear Posture Review (NPR) has reaffirmed that North Korean nuclear program must be completely and irreversibly eliminated by using all means. Russia believes that this objective may be achieved by the use of nuclear

weapons by the US against North Korea. The US reemployed its intentions against North Korea at the recently held Munich Security Conference as well. The US is going to set its firm military and political fort in Central Asia for its indispensable geopolitical gains over the SCO member states. The new US national defense strategy openly sets the task for the US armed forces to contain aggression in three key areas namely:

1. Indo-Pacific
2. Middle East
3. Europe

The speaker further stated that ever since the proclamation of independence by the US, the country has intervened in the domestic affairs of other sovereign nations, 563 times, on average twice a year. Washington is still taking part in disrupting the process of national reconciliation in Syria and recreating terrorist organizations like the Islamic State, with the aim to topple the legitimate regime in Damascus and to dismantle the country. The US armed forces were not invited to Syria, but they nonetheless established several military bases in Syria. There are many other challenges being faced by SCO, with regards to adjacent zones both in nuclear and non-nuclear ways.

Transformation of the U.S. Nuclear Strategy

The new US nuclear strategy will be much tougher than the one proposed by the predecessors of trump. The strategy contains the following four elements:

1. First use of NW and lowers the threshold for using NW
2. Permits to use low-yield nuclear warheads
3. Stamp 'escalation of the de-escalation' concept
4. Transform conventional drills into nuclear ones

The strategy has been observed of having a deep rooted unconditional offensive nuclear deterrence, under the pretext of technological surprises.

SOA: Balance of forces between Russia and the USA

Referring to the table the speaker explained that approximately the US and Russia have the same number of warheads, but geographically Russia is on a disadvantage to the US. America has forward-based nuclear technologies stored and deployed very close to the shores of Russia.

NEW START LIMITS	USA	RUSSIA
WARHEADS: 1550	1350	1444
LAUNCHERS: 800 operationally depl/oper.non-depl	800	779
LAUNCHERS operationally deployed	652	527

The US would resort to limited nuclear strike using low yield nuclear warheads. The speaker further explained the B 61-12 nuclear bomb has the capacity of 0.3/1.5/10/50 kilotons.

As of February 22nd, 2018

Russia believes that the US low yield nuclear warheads are less vicious than the Hiroshima nuclear bomb, which was 15 kilotons. Russia also believes that the development of low yield nuclear weapons, will also increase the temptation of using these weapons especially the right of first use. Moscow believes that the dramatic lowering of the nuclear threshold can lead to a nuclear missile war and low intensity conflict.



Low yield nuclear warheads B 61-12

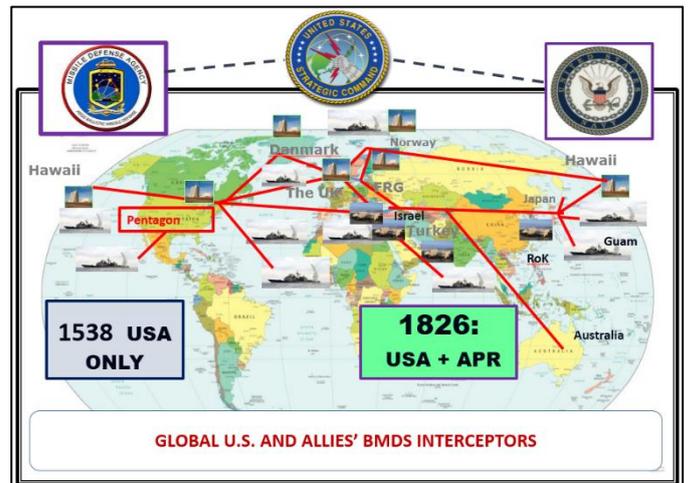
The US President has exclusive and unilateral power in using nuclear weapons at his own discretion bypassing the US congress, defense and state secretaries and the supreme judge. Lawmakers just persuaded the president never to use nuclear weapons first without the authorization of the US congress and without declaration of war

TYPE	YEAR	LAUNCHERS	PRICE TAG
LRSB B-21 «RAIDER»	2025	60	US \$ 266 bn
GBSD «M-IV»	2029	400	US \$ 149 bn
SSBN «COLUMBIA»	2031 (on patrol)	16 БРПЛ X 12 = 192	US \$ 313 bn

New Strategic Triad (2025-2080) = US \$ 1.2 trillion
 $\Sigma = 652 + 1,000$ ALCM

against any nation. The speaker further added that the potential memorandum of the US president to use nuclear weapons can reach strategic offensive nuclear arms within 3 to 5 minutes, and a nuclear strike can be launched within 3 to 12 minutes. If such a situation arises, the period to react is fairly short.

Since the first nuclear attack by the US in 1945 against Japan, the US has planned to use, but not actually used, nuclear weapons 7 times, in 5 regional conflicts and in two great power conflicts. The US is also violating the INF treaty the Soviet Union signed with the United States in 1987. The US has violated the treaty 93 times, while Russia has zero violations.

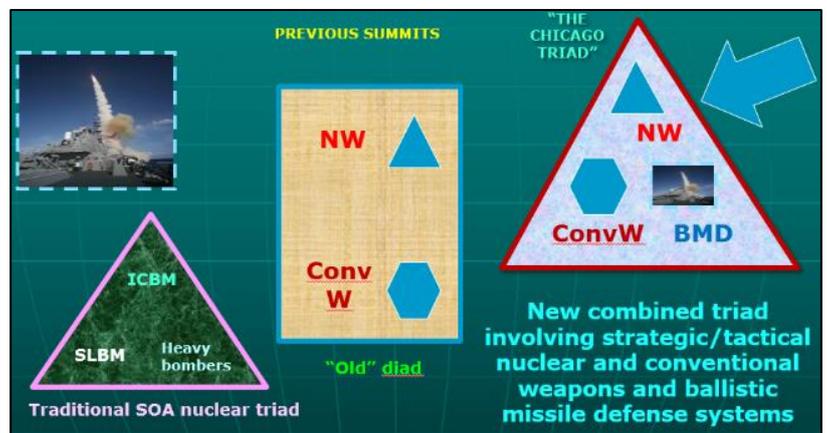


There are other non-nuclear factors also need to be considered with regards to the SCO. Referring to the diagram, the speaker mentioned that the figure of 1538 US interceptors are 'strategic interceptors' in specific. These interceptors serve as tremendous assets for the US. The devised formula has reached 2 to 1, or 3 to 1 in favor of interceptors as compared to the rest of the nuclear war heads. Russia believes that these interceptors will be the end of global stability on our planet.

Ballistic Missile Defense Interceptors

The Chicago Triad

The latest Chicago Triad is a combination of nuclear weapons, conventional forces and missile defense. Up until the summit of 2012, the structure remained the same, containing nuclear weapons and conventional forces only. The Chicago triad has also moved very closely to the Asia Pacific countries, and from Europe towards SCO member states.



At NATO summit in Chicago (2012) a qualitatively new triad - "the Chicago triad" – has been created

The SCO has many broad and multifaceted opportunities to overcome various challenges. Mr. Kozin believes that the preservation of unity and cohesion inside the organization is a crucial factor for the success of SCO. The interoperability between carefully crafted ideas and solutions has to be encouraged and circulated on equal levels among all member states. Converting the SCO into a military alliance at this

particular juncture, requires frank and friendly discussion of the current global developments in military-political sphere and the arms control domain at a specially convened meeting among SCO defense and foreign ministers. Russia is still willing to transfer the regional anti-terrorist structure among the member states for combatting new challenges and threats, so to move beyond anti-terrorist activity. Optionally the Security Cooperation Coordination Committee can be brought about with the mandate to coordinate military technical cooperation in the SCO framework in order to coordinate regional security. Thus SCO peace-keeping units have to be created on ad-hoc basis, for the benefit of member states. It is important to set-up a Special National Military Advisors Group inside the SCO, with a mandate to elaborate recommendations in the security area. Moscow is in favor of the implementation of the notion to create The New Security Issues Prognosis or Forecasting Centre. The SCO comprises of nations that are all independent, and not just back-bencher states which serve as a great strengthening asset to the organization. The members have their own opinion and voices individually and collectively. The multi-faceted and amplifying voice of the SCO in the military and political domain will be more effective if it is delivered openly and straight-forwardly to welcome unity on behalf of the entire organization.

The speaker concluded his speech by stating that the SCO did not initiate the cold war 2.0, and does not want it to continue.



Speaker 3

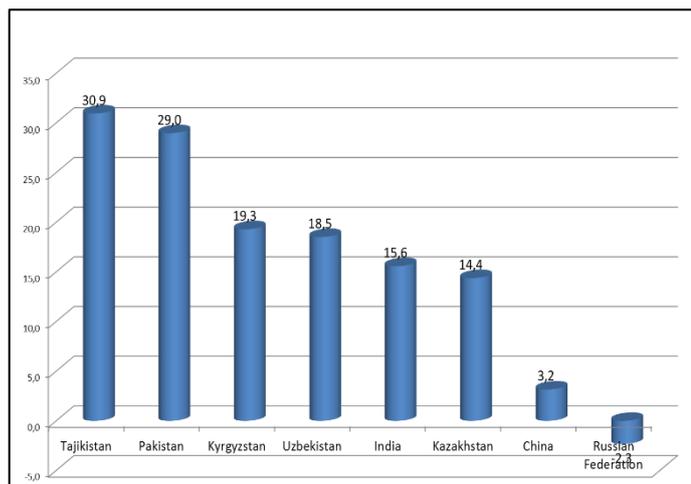
Dr. Muminova Farida Mahmoodovna – Deputy Director of the Center for Strategic Studies under the President of Republic of Tajikistan, Dushanbe, Republic of Tajikistan



Dr. Muminova Farida Mahmoodovna addressed the audience on the topic of “Challenges and Opportunities for Regional Economic Cooperation in Shanghai Cooperation Organization”. Her remarks contained the following important features:

Dr. Muminova commenced her address by stating that it is important to take into account the challenges to the development of countries and the challenges faced for developing regional economic cooperation. The intensification of cooperation in the region is especially important as the dynamism of changes in the world conditions is rising. The scale and impact of global food, fuel and financial crises are growing. The volatility of prices for food and energy are also simultaneously increasing. The escalating need to reduce the vulnerability of national economies can intensify the process of diversification of 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 like weak investment flows, slow productivity growth and low commodity prices etc. In the medium term, security will be the top most priority. This is due to the consolidation of efforts to counter-act terrorism and extremism.



Population growth (2015-2030)

The implementation and impact of international transport communications and

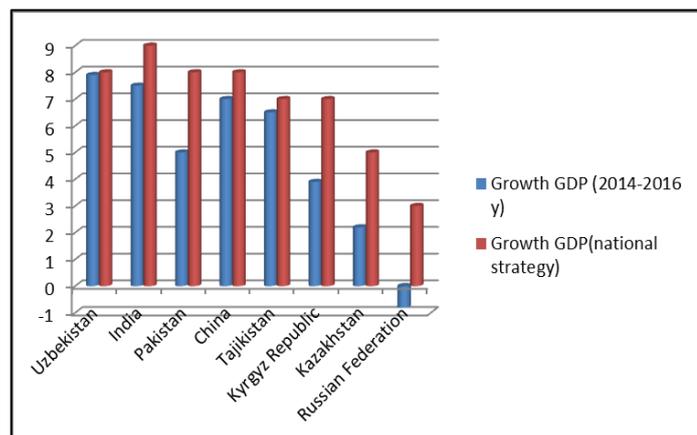
energy projects must be supported by security (including in the context of their high capital intensity and duration of implementation).

Tajikistan has to achieve GDP growth rate of 7-8% by 2030; where the share of the agricultural sector is 14% and the share of industry is 20%.

Population growth will be higher for both Tajikistan and Pakistan in the years to come. This will mean increasing pressure on jobs and natural resources on both the economies. The fundamental challenge would then be to raise productivity in employment intensive sectors & moving employment to higher productivity sectors.

The speaker further stated that for GDP growth, it would be important to create new drivers of growth to ensure strong, equitable growth promoting "good" jobs'.

Keeping macroeconomic indicators (current account, fiscal deficit, inflation, and public and external debt) under control and entering global supply chains in industries such as energy and natural resource-based; agro-processing; construction; petrochemicals; chemicals; fertilizers is also important.



GDP growth (2014-2016)

According to this diagram, it can be clearly be determined that the growth is lower than the predicted statistics. The SCO member States thus need to use various economic mechanisms to boost individual and collective growth for the member states.

Dr. Muminova further stated that it seems that in economic cooperation at least four themes may be of interest to all SCO countries. This includes:

1. Food security
2. Water security
3. Energy deficits
4. Development of transport communications and transit potential and production cooperation

Commenting upon the customs tariff, the speaker stated that the regional trade tariff for imports on the SCO member states by the SCO member states are negligibly low, which provides great opportunities for economic cooperation in the region.

Dr. Muminova further stated that 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 and creating opportunities for business, tourism and other socio-economic activities is also vital for economic growth.



Talking about economic reforms in Tajikistan, Dr. Muminova stated that reforms are aimed at creating a favorable investment climate. Tajikistan is a member of the World Trade Organization, where a single window has been established for customs' procedures. Imports of modern

equipment and technology are exempt from Value-added tax and customs duties and the average level of customs tariffs is 8%.

Commenting on the Pak-Tajik bilateral relations, she stated that officially, diplomatic relations between Pakistan and Tajikistan were established in 1992. The volume of trade between the two countries is 41.4 million dollars (almost 1.5- 2% of total foreign trade), upside potential of which is not less than 500 million dollars.

There is cooperation between the two countries in the implementation of large infrastructure projects like CASA 1000; a one billion dollar project expected to be completed by 2020. In 2018 work will start on the infrastructure part of the project. It is expected to make deliveries of five billion kilowatt hours with an exports price of 9.35 cents. Tajikistan has a great potential for generating 527 billion kWh of electricity

per year. Currently an energy project 'Rogun' is under way with annual production of 17 billion kWh.

Remarking on the future cooperation between the two countries, she stated that there are opportunities for cooperation in electric, chemical and health industries. There can also be technical cooperation and information exchange in the field of science and technology. Cooperation in the field of joint implementation of research projects through specialized centers and universities can provide an opportunity for the implementation of scientific programs by these institutions. Likewise preparation of mutual visits of experts to research centers of both countries and holding joint seminars, conferences and symposia can be beneficial.

Dr. Muminova concluded her address by stating that Tajikistan believes that even at the level of interaction between research structures, it is possible to promote economic cooperation through conducting joint research which will allow a shift to the expert level discussion of sectorial problems that are the most "sensitive" or excessively politicized. Development and implementation of joint targeted programs, exchange of analytical materials on socio-economic development and holding a cycle of thematic round tables between the SCO forums will provide a "point" dialogue, and help in identifying issues and positions of the parties and possible areas of action.



Speaker 4

Dr. Xu Wenhong - Deputy Secretary General of One Belt One Road, Chinese Academy of Social Sciences, Beijing China



Dr. Xu Wenhong addressed the audience on the topic of “China’s Strategic Interests Viz-a-Viz Shanghai Cooperation Organization (SCO)”. His remarks contained the following important features:

It's my great honor to be here today and to deliver this speech! This is my first time to Pakistan. For many years I've heard that China-Pakistani friendship has been growing higher than mountain, deeper than sea,

sweeter than honey, this time I've got to know that by my own experience!

This conference provides a platform for in-depth discussions of SCO related issues. My own topic is *China’s Strategic interests Vis-a-Vis SCO and* I will present my brief views on China’s interests towards the SCO, the SCO’s missions, the China-Pakistan relationship. And I will welcome your remarks, questions and constructive criticism at the end of the speech.

China’s strategic interests

No need for reticence that China has great geopolitical, economic, and security-related interests in the region where the SCO is located.

China is an economic powerhouse. However, economic development is not evenly distributed within China. Economic growth is driven by the coastal regions in China, while Xinjiang, Tibet and other western regions of China are still underdeveloped. So, in the interest of domestic development, it is time to rebalance and to provide good conditions for growth in the western regions, which are situated in the inner land of the Eurasian continent.

Without the cooperation of Pakistan and other SCO member states, Afghanistan will be a breeding ground for the Taliban. And China would be facing big problems.

Without the cooperation and assistance from Pakistan and the Central Asian states of the SCO, the western parts of China will be under unimaginable threats, threats of the three evil forces: The threat of terrorists, the threat of organized crime, and the threat of smuggling.

Without the cooperation and assistance from Pakistan and other SCO member states, the great Silk Road could not be revived and the initiative of *One Belt One Road* would be a mirage.

Without the friendship with and the economic cooperation of Pakistan and the other SCO member states, the western parts of China would be effectively landlocked. Oil, gas, and other energy products of Central Asia could not get through and fire the household kitchens in East China.

Throughout history, back in the past and again today, the region where the SCO is located has been linked by the great Silk Road. Unfortunately, this region has also experienced some hard times of instability, war, and border disputes. In order to solve potential border issues, the SCO was created in 2001. The creation of the SCO has completely changed the geopolitical landscape in this region.

Different ways to approach conflicts

In the past, the US took up the role of being the global police. The US used military force as a means to approach any conflict in the world.

The Soviet Union, and now Russia, also reverted to military force. Russia from time to time quarreled with its neighbors and as a consequence, it now faces unprecedented sanctions. Its relationship with Germany, France and other EU members is immensely strained and in the coming years – this is unlikely to change.

China chooses a different path: The path of developing projects of common interests. The Chinese value peaceful coexistence and peaceful development as its way to approach conflict. For the Chinese, this is not a path of temporary expedience. It is China's long term objective, guided by its principles. And these are not just words, as the following fact shows: Of the five permanent member states in the UN Security Council, China has been the one with the fewest wars since WW2.

Based on the principle of peaceful development and looking at the bigger picture of common interests of this region, China began promoting the initiative of *One Belt, One Road* in September 2013. The original objective of the *One Belt One Road* is regional economic development, based on the heritage of the ancient Silk Road. For the *One Belt One Road* initiative, China takes two things into consideration: the need of the development of China's western regions as well as the development of Central Asian states. This makes *One Belt One Road* a development plan for the whole region. In this initiative, China plans to join forces with all willing friends in this region, at the high level of political coordination, to renew critical infrastructure, to promote trade, to improve financial circulation, to enhance people-to-people bonds. Judging from existing economic projects, the strategic interests of China and other SCO members are very similar.

At the same time, China also wants to promote the concepts of *Community of Interests* and *Community of Destiny*. *Community of Interests* means that all members of this organization should have a full understanding of mutual cooperation and win-win cooperation. Any member's incompatibility or noncooperation will hurt other members' basic interests. *Community of Destiny* means that all members will help each other in crisis and disaster, to share prosperity and ensure stability in this region. Put in another way: Community of Interests stresses cooperation for common interests. Community of Destiny stresses on being in the same boat, facing challenges and disasters together. Thus, Community of Destiny creates much stronger bonds than Community of Interests.



The SCO's Historic Mission

From the very creation of the SCO, it has had clear historic missions. The founding members have spelled out these missions and their vision for the organization. China's strategic interests and the SCO's interest are very similar and very close.

In order to enhance the cooperation and communication among SCO members, security issues have become common interests for all members. Members wish to maintain stability, protect themselves from terrorist attacks, prevent outside interference, and decide their own destiny.

The total population of the SCO's member states is around one quarter of the global population. So, to a good extent, the economic diversity of the SCO member states reflects the diversity of the global economy. Unfortunately, this also includes economic problems, caused by many different factors. Such factors are, for example: Unscientific economic structure, heavy dependence on energy and resources, decline of population, insufficient market mechanisms, etc.

Further, all members of the SCO are directly or indirectly neighboring Afghanistan. And the reconstruction of Afghanistan will be one of the main objectives of the SCO's collaboration, in order to keep peace and stability in this region.

From its very beginning, the SCO has had no intention to challenge or compete with the West. But that doesn't mean that the current international order is good enough. For a long time, the dominance in international politics has been in the hands of Western countries, and the voice of this region had been ignored by the West. Now, the voice of the SCO has become stronger, reflecting the willingness of all members to change the unjust and unfair international order. Together, the SCO member states will fight for a just world, for a fair and reasonable international order.

These are the common issues that all SCO members are facing. At the same time, these issues have become the common ground for further cooperation among SCO members.

On top of that, China does believe that in the trend of globalization, no exclusive organization could survive in the long term, where "exclusive" means that some other unit's interests will be hurt. Only by taking the bigger picture into account, we can grow the pie for everyone and every member will be benefit from it. The entry of Pakistan into the SCO is the first enlargement since its creation. Thus, it has a special meaning for the SCO. It means that the proposals and principles of the organization have been fully accepted by the nearly 193 million people in this great country. For Pakistan, it means that Pakistan will be an equal member in the organization, which will

contribute to further development in this region. It is a historic event in the growing record of this organization.

China and Pakistan within the framework of the SCO

Pakistan is a vital partner of China: In the joint declaration of 2015, the Chinese-Pakistani relationship was described as an “all-weather strategic partnership”. China needs Pakistan just like Pakistan needs China. So, in China, we have a special term to refer to the Pakistani people: “Iron Brother”, which means that our brotherhood is “stable and unbreakable”.

If you ask any Pakistani person who is Pakistan’s best brother, “China” is the only answer. Equally, if you ask any Chinese person who is our *Iron brother*, “Pakistan” is the only answer. The Chinese-Pakistani relationship has its own historical logic; it cannot be hurt or damaged by any other country’s interests. The well-known project of CPEC has become the flagship of all projects of the *One Belt One Road* initiative.

After Pakistan’s entry into the SCO, the Chinese-Pakistani relationship has become a very important pillar within the framework of the SCO. Together, we ask: How can we join forces to improve and promote the development of the SCO, make it a just and fair organization, not only for this region, but also for the whole world. These are the common issues that we are now facing. We do believe that this conference will be a very good start to address these questions. And I am fully convinced that this conference will be a successful and fruitful one!

To conclude: China has great interests in the region where the SCO is located. China’s interests, in four words, are: peace, development, cooperation, and prosperity. Being a co-founder of the organization, China’s own strategic interests are similar and very close to the interests of the SCO. And the entry of Pakistan into the SCO is a historic event in the growing history of the SCO. Finally, CPEC is one of symbols of the SCO economic development and of the *One Belt One Road* initiative.

Thank You!

First Question and Answer Session

Moderator

Mr. Amer Hashmi – Advisor, National University of Science and Technology (NUST), Islamabad

Mr. Raza Khan, PTV News

Question No.1

The long existent London-Washington connection has kept Pakistan away from the regional cooperation for many decades, how do you think Shanghai Cooperation Organization will provide opportunities for Pakistan to become a contributor for regional development?



Answered by Lieutenant General Muhammad Zahir Ul Islam HI (M), (Retd)



In the Past, Pakistan's lack of diplomacy caused the country to shift away from the region, and towards the West. The US policies for South Asia, such as SEATO and CENTO, have now become old fashioned, and Pakistan is now stepping out of the 60's dilemma. Pakistan now needs to utilize 'pro-active' diplomacy to promote its own interests both regionally and internationally. SCO provides an excellent opportunity for Pakistan to maintain its bilateral relations with Russia and China.

Currently, Pakistan is being targeted for what is happening in Afghanistan. Pakistan thus needs to play an active role in conveying its narrative and efforts to the international community. Many countries, besides Pakistan are also convinced on Pakistan's need of using active diplomacy.

Mr. Raza Khan, PTV News

Question No.2

What are the prospects of increased military assistance of Russia to Pakistan to counter the growing regional military influence of India vis-à-vis US?

Answered by Mr. Vladimir Kozin

The initiative of required military assistance needs to come from Islamabad. Pakistan needs to decide the military assistance it requires from the Russian Federation. Russia is open to military sales to the SCO members. The leaders of Pakistan need to directly approach Russia's Prime Minister or the President, to communicate Pakistan's defense requirements. The enhancement of Pakistan's national security will be encouraged by the Russian Federation, but a desire for the need of assistance needs to be initiated by Pakistan. The extent of military collaboration can also be extended to naval bases. Naval protocol visits and naval exercises at the high seas (Indian Ocean, Mediterranean, and Black Sea) with mutual commitment can help enhance Russia-Pak relations.



Mr. Raza Khan, PTV News

Question No.3

What is the Shanghai Cooperation Organization doing to prevent the possibilities of war with regards to the South China Sea dispute?

Answered by Ambassador Yao Jing

Today's world is very different from the world from 70 years ago, during the World War II. Trying to maintain their own interests, by damaging the world system. Very small number of countries cannot monopolize the world system, and so SCO provides a platform for countries to voice their concerns. The SCO members have yielded their support to the Shanghai spirit, which is to achieve peace and stability



through cooperation. Our view for world peace is through collaboration. So when China and Pakistan are confronted with various issues such as nuclear issues or the South China Sea Dispute, the pursuit for collective security for the region becomes a priority for us. This seminar has helped project the views for regional security by SCO members, and further collaboration with regards to the security domain is needed.

Ambassador Jalil Abbas Jillani, Former Foreign Secretary of Pakistan

Question No.4

What is the time frame for common security and defense policies for SCO countries? And would the development of such policies develop tension between the West and the SCO member states?



Answered by Mr. Vladimir Kozin

Common security policies for the region should be devised as early as possible. The implementation of such a policy happens slowly. A time-frame for approximately six months should be enough to negotiate and devise such policies. A time-frame even lesser than six months will help do thorough preparation for the strategy.

SCO member states for now should neglect negative remarks that will inevitably appear from the western world mainly the United States and its allies. The popular saying ‘dogs bark, but the caravans move on’, fits perfectly to the developments SCO is making regardless of the opposition faced. We should not let any externalities create indignation for our commitments to SCO.

**Mr. Syed Muhammad Ali, Senior Research Fellow
Centre for International Strategic Studies**

Question No.5

New Delhi happens to be the biggest defense market for Moscow. How does the Russian Federation plan to balance its interests in relations with reviewing and reviving the military relations vis-à-vis Islamabad?



Answered by Mr. Vladimir Kozin

Every nation as the member state to the SCO, has legitimate national rights to improve and consolidate national defense. Pakistan's defense requirements are of priority right now.

If the Russian Government is asked about enriching Pakistan's military hardware, it will show excessive willingness to assist Pakistan. At the same time, Moscow will closely monitor its relations with New Delhi, and it currently disappointed in the tragic U-turn India has taken towards US and away from Russia. Although India is still a strategic partner to Russia in documents, Russia is more than willing to assist Pakistan with regards to selling arms and sending military technicians to service military hardware being sent to Pakistan. Russia is not concerned about who may not to be happy with the extended assistance. Being independent nations, countries do not bow to the US on the other side of the globe.

Mr. Eyab Ahmed, International Coordinator, National Youth Assembly, Pakistan

Question No.6

Why did China not support Pakistan with regards to the financial action task force?

Answered by Ambassador Yao Jing

As of now, China is opposing any kind of politicizing of technical cooperation. China stands witness to Pakistan's counter-terrorism efforts and it encourages countries to resolve issues amongst themselves utilizing the available platforms. China does support Pakistan's counter-terrorism efforts, and shall continue to do so.



Mr. Eyab Ahmed, International Coordinator, National Youth Assembly, Pakistan

Question No.7

Keeping in view the Indo-US connivance the new US policy, why is Russia still supporting India's presence in Afghanistan's reconciliation process?

Answered by Mr. Vladimir Kozin

The Russian Federation cannot directly block any collaborative efforts different countries have directly with the Afghan Government. Thus Russia cannot disrupt cooperation between Kabul and New Delhi. On the other hand, Russia will surely take into account the real efforts each country is making in the reconciliation of Afghanistan, with regards to honest and practical solutions honoring the Afghan people and their history of non-alignment. The countries must also work to eradicate the western presence (US and NATO) in Afghanistan. US' continuous presence in Afghanistan will bring torture to the natives of the country. We can achieve the sought objectives with regards to Afghanistan, by bring Afghanistan to the political track. The Afghans are not happy with the prolonged presence of the United States in their country. They have been a witness to many calamities in the past, and stabilizing Afghanistan should be a priority for all regional states as of now.

Mr. Iqrar Haroon – Chief Editor, Dispatch News Agency

Question No.8

Contemplating the after-math of the 'Operation Cyclone', what is the future of Afghanistan? Do you think controlled usage of nuclear weapons by the US is a possibility to resolve the Afghanistan issue?

Answered by Mr. Vladimir Kozin



The future of Afghanistan should be an independent country, free from all forms of interventions. The chances of the US using nuclear weaponry is still unclear, however, it may use hi-tech conventional weapons to curb the situation in Afghanistan. The US has used conventional bombs in the past like the sea-launched cruise missiles from the Persian Gulf and the Mediterranean, causing collateral damage to the local civilians, along with this, the aircraft heavy strategic bombers deployed and landed in the area of the Indian Ocean. The usage of Mother of All Bombs (MOAB) by the US, had a catastrophic effect. With regards to the latest US Nuclear Posture Review, the

possibilities of low yield capability for low intensity conflict have become more imminent. There are two other possibilities for US using low-yield nuclear weapons by using UGM-133A Trident II and submarine-launched cruise missiles (SLCM). Regardless of what country is being targeted, the usage of nuclear weapons by the US should be criticized by all nations, to prevent the possibility of usage.

Mr. Hamza Yaqoob – Student of National Relations at Bahria University

Question No.9

What can be done to proliferate trade in the region, and the role China is playing in this regard?

Answered by Ambassador Yao Jing

The future of regional cooperation revolves around regional trade. SCO was a brand new mechanism started about 17years ago, its charter from the very beginning, looks into security cooperation and economic cooperation, which later on comes to an agenda, right now member states are giving a lot of importance to. SCO enjoys great potential for economic and trade cooperation, given the resource rich region. China has initiated the Belt Road Initiative along with many other initiatives for regional development. SCO is a priority for this year's presidency of China, to focus and assist regional cooperation with regards to various dimensions.



Ms. Farhat Asif – President Pak-SCO Friendship Forum, Institute of Peace & Diplomatic Studies

Question No.10

How can countries use soft-power in regional integration and cooperation?

Answered by Mr. Xu Wenhong

Talking about soft power, a lot of collaboration is happening in the region. There are a lot of mechanisms in the visions as the Ambassador Yao Jing mentioned that initiatives such as the SCO film festival in art will prove to enhance



regional integration. SCO spirit is based upon benefiting humanity through peaceful means, and that is exactly what shall happen.

Answered by Mr. Vladimir Kozin

The answer is very simple and straight forward. We have to arrange a film festivals in our countries, and invite writers from different countries. We should also invite academic community to exchange the ideas on the basis of reciprocity. We are in the process of that but it would be very convenient if we restore direct air flights from Islamabad to Moscow; and from Moscow to Islamabad.

Major Asad Malik (Retd)

Question No.10

In light of the SCO's objective to regional prosperity, how does Russia view the new US policy towards Pakistan and the possibility of regional instability by the policy?

Answered by Mr. Vladimir Kozin

We regard these kinds of strategies and intentions very negative. It does not matter whether it is Afghanistan or North Korea or Pakistan or any other country in Africa or Latin America in Western Europe, etc. And our message is clear that we have already responded very frankly and straightforwardly to various free strategies ushered in by the current US administration and we as a humble servant criticize them very strongly in military and national terms in Krasnaya Zvezda for Red Star Newspaper. Mr. Kozin then in a very joyful tone asked Mr. Xu, "Sir, you mentioned that Pakistan, in terms of metal is your iron brother. What about Russian friends? What kind of metal are you going to use? Or probably it's something high-tech alloy please tell me".

Mr. Muhammad Fayyaz Joiya – Director Scientific Information NARC

Question No.11

- a) What mechanism for agricultural development is SCO working upon with regards to Pakistan?



b) How will SCO manage its responsibility to build mechanisms to curb the influence of international actors such as the US and Israel in the region?

Answered by Lieutenant General Muhammad Zahir Ul Islam HI (M), (Retd)

I think that the speeches given by the Chinese Ambassador and the Mr. Xu clearly cover the aspects of food security as a priority agenda of the SCO countries. The aspects of economic cooperation, commerce and trade, business activity, projection of soft power are to be worked upon by the SCO member states. One fourth of the world population from Central Asia, South Asia and South East Asia, resides in SCO member states. And so, the member states meet to determine the future mutually beneficial economic development. With the completion of CPEC as part of the Belt and Road Initiative, Pakistan wishes to integrate the entire region for mutual betterment.

Answered by Ambassador Yao Jing

Cultural cooperation is definitely in the framework of the SCO but mutual development of the agriculture sector still needs to be worked upon. Regarding the regional cooperation like this Belt and Road Initiative, I would agree with Mr. Islam and his point of view. But for me that is, why is it still that today's world we still have this kind of regional organizations? Because this world is far away from perfection. Still we have different perceptions, we have different ideas, and so I think that when we regional countries, when we take ownership of regional affairs, what happens is that we have our own dreams and our own visions. Of course like cooperation between China and Pakistan on the CPEC definitely there are different views. We do not take varied views as hurting forces but as chances to address new inclusive issues. Different views are welcomes to be addressed to avoid ambiguity. We hope all the countries could understand and also welcome these kind of principles.

Lieutenant General Muhammad Mustafa Khan (Retd) – Former Chief of General Staff and Presently Chairman Al-Mustafa Trust

Question No.12



With regards to SCO's collective objective to stabilize Afghanistan, India happens to have a different view for the solution of Afghanistan. Do you think this will cause hindrance in achieving the collective objective?

Answered by Ambassador Yao Jing

Ever since India and Pakistan joined the SCO, a lot of documents and consultations have been conducted. So in principle, I suppose I presume that all nuke members like India and Pakistan will accept the charter as well as all the scripts of SCO. However, regarding some specific issues regarding these regions, I believe that definitely not all members of SCO have similar identical notes. I am not going to comment on these kind of different views or approaches specifically but I have a belief that by corporation and the framework of SCO this exactly is the root towards a more identical and cooperative approaches in dealing with these challenges. We hope that SCO framework can facilitate more mutual understanding and cooperation of these kind of approaches towards these regional challenges.

Answered by Mr. Vladimir Kozin

Well, I think India will hesitate to offer something substantial and important to diffuse the situation in Afghanistan simply because of the Pakistani factor. The relationship historically is tensed. India I think will create a situation in Afghanistan so that the situation in Afghanistan will be an irritator in the backdoor, by using immigrants, refugees and what not. So we have to persuade India for being more constructive and not to use problems to undermine stability of one of the members of the SCO. I think I will be very honest from our side, we will tell India to not use Afghanistan like a bull trap against Pakistan and against us.

Second Session

Speaker 5

Ambassador Jalil Abbas Jilani – Former Foreign Secretary of Pakistan



Ambassador Jalil Abbas Jilani addressed the audience on the topic of “Pakistan’s Geostrategic Role in Shanghai Cooperation Organization”. His remarks contained the following important features:

Ambassador Jalil Abbas Jilani commenced his address by extending his delight for being invited to share his perspective on interests and role of Pakistan in the SCO. Having served as Foreign Secretary and interacted with his distinguished colleagues and leaders from SCO countries, Ambassador Jilani was well aware of the significance of the organization for the region. He was hopeful that the way SCO is progressing, it would emerge as a homogenous block in the future.

Ambassador Jilani stated that Pakistan is extremely grateful to the SCO member countries for coopting it as a full member of SCO last year. Pakistan’s membership to SCO is motivated by its desire to establish peace and stability in the region. Be it Pakistan’s all-weather friendship with China or developing close relations with Russia, Pakistan has worked very closely with SCO member countries for the last several years. Pakistan is fortunately at an important strategic location, which connects not only the South, West and Central Asian Republics but also offers the shortest route to the landlocked countries of Central Asia to Arabian Sea and the Gulf.

Pakistan’s main objective is to contribute to peace and stability of the region. In the early 1970’s, Pakistan played its role by bringing about a rapprochement between the US and China. Henry Kissinger in his book, ‘On China’ has devoted one full chapter lauding the role Pakistan played in ironing out differences between the US and China. Pakistan’s belief in peaceful relations between important power centers like the US and China, is of critical importance to peace and stability in the region.

Similarly ever since the relations between Iran and the US declined following the hostage crises, Pakistan has played the role of a link between Iran and the US. Playing such a role also requires a high degree of trust between Pakistan and Iran, and Pakistan and the United States of America. Ambassador Jillani alluded to the time when he was in the US as ambassador of Pakistan, the Iranian ambassador also referred to him as their ambassador in Washington.

Pakistan would like to play the role of a peace bridge between SCO countries and countries of the region. Ambassador Jillani stated that he was glad that Both Pakistan and India have been coopted as permanent members of the SCO last year. Although formal dialogues have been suspended between India and Pakistan, the kind of interaction that takes place at SCO in the shape of frequent meeting at different levels of state would help in facilitating some level of interaction between the countries.

Pakistan is willing to resolve all outstanding disputes with India. Once Pakistan's disputes and differences with India have been resolved, whether it is the Jammu and Kashmir issue or the issue of terrorism, SCO will certainly become a more vibrant organization.

Pakistan's second objective apart from peace and stability was to become a hub of economic activity in the region. Pakistan is at the cross-section of three important regions and would like to play its role for regional integration and economic cooperation with other regional countries. Initiatives like the Belt and Road Initiative (BRI) and China-Pakistan Economic Corridor would not only bring about economic integration between SCO countries but also bring about economic prosperity for the countries of the region. This is of paramount importance to Pakistan.

The speakers also stated that Pakistan wishes to address the challenges of climate change in collaboration with the SCO member states. Climate change afflicts all the SCO member states and the resources and expertise that individual nations have developed. SCO members thus need to immediately resolve the rising concerns regarding climate change.

Terrorism is yet another phenomenon all SCO member states are afflicted by. Pakistan has been fighting the forces of terrorism and extremism for the last two decades. Ambassador Jillani emphatically claimed that Pakistan is the only country in the recent history which has decisively defeated the forces of terrorism and extremism. 2006 and 2007 were tough years for Pakistan. The general perception about Pakistan



was that it is a failing state. The economy had gone down because of terrorism and instability in Afghanistan. But times have changed. Approximately 80 to 90 percent terrorism has been eradicated from the plains of Pakistan. Pakistan continues to fight the menace of terrorism up until it will be entirely defeated. As

a front-line state against international terrorism, Pakistan has developed an expertise over the last several years. Pakistan can share this with the other SCO member countries in order to devise a joint strategy against these forces.

Pakistan feels that the revival of SCO's Afghanistan Contact Group is certainly very important. The situation in Afghanistan is of great concern to all SCO members. Pakistan would certainly like to play an active role in this contact group by making a contribution towards peace and stability. The desire to develop a joint strategy for Afghanistan to defeat the forces of terrorism and extremism, is common among all member states. It is not just the terrorism which emanates from Afghanistan, but the country has also become an epicenter for drug. By developing a joint strategy against these issues, SCO can bring peace to the region.

Talking about the drugs issue, the former Ambassador said that when he was Foreign Secretary from 2012 to 2013, an extremely important mechanism involving Pakistan, China, Afghanistan, Russia and other Central Asian Republics was developed to counter the drugs issue. It was a hugely successful endeavor initiated by Pakistan. In order to break the nexus between the drug traffickers, producers and extremist

organizations, a mechanism was developed whereby all these transit countries were connected to each other in an effort to discourage this phenomenon to a large extent.

While SCO certainly is emerging as an extremely important block, with multifarious areas of cooperation, Ambassador Jillani stated that he would like to emphatically make it clear that Pakistan's alignment and association with SCO is certainly not against any other bloc. The idea basically is to forge a cooperative relationship and a common response to the kind of challenges that we are faced with in the SCO region.

Pakistan would like to play the role of a peace bridge between the SCO countries. Ambassador Jillani concluded his address by saying that SCO certainly offers a tremendous opportunity to build a progressive, inclusive and sustainable world. This can be achieved by harnessing SCO's enormous potentials and proven competencies as well as by leveraging the strong political will of nations represented in SCO. Pakistan stands ready to contribute to the collective endeavor of SCO.



Speaker 6

Ambassador Abdul Basit – Former High Commissioner of Pakistan to India, President Islamabad Policy Research Institute



Ambassador Abdul Basit addressed the audience on the topic of “Shanghai Cooperation Organization: India’s Perspective and Impact on Bilateral Relations with Pakistan”. His remarks contained the following important features:

Ambassador Abdul Basit commenced his address by stating how grateful he is to be invited to share India’s perspective on SCO. It goes without saying that India’s foreign policy has been by large a reflection of Kautilyan machinations. Whether it was India’s non-alignment during the cold war or its efforts to build a strategic partnership with the US in the post-cold war era or joining the SCO, amply demonstrate India’s foreign policy. India wants to have its cake and eat it too.

This approach however has not always worked. India’s bid to become a permanent member of the UN Security Council and then to get membership of the Nuclear Suppliers Group have not yielded much positive results for India. Nonetheless, India continues to pursue its foreign policy in different directions and very smartly manages to get closer to its objectives.

He further stated that India was initially reluctant to join any regional organization because at it was trying to get closer to the US in the context of having a nuclear deal. In 2005, it became an observer state in the SCO and till 2014, it did not apply for the membership. Since 2014, when the possibilities of permanent membership to UN Security Council and the Nuclear Suppliers Groups started to diminish for India; it filed a formal request to join the SCO.

Gauging from the official statements made by the Indian leaders on SCO, there were three objectives for India to join SCO. Firstly, India wishes to participate in regional connectivity via the consonance by connecting with Central Asia. India believes that the membership to SCO will establish India’s stronghold in the landlocked mineral resource rich region. Since Pakistan is also a member of SCO, India hoped that the

membership would help exert some pressure on Pakistan to allow overland access to Pakistan.

At present India is not a part of the Belt Road Initiative. The country is also opposing China-Pakistan Economic Corridor for a variety of reasons. India is also pressurizing China to influence Pakistan to increase its contributions to regional connectivity vis-à-vis India, being an SCO member state. It is however clear that without connectivity, SCO will be mere documentation, with no substantial objectives achieved. The future brings with it interesting developments with regards to China's contributions to SCO along with other member states. China is indeed very keen to have India on board on the BRI project, this possess a challenge for Pakistan's diplomacy in the months when India is ahead on how to deflect China. The imperative for Pakistan to give overland access to India due to BRI should be given against India's willingness to resolve the Indo-Pak bilateral issues. In the past, India used the platform of SAARC for its coercive diplomacy towards Pakistan, and now SCO may face similar challenges with regards to India.

The second objective of India is related to terrorism. Fighting terrorism, extremism and separatism are three pillars of SCO's activities. Regional Anti-Terrorist Structure (RATS) was based in Tashkent to fight these three evils. Since 9/11, India has been projecting itself as the victim of "cross-border terrorism". Such a projection perfectly fits India's strategy of portraying the legitimate struggle of people of Jammu and Kashmir as terrorism. It is ironical that sitting in Islamabad, one feels perturbed that there was once a time when Pakistan used to vociferously pursue condemnations of state terrorism and now it is the other way round. This warrants the need of introspection in Islamabad to change the country's outlook. India perpetrates state terrorism in Jammu and Kashmir yet the international community is unaware of India's atrocities in the occupied land. India might also use the platform of SCO to exert pressure on Pakistan with regards to Jammu and Kashmir and take effective measures for cross-border infiltration

The third objective is related to energy. India, similar to Pakistan is an energy deficient country. India's growth rate is currently six to seven percent, due to which the country's energy requirements are increasing. Since the potential for energy is huge in

Central Asia with projects like TAPI and CASA 1000, India will be dependent on Central Asia for its energy requirements.

Besides these three objectives, India has already invested over 2 billion dollars in Afghanistan. India wants to have the final settlement or dispensation in Afghanistan. Since SCO has a contact group with Afghanistan, India would like to see itself relevant to the matter, while protecting its national interests. India is trying to destabilize Pakistan through Afghanistan, especially the regions of Baluchistan and FATA. Contributing to the economic development of Afghanistan, India may claim some stakes in the final resolution of Afghanistan.

The membership of both Pakistan and India in the SCO should not affect their bilateral relationship with one another. Regional organizations like SCO provide a platform for member states to meet and discuss issues, but the core issues tend to resurface due to their historical and geographical roots.



Ambassador Abdul Basit further suggested that India should focus on economic cooperation and regional connectivity, trade and investments for the times to come. But this will not move Pakistan away from pressing problems like the Kashmir dispute. While Pakistan is open to have normal relations with India, the fundamental issues such as the Kashmir Dispute cannot be bypassed at any cost.

Currently there is no process of dialogue between the two countries, but both Pakistan and India have allowed the bilateral trade to continue without much of a hindrance. The continuation of trade does not advocate for Pakistan's willingness to put the Kashmir Issue on the backburner. The Kashmir issue is just not a territorial dispute, it is also about the people of Kashmir, who have rendered huge sacrifices in their struggle. It is not simply possible for Pakistan to look away from the atrocities in occupied Kashmir. After the murder of Burhan Wani on 8th July 2016, the valley

erupted into chaos, which continues till day. Thus the resentment against India among the people of Kashmir is very deep. Regardless of India's spending on socio-economic development in the valley, the anti-India sentiment in occupied Kashmir will remain for the future generations to come.

The ambassador believed that the resolution of Kashmir dispute is fundamental for peace in the region. Pakistan will be grateful if Russia and China as member states to SCO, can play a significant role in bringing Pakistan and India to resolve the Kashmir dispute. But such a scenario is unlikely to come up. India has taken a fundamental decision that apart from the issues of cross-border terrorism and LOC violations, this particular dispensation in New Delhi is not inclined to discuss any other issues. The current Indian government is taking ahead the ideology of Akhand Bharat, preventing the development of bilateral relations between the two countries.

It is thus unlikely for Shanghai Cooperation Organization to resolve the Indo-Pak issues due to the lack of willingness of India. Though it is encouraging that both the countries have agreed to participate in the SCO 'Peace Mission 2018' exercise to be held in



Moscow, Russia. But these are peripheral issues. Unless India agrees to discuss the core issues, SCO will continue to be relevant but not that effective and efficient in resolving Indo-Pak problems.

Ambassador Abdul Basit concluded his address by stating that Sun Tzu once said that opportunities multiply as they are seized. Pakistan has seized this opportunity by becoming a member of the SCO and so has India. Pakistan has always gone the extra mile but as the saying goes 'it takes two to tango'.

Speaker 7

Mr. Amer Hashmi - Advisor, National University of Science and Technology (NUST), Islamabad



Mr. Amer Hashmi addressed the audience on the topic “Pakistan in the Emerging Markets of SCO Members”. His speech includes the following remarks:

The discourse in the speech pertains to the standing of Pakistan when it joined the SCO. The mandate that was given to Pakistan and how it plans to deliver on it. Pakistan is joining a new club and it is very important to understand the cost and benefit analysis.

Ambassador Jillani mentioned peace and prosperity as the foremost reason for joining the SCO. While the second objective was the economic aspect relating to the connectivity.

For Pakistan the geo-economics refers to the utilization of economic instruments to achieve geopolitical objectives in the defense or service of national interests.

To understand these geopolitical objectives, Pakistanis need to know what their national interest is. This task is all the more significant since no official statement of the national interest exists or has been shared with the peoples of Pakistan in a formal endorsement of the concept.

A Few Interesting SCO Facts

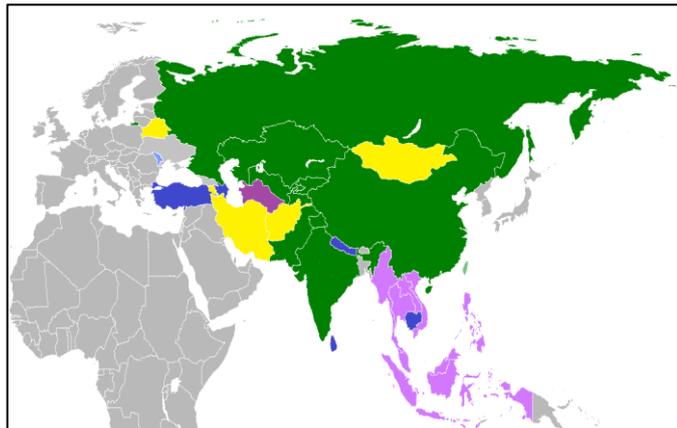
The South, Central Asia region has important countries with the following important features:

- 2 out of only 3 global powers in the world (China and Russia)
- 3 out of top 10 economies in the world (China, India, & Russia)
- 4 out of 10 most populous countries in the world (China, India, Pakistan and Russia)
- 3 major energy producers in the world (Russia, Iran & Kazakhstan)
- 4 out of 9 nuclear powers (Russia, China, Pakistan & India)

Member States	Observer States	Dialogue Partners	Guest Attendance
China: GDP, USD 11.938 trillion Trade with Pakistan = USD 13.8 billion	Afghanistan: GDP, USD 21 million Trade with Pakistan = USD 500 million	Armenia: GDP, USD 11.037 billion Trade with Pakistan = USD 3.6 million	ASEAN: GDP, USD 2.4 trillion Trade with Pakistan = USD 6.35 billion
Russia: GDP, USD 1.522 trillion Trade with Pakistan = USD 405 million	Belarus: GDP, USD 53 billion Trade with Pakistan = USD 64 million	Azerbaijan: GDP, USD 41 billion Trade with Pakistan = USD 2.2 million	CIS
Pakistan GDP, USD 304.4 billion	Iran: GDP, USD 438.3 billion Trade with Pakistan = USD 300 million	Cambodia: GDP, USD 20.953 billion Trade with Pakistan = USD 33.5 million	Turkmenistan: GDP, USD 52.355 billion
Kazakhstan: GDP, USD 156.189 billion Trade with Pakistan = USD 25.5 million	Mongolia: GDP, USD 12.5 billion Trade with Pakistan = USD 1.4 million	Nepal: GDP, USD 24.067 billion Trade with Pakistan = USD 3.8 million	UN: GDP, USD 78.28 trillion
Tajikistan: GDP, USD 7.242 billion Trade with Pakistan = USD 90 million		Sri Lanka: GDP, USD 86.607 billion Trade with Pakistan = USD 370 million	
Kyrgyzstan: GDP, USD 7.061 billion Trade with Pakistan = USD 3.6 million		Turkey: GDP, USD 905 billion Trade with Pakistan = USD 610 million	
Uzbekistan: GDP, USD 68.324 billion Trade with Pakistan = USD 6.6 million			
India: GDP, USD 2.65 trillion Trade with Pakistan = USD 2 billion			

The SCO Family (Green)

There are countries whose economic growth is faster than the developed countries. The example of China is self-explanatory, which is the world's fastest growing economy in the world. The trade with Pakistan is 14 billion dollars, however, this trade is sliding heavily in China's favor. The discourse on this platform is not bilateral, therefore we will focus more on the regional economic representation. In the table below, we can see the relevance of the region:



Pakistan has surpassed 300 billion dollars GDP threshold for the first time in its history. However, it is not up to the mark and Pakistan needs to work hard. Discussing India's reluctance to join the SCO initially and then opting for it carries immense importance in the geopolitical context. When we examine the declaration on the establishment of the SCO 2001, and we can see the immense scope of this document. It reads as:

“The Shanghai Cooperation Organization aims at strengthening mutual trust, friendship and good neighborliness between the member states; encouraging effective cooperation between them in the political, trade, economic, scientific, technical, cultural, educational, energy, transport, environmental and other fields; making joint efforts to maintain and ensure peace, security and stability in the region and establishing new, democratic, just and rational international political and economic order.”

- The mandate of the document is excellent while the implementation may be lacking because India is featuring in the organization and the regional connectivity is being opposed by India.
- The idea of connectivity, hubs, highways and transport is an ideal prospect. All this has been achieved by the US four decades ago and we are catching up. They have actually made those corridors four decades ago.

Belt and Road Initiative as the Backdrop of the Geo-Economic Role of Pakistan in the SCO System

Geo-Economic Role of Pakistan in SCO System

- Playing a successful geo-economic role in the emerging markets of SCO means Pakistan can utilize economic tools like trade, energy, and investment, infrastructure development to further its geopolitical objectives as stated before.
- It is also an undeniable fact that the global economic center of gravity has shifted to the vicinity of Pakistan with the peaceful development of China presenting an unprecedented geo-economic opportunity and geopolitical challenge to Pakistan.
- This shift makes Pakistan’s role in the emerging markets of SCO potentially big but unfortunately in reality this role remains small overall except for China-



Pakistan Economic Corridor (CPEC). CPEC so far is the only sizable regional geo-economic move involving Pakistan as the protagonist.

- Sharp slump in Pak-Afghan bilateral trade from USD 2.5 billion to just USD 500 million, increasing Indo-Afghan trade and investment relationship, Indo-Iranian infrastructure and energy investments, and robust Indo-Russian defense trade, are some of the geo-economic moves showing that geo-economic opportunities are twinned with geo-economic challenges. However, these challenges are surmountable with correct identification of opportunities. Following are some key opportunities for increasing Pakistan's geo-economic role in the emerging markets of SCO:
- SCO together with Asian Infrastructure Investment Bank (AIIB), provides the institutional and organizational platform to the six corridors of the Belt and Road Initiative (BRI), the key nodes and passages of which originate in the geographical realm of the SCO System. As a flagship corridor of the Belt and Road Initiative, CPEC can provide guidance on holistic, balanced, and coordinated development of other five corridors of the BRI.
- Belt and Road Initiative provides a unique opportunity of multi-forum, multi-organizational, inter-regional integration opportunity. This opportunity offers concrete means for itinerant economic, security, political, cultural, and sectarian pressures that traverse borders of the states.
- The ambassador also talked about the silk fund and another bank that will be introduced in the coming in the year. The foremost importance should be given to CPEC which is evidently the most important out of all BRI projects.
- This opportunity offers mutual inter-regional integration and coordination to the following regional groupings:
 1. Shanghai Cooperation Organization (SCO)
 2. Asian Infrastructure Investment Bank (AIIB)
 3. South Asian Association for Regional Cooperation (SAARC)
 4. Eurasian Economic Union (EEU)
 5. Collective Security Treaty Organization (CSTO)
 6. Economic Cooperation Organization (ECO)

7. Organization of Islamic Cooperation (OIC)
8. Association of Southeast Nations (ASEAN)
9. Commonwealth of Independent States (CIS)
10. Asia Cooperation Dialogue (ACD)

- Have we really benefited from these organizations? The CSTO constitutes a mini-NATO while Pakistan is also a part of the ECO. OIC is the union of Islamic countries, but it has not produced the desired results. Trade volume between Association of Southeast Nations (ASEAN) and Pakistan is very low.
- The world's asset and cash is moving towards our region. The sovereign wealth funds in the Middle East, Chinese, Japanese and South Korean reserves are an example of such financial opportunities.
- In 2018, we are only cheering the road initiative while there is no real development in sight such as the (special economic zone) SEZ's. In addition, if power and railways are the top priorities then we are going in the wrong direction. The CPEC is about bringing the micro and macro-economic revolution through sustainable development.
- SCO and BRI provide a good opportunity to Pakistan to diversify its sources of energy exports.
- Creation of joint SEZs with chosen SCO members can become a potent means of business and firm growth and internationalization leading to the creation of sustainable mega-regional production networks for big firms of SCO member states.
- Leveraging on SCO's strengths, Pakistan can ensure multi-dimensional win-win development of China-Pakistan Economic Corridor (CPEC) based on consensus and involvement of all provinces, energized by multiple public-private partnerships and civil-military cooperation, modeled on sustainable holistic regional development approach, following the most advanced and environment-friendly processes and technologies in each sector and project, improving the livelihoods of communities in all zones of development, winning widespread international acceptance and acclaim, and creating a new model of balanced domestic development and bilateral cooperation in the 21st century.

Recommendations

The following key aims of the 2025 Development Strategy in Trade & Economic Cooperation provide a broad suite of choices for Pakistan:

1. Improvement in the living standards of the citizens;
2. Harmonious development of all member states;
3. Balanced economic growth;
4. Promotion of a favorable investment and business climate;
5. Support to business initiatives;
6. Implementation of projects in the priority areas of cooperation and infrastructure development;
7. Cooperative development of the production capacity on mutual benefit basis;
8. Mutual assistance for integration into the global economy;
9. Minimization of the negative impacts of globalization;
10. Implementation of specific specialists' training including training of specialists;
11. Establishment of SCO Development Fund & SCO Development Bank;
12. Selection and implementation of trade and economic cooperation projects, especially, in the innovative sectors of the economy including SMEs;
13. Strengthening mutually beneficial cooperation in the banking and financial sector;
14. Implementation of cross-border and inter-regional projects and establishment of joint ventures;
15. Organization of joint forums, exhibitions and business seminars of SCO member states to encourage collaboration of SMEs and research institutions of member states;

16. Introduction of innovative technologies;

17. Realization of SCO transit potential and the regional transport corridors and collaboration in infrastructure and logistics upgrade by creating an expanded network of international logistics centers and a network of industrial clusters along transport arteries in the SCO region;

Taking institutional lead on formulation of a Pakistan-Afghanistan-Central Asia regional economic integration framework through a Regional Trade Office, established at the Ministry of Commerce. A short term export enhancement strategy has also been made part of the STPF 2015-18, wherein, following four products will be focused in the four chosen markets:

Focus Products

1. Basmati Rice
2. Horticulture
3. Meat and meat products
4. Jewellery

The most unfortunate reality is the priorities which is merely limited to Basmati rice, horticulture, meat related products and jewelry. One has to focus on the high tech products in order to feature in the leading economies.

Focus Markets

1. Iran
2. China
3. Afghanistan
4. European Union

Trade Missions

There has been less activity in the presence of the trade missions inside the regional countries. The list of some important trade missions are as follow:

1. China (Beijing, Chengdu, Hong Kong, Shanghai)

2. Russia
3. Kazakhstan
4. Tajikistan
5. Sri Lanka
6. Turkey
7. India
8. Afghanistan (Kabul & Kandahar)
9. Iran

Double Taxation Agreements

According to the agreement, one can cross the land border to another country without paying extra duties. Pakistan has double taxation agreements with the following countries:

1. Turkmenistan
2. Kazakhstan
3. China
4. Iran
5. Uzbekistan
6. India
7. Azerbaijan
8. Belarus
9. Sri Lanka
10. Turkey

There is an interesting concept called international trade routing where 50 countries have signed for it. The SCO can avail this opportunity. The question arises that why we haven't worked on ease for the businesses to allow the logistics chains in order for SEZ's to continue.

Potential GDP by Province in 2040 assuming CPEC, BRI, and SCO were fully utilized by the Pakistan

The 2 trillion dollars mark in 2040 is not good enough because Pakistan has immense potential.

Province/territory	Gross Surplus Product (GSP) 2017	Desired GSP 2040
Punjab	USD 173.51 billion x 6	USD 1041.06 billion
Sindh	USD 83.71 billion x 6	USD 502.26 billion
Khyber Pakhtunkhwa	USD 24.35 billion x 6	USD 146.1 billion
Balochistan	USD 9.13 billion x 15	USD 136.95 billion
Azad Kashmir	USD 7 billion x 10	USD 70 billion
Gilgit-Baltistan	USD 4.60 billion x 10	USD 46 billion
Islamabad	USD 3.04 billion x 20	USD 60.8 billion
FATA	USD 3.04 billion x 10	USD 30.4 billion
GDP	USD 304.4 billion in 2017	USD 2.03 trillion in 2040

Second Question and Answer Session

Moderator

Ms. Mehnaz Ansar Khan

Muhammad Fayyaz Joiya - Director Scientific Information, NARC

Question No.1:

- a) Considering the Chabahar sea cost lease agreement between India and Iran, what will be the bad or good implications on CPEC in particular and its implications on SCO and its actions?
- b) If implications are bad, then do we have the required foreign policy expertise to counter the challenges?

Answer: Ambassador Jalil Abbas Jilani, Former Foreign Secretary of Pakistan



The experts have verified that the shortest and cheapest route from China to Arabian Sea. Additionally, Gwadar port has begun its operations while it is unlikely that Chabahar port will be ready anytime soon. In the meanwhile, Iran and India cannot muster the kind of resources and infrastructure that is needed to develop the port into a viable port. Even if they gather the resources, it will take many more years to complete. This fact is also acknowledged by the Indian experts as well. Lastly, we do not consider Chabahar as a competitor port, in case it is developed. Pakistan will see Chabahar as a complimentary feature to supplement the trade and commerce in the region. On President Rouhani's visit to Pakistan, he was asked the same question and his answer was also on the same lines.

Major General (Retd) Syed Khalid Amir Jaffrey - President CGSS



Chabahar is not a deep sea port unlike Gwadar which may be verified from the high ranking retired naval officers in the hall.

Responding to the query whether the foreign office possess the required expertise, Major General (Retd) Syed Khalid Amir Jaffrey was of the opinion that ambassadors are dedicated professionals with the required background.

However, they need direction and support from Islamabad.

Rear Admiral (Retd) Ahmad Tasneem

Question No.2: Why are we so afraid to talk about these three major drawbacks in Pakistan?

- a) Our Labor productivity is one of the lowest in the world.
- b) Our Quality control is inferior
- c) There are issues regarding the Transshipment of goods



Answer: Mr. Amer Hashmi - Advisor, National University of Science and Technology (NUST), Islamabad

Responding to the low productivity, Mr. Amer Hashmi was of the opinion that we have inherited a certain culture in Pakistan. Our former Foreign Secretary Mr. Riaz Khokhar stated few days ago that he is being invited to different seminars from think tanks five days a week. This did not happen when he was the foreign secretary. Of course the debate has started and think tanks are working more robustly than ever. However, we can debate the quality of knowledge being generated. This stage is in its infancy and the talk has just started. It is a fact the bureaucratic segment is very hesitant and these discussions are not focused on investing in the intellectual and human capital. The time has come to take the initiative forward. As far as low



productivity is concerned, our culture and the ability to look at our leadership are primarily responsible for this problem.

Advocate Muhammad Hassan - Lawyer

Question No.3: Pakistan has endured massive financial and military spending owing to the cause of Kashmir which may have deflected the attention from other parts of Pakistan. Do you see the solution of Jammu and Kashmir issue and if there is any possibility, what steps are required in order to achieve this goal?



Answer: Ambassador Abdul Basit, Former High Commissioner of Pakistan to India



To think that all the current malaise facing Pakistan is due to Jammu and Kashmir issue is factually fallacious. Ambassador Abdul Basit is of the view that the current downturn is related to the internal dimensions of the country rather than Kashmir.

Regarding the solution, Ambassador Abdul Basit stated that such struggles do take time and sacrifices. The Kashmiris are fighting for their freedom. It took 160 years for the subcontinent to get freedom from the British imperialism. The Jammu and Kashmir problem needs to be resolved in view of the aspirations of the people. As far as India is concerned, it is evident that they are not interested in resolving the problem at the moment. As long as the Kashmiris are struggling for freedom, it is binding on Pakistan to support them.

Comments by Tauqir Ahmed, Member Advisory Board, CGSS

Regarding the question of low productivity by Rear Admiral (Retd) Ahmed Tasneem, my simple suggestion would be to give the employees shares in the factories they work, the productivity will increase.

Mr. Zulfiqar Noon, Chairman ILM Trust

Question No.4: The schools should induct teacher that have background in military because it is the only institution which is organized and the retired personnel are able to perform their duties diligently. Perhaps it will be better for the education of the children because the current civilian leadership has failed to deliver on education.



Answer: Major General (Retd) Syed Khalid Amir Jaffrey, President CGSS

The emphasis on education is of paramount importance and totally agree with the notion of prioritizing this field. However, the possibility of appointing retired army personnel in schools may not be possible although the respect and trust which is shown in the institution is appreciated. Recalling his time, General Jaffrey was of the opinion that in his time, there were teachers who belonged to the civilian cadre and commanded utmost respect from the students. Unfortunately, this aspect is missing and we must work on it with diligence.



Informing the audience about the efforts of Center for Global and Strategic Studies in this field, he stated that agreements were signed with Higher Education Commission (HEC) to improve the quality of education and create awareness at the university level.

Lieutenant General Muhammad Zahir Ul Islam HI(M), (Retd) – Chairman CGSS

In the previous question, Vice Admiral (Retd) Ahmed Tasneem referred to bad work ethics and how it can be improved. Now we are talking about improving the human capital. Both questions relate to governance. Short cut methods like appointing armed forces personnel to the education department has been done in the past but this is a quick fix or experimentation and one must have a long term solution for this important problem. Perhaps we need to improve our governance and identify the areas where our system stops working.



Iqra - Student, Bahria University

Question No.5: What is the future of SCO considering the history of Pak-India hostilities?

Answer: Ambassador Abdul Basit, Former High Commissioner of

Pakistan to India Ambassador Abdul Basit was of the view that he is not really hopeful. India would use the SCO forum for its own objectives. There are inherent limitations to Indo-Pak bilateral relations and breeding mistrust has not diminished since the inception of both countries. The gap cannot be bridged unless sustained efforts are undertaken in this regards. India is following two pronged policy to squeeze Pakistan. On one hand it has moved away from SAARC and focusing on sub regional mechanisms. On the other hand, it is establishing



Chabahar to make Pakistan irrelevant by establishing links with the Central Asia. Pakistan has to remain vigilant in order to safeguard its interests.

Ambassador Jalil Abbas Jilani, Former Foreign Secretary of Pakistan

In his view, the future of SCO is hopeful rather than gloomy. It is well known fact that one of the ingredients of SCO charter is regional integration. India is the only country in SCO which is opposed to BRI and CPEC in particular. It becomes extremely difficult for one country to stake the neck out of emerging initiatives for connectivity. Sooner or later, India will realize its short sighted approach and make amends.



The formal dialogue between India and Pakistan is completely suspended because of certain policies that are being pursued by Modi government. The SCO forum provides the platform for some kind of dialogue between India and Pakistan. This can ultimately bring about a change of attitude by India towards the bilateral dialogue process as well.

Major General (Retd) Waqar Ahmad Kingravi, Member Advisory Board

Question No.6: India is trying very hard to access Afghanistan through overland route. One of the basic tenets of SCO charter pertains to connectivity and integration. Don't you think that we would have to give concessions to India in this regards in order to survive the violation of SCO charter? We would certainly be under immense pressure to do so.



Answer: Ambassador Abdul Basit, Former High Commissioner of Pakistan to India

Pakistan's relations with India is not at that stage that Pakistan feels comfortable to allow India's goods to pass through Pakistan. India is adopting a different policy to enable its goal. India has effectively paralyzed SAARC and also working on Chabahar to circumvent Pakistan. It is important to be seen that how China reacts to such a situation because for China it is important that India comes onboard CPEC. On the other hand, we must not allow this facility to India because of the nature of relationship which is mired in distrust and conflagrating LOC tensions every day.

Comments by Former Inspector General of Police Syed Kamal Shah

Center for Global and Strategic Studies is doing an amazing job to create awareness amongst the masses on key issues facing our country and deserves applause.

There is a Chinese proverb:

“If you want prosperity for one year, grow crops,

If you want prosperity for ten years, grow trees,

If you want prosperity for hundred years, grow people.”

Unfortunately, there is no focus on growing people. While researching, analyzing and evolving the strategies, CGSS must focus on growing people. One cannot find a person who can dispute the “character” of Quaid-e-Azam Muhammad Ali Jinnah because he had credibility. Unfortunately, now we are only focused on education while “character” is missing.

Closing Remarks

Lieutenant General Muhammad Zahir Ul Islam HI(M), (Retd) – Chairman CGSS



Lieutenant General Muhammad Zahir Ul Islam HI(M), (Retd) – Chairman CGSS, concluded the seminar. In his concluding remarks, he said:

Excellencies, Worthy Panelists, Distinguished Guests, Ladies and Gentlemen,

On behalf of CGSS, it is indeed my pleasure to make a few concluding remarks and express my gratitude to all those who made this event a reality and a

success.

Ladies and gentlemen, the Shanghai Cooperation Organization has become a very significant forum addressing multi-dimensional concerns including political-security and economy.

The SCO gives us a powerful platform for partnerships to promote peace, build mutual trust, and spur economic development for shared prosperity with the confidence that we would be able to change the world for the better. We would do so by harnessing the SCO's enormous potential and proven competencies.

But, it is important to note that sustainable cooperation, particularly among neighbors, is possible only if it is comprehensive, i.e. if it embraces all important dimensions of human interaction - economic, social, political and strategic - and takes into account both internal and external factors. Indeed, external factors have gradually gained added significance in the recent past. And SCO perhaps would provide a solutions in that direction, obviously you understand in which direction I am hinting.

Ladies and gentlemen, I must appreciate our panelists for their thought provoking talks, especially the ones who have travelled to our country given the significance of this seminar.

Thank you.

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