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Issue Brief

Pakistan Russia Relations: Future Trends

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March 24, 2016

Pakistan and Russia have had uneasy relations in the past. The Cold War period divisions can be attributed to the distant relationship between Pakistan and Russia, formerly the Soviet Union. The worst period in their relationship started soon after the Cold War became more intense in South Asia and Afghanistan became a battleground for proxy wars between the then Soviet Union and the United States of America. However, since the dissolution of the Soviet Union and the changing dynamics in the region, Pakistan and Russia have been trying to open a new chapter in their bilateral relations. In the recent past, both the countries have reevaluated their bilateral relations in the light of the changing geopolitical realities. The historical paradigm, which was nonetheless hostile and made them view each other through the prism of the divisions of the Cold War era, has now been left behind. Pakistan and Russia have both taken a pro-active approach to take the relationship forward and look for realizing the potential in economic and military cooperation.

Russia would like to have greater influence in South Asia and look for prospective markets for the sale of its military hardware and also for the sale of its gas. Pakistan would like to extend its relationship with Russia for military and economic cooperation, especially in the energy sector. Apart from economic opportunities that it offers, Russia views Pakistan as an important country in its backyard and very crucial in the Afghan settlement process. Some other factors, such as renewed sanctions on Russia after the invasion of Ukraine, have made Russia more pro-active in engaging with Pakistan. Ukraine alone has been a decisive factor in pushing Russia to explore new defense and energy markets.

A greater shift in international relations can also be attributed to these recent overtures between Russia and Pakistan. India's close defense ties with the United States have also contributed to this shift in the bilateral relations between Russia and Pakistan. Pakistan's policy shifts in the post 9/11 era have also been instrumental in bringing it closer to Russia. The engagement between the two countries began on a faster pace after 2001 and the visit of the then President, Pervez Musharraf, to Russia in 2003 was the beginning of a new period in bilateral relations. This was followed by important visits, by high ranking officials including the Army Chief, General Ashfaq Pervaiz Kayani in 2009 and President Asif Zardari in 2011. More significantly, the shift in bilateral relations is also evident from the fact that in 2011, the Russian President Vladimir Putin expressed his support for Pakistan to attain the full membership of the Shanghai Cooperation Organization (SCO). Pakistan's seriousness in military cooperation with Russia can be judged from the fact that the Chief of Army Staff, General Raheel Sharif also paid a visit to Moscow in June, 2015.

Prime Minister Nawaz Sharif and Russian President Vladimir Putin, met for the first time on the sidelines of the Shanghai Cooperation Organization (SCO) summit in Ufa in July, 2015. This was the first ever bilateral meeting between the two leaders during which they expressed their desire to enhance bilateral ties and increase cooperation in various sectors. Prime Minister Nawaz Sharif expressed his desire to boost bilateral cooperation between the two countries in the fields of trade, defense, energy, infrastructure, culture and other spheres. The Prime Minister also thanked the Russian President for his support for Pakistan regarding its ascension to the SCO.

Architecture of the Relationship:

The architecture of the relationship between Russia and Pakistan is based on solid foundations and cooperation in various important fields. Pakistan and Russia have established an Inter-Governmental Commission (IGC) which is a platform for the two sides to discuss ways and means to forge a more vigorous economic and trade interaction. In this regard, a number of IGC meetings have been held in both Islamabad and Moscow.

Moreover, the Pakistan Russia Joint Working Group on Energy Cooperation was also set up in 2011 during the President of Pakistan's visit to Moscow. The meetings that followed with regard to this focused on bilateral cooperation on several projects like rehabilitation of power stations, designing and construction of several hydro, thermal, coal based power-generation projects. Cooperation with Pakistan on Narcotics control at the bilateral level as well as the regional level through the SCO is also on the Russian agenda. In this regard, Russia hosted a meeting of the Central Asian Anti-drug Quarter involving Afghanistan, Pakistan, Russia and Tajikistan in May, 2014. Extensive cooperation in various fields is in progress and both Russia and Pakistan have also participated in the Joint Consultative Group on Strategic Stability, several rounds of which have taken place in Islamabad and Moscow. A meeting of the Joint Working Group on Counter-Terrorism was also held in January 2014 to discuss ways to thwart the rising threat of terrorism.

Economic and Trade Ties:

Besides improving relations on the diplomatic front, Russia and Pakistan are also strengthening economic relations and trade since there is immense room for improvement in these sectors. Pakistan-Russia cooperation on Pakistan Steel Mills goes back to the early 1970s, when it was set up in 1972 with technical and financial assistance of Russia. In 2011, during the visit of the then President of Pakistan,

Asif Ali Zardari, it was decided that the capacity of the PSM would be expanded from 1.1 mtpy to 1.5 mtpy. In this regard, an MOU on Expansion and Modernization of the Pakistan Steel Mills was signed by the two sides in February, 2013.

In an attempt to deal with the energy shortfall, the Pakistan government has found a new partner in energy rich Russia that has vast reserves of oil and natural gas. Russia is likely to export LNG to Pakistan in the year 2016. Pakistan and Russia are close to finalizing a \$2-2.5 billion pipeline deal that would supply natural gas from the port city of Karachi to Lahore, Pakistan's second largest city.¹ This will be an 1100 kilometer long structure. Russia may also join Tajikistan and Kyrgyzstan in the CASA-1000 energy project, providing Afghanistan and Pakistan with electricity. In this regard, Prime Minister Nawaz Sharif has extended an invitation to the Russian premier for the inauguration of the North-South gas pipeline as Islamabad is fully prepared for closer economic ties between the two countries.

Pakistan has agreed to return \$93.5 million US dollars to Russia in order to settle a trade claims dispute. The Ministry of Commerce in Pakistan is rigorously working on a strategy to finalize plans for a share in the agriculture and food market of Russia and has identified five products for exports, which include citrus varieties, rice, potato, dairy products as well as tobacco. Presently, Pakistan's major export items to Russia include woven cotton fabrics, fruit and fruit preparations, synthetic fabrics; varieties of rice, articles of apparel other than textile material, vegetables and medical and surgical instruments. Bilateral trade between the two countries stood at \$419.34 million in 2013-14 as against \$484.47m in the previous year, reflecting a decline of \$65.13m or 13.45 per cent.² Pakistan's average exports of citrus to Russia stood at \$41.779m in the year 2013-14, a 2.480pc share in the total imports of Russia from the worldwide imports of citrus which stood at \$1.60bn, showing a great potential in increasing trade between the two countries.

The Trade Development Authority of Pakistan (TDAP) is encouraging companies to trade with Russia so that the trade volume and export volume of agricultural goods could be increased as Russia plans to reduce and replace its imports from the EU countries. The need for opening the branches of Russian banks in Pakistan and those of Pakistani Banks in Russia is necessary as both countries do not have any direct banking links. Pakistan and Russia are also working on plans to enhance their economic ties at a very fast pace.

Military Ties:

Pakistan and Russia are also on the path to augment military to military cooperation and in this regard many initiatives have been taken. Pakistan and Russia have signed an agreement for the sale of Mi-35 combat helicopters, which may be expanded in the coming years. The recently announced Pak-Russia military exercises will also take place in 2016, which will include seven joint exercises, the first ever of this kind between the two countries. Russia waived its embargo on arms sales to Pakistan in June, 2014. Pakistan and Russia have been engaged in talks about the delivery of Sukhoi Su-35 fighter jets, which is a fourth generation multi-role combat aircraft.

The Russian Air Force Chief visited Pakistan in April, 2013. Similarly, Pakistan's naval ship PNS Aslat made a first ever Port Call by any Pakistani Navy ship to Russia in October, 2013. Similarly, another Pakistani Navy ship PNS Rahnoward made two port Calls to Russia in October, 2013. Likewise, a naval unit of the Russian pacific fleet made a port Call to Pakistan in April, 2014.

The seriousness of both the countries in pursuing closer military cooperation is evident from the fact that the first-ever visit of a Russian defense minister to Islamabad took place in the year 2014 when Pakistan and Russia signed a milestone agreement to enhance defense cooperation.³ The visit of the Chief of Army Staff, General Raheel Sharif, to Moscow in June, 2015, during which he visited an arms expo and spent close to fifteen hours over there, shows Pakistan's keenness in taking its defense ties with Russia to a higher level.⁴

The Way Forward:

It is clear that Pakistan and Russia both find it mutually beneficial to develop greater economic and military ties and there is great potential in fields of trade, energy and infrastructure development. For Russia, Pakistan has the potential to provide market for its defense supplies and investment in the energy and infrastructure sectors. It is to Pakistan's utmost advantage to have good relations with all major powers in the region including Russia which is a permanent member of the United Nations Security Council. This, along with the opening up of newer export markets, will enable Pakistan to explore untapped markets. Similarly, Pakistan and Russia can do a lot more to enhance cooperation in fields other than economy and defense. Anti-terror cooperation between Moscow and Islamabad can also be strengthened at multilateral forums like the SCO. Pakistani and Russian security interests are

increasingly intertwined, so Moscow cannot afford to ignore the emergence of threats from transnational terrorist groups.

Constructive dialogue is taking place between the two countries regarding Russian-Pakistani civil nuclear cooperation. Similarly, people to people contacts in the shape of cultural exchanges are also necessary and this may include professionals from various fields as well as exchanges between academics, students, media persons, parliamentarians and entrepreneurs of both countries. Initiatives such as cultural contacts, like collaboration between television channels and language classes in both Russia and Pakistan may also be promoted to build mental understanding and trust.

Since both Russia and Pakistan are on the path to forging stronger ties and to open up new avenues in the fields of economic, energy and defense cooperation. Pakistan should pursue its new relationship with Russia vigorously and keep it independent of its relationships with other countries.

Notes and References

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 - ³ "Pakistan, Russia sign milestone military co-op pact", *The Nation*, 21 November, 2014.
 - ⁴ Mateen Haider, "Pakistan, Russia sign landmark defense deal", *The Dawn*, 20 August, 2015.