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Report- Public Talk
Pak-Russian Relations

March 17, 2016



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Pictures of the Event





Pakistan-Russian Relations

The Institute of Strategic Islamabad (ISSI) organised a public talk on “*Pakistan–Russian Relations*” under its Ambassador’s Platform series, on March 17, 2016. The distinguished speaker on the occasion was, H.E. Mr. Alexey Yurievich Dedov, Ambassador of the Russian Federation to Pakistan.

In his welcoming remarks, the Director General (DG) of ISSI, Ambassador Masood Khan said that it was his distinct pleasure to welcome H.E. Mr Alexey Yurievich Dedov to the Ambassadors Platform. Ambassador Khan said that as we all know Pakistan and Russia, formerly the Soviet Union, have had a very troubled history, but there was always a desire between the two countries to come close to each other. In this regard, many attempts were made and many initiatives were taken by the Russian and Pakistani leadership. The current phase between the two countries is very promising and very encouraging because we have made a new beginning. Ambassador Khan also added that there have been frequent high-level visits over the past three to four years, and there is very intense interaction between the two-sides compared to the past. The two countries have now started cooperation in areas such as energy, defence, finance and trade; and also there has been exchange of visits between the parliamentarian; and leaders of both countries recently met on the side-lines of the Ufa Summit. The important thing to note is that an architecture of cooperation has now been put in place. There is on-going strategic dialogue between the two countries, both are also working on counter-terrorism matters, there is an inter-governmental commission between the two countries, and there is also a joint working group on energy. There is right now maximum potential for military cooperation, but energy and trade relations are also equally important.

Ambassador Khan also added that for many decades, the Russian name was synonymous with Pakistan Steel Mill (PSM), because Russia was identified as being associated with some of the projects which helped strengthen the Pakistani economy. He said that Pakistan is thankful to the Russian Federation and its leadership for helping Pakistan to become a member of Shanghai Cooperation Organisation (SCO) along with China. Another common reference between Pakistan and Russia is the One Road One Belt initiative because this will also include Moscow. CPEC is very important for Pakistan, and the Pakistani entrepreneurs are hopeful that Russia also becomes a part of this project. One final point the DG said was that there is an emergence of a multipolar world and power configurations are changing world-wide and also in the South Asian region, in that context, Pakistan’s close association with Russia is very important.

H.E. Mr Dedov thanked the Institute for inviting him and said that the relations between the two countries were a long standing affair, and there is unrealised potential which needs to be worked upon, especially the economic relations. He said that in Moscow and among the Russian leadership, Pakistan is perceived as a very important country and a reliable partner with whom mutually beneficial relations should be developed. Both sides are eagerly working on it, and the

Russian position is also influenced by the geo-strategic position of Pakistan in South and South-West Asia region, which is directly connected with the Russian allies in Central Asia and therefore shares many common challenges and interests. H.E. Mr Dedov further added that Russian history with Pakistan has seen many ups and downs; the era of 60s and 70s was marked with changing power dynamics especially on the economic side, the remnants of which can still be seen today like Russian electricity projects in Sindh and South Punjab. The most important of these projects was the construction of PSM which was completed in the 1980s. Unfortunately, relations between the two countries deteriorated after that time. Russia also acted as an intermediary in the signing of the Tashkent agreement in 1967.

Relations between the two countries started improving in the 1990s after the fall of the Soviet Union. Ambassador Dedov said that the visit of Prime Minister Nawaz Sharif in 1999, and President Musharraf in 2003 were very important. In these visits, the leaders of both countries decided to overcome the remaining divisive issues and emphasis was placed on the fact that the relationship should not be subject to any other factors as it was an important association. The current state of relations is very good politically, but they lag behind in other areas. The SCO summit meeting in Tashkent in 2017 will provide a very good opportunity to the leaders of both countries to meet again. Ambassador Dedov added that various exchanges were taking place between the countries, but the military exchanges between the two countries is new and also includes sale of Russian military hardware to Pakistan. The sphere of economy is the most problematic area between the two countries, and a meeting is scheduled in November 2016 between the economic councils of both countries. This meeting should be held annually to discuss economic and trade relations between the two countries, and which needs to be given more impetus. The annual trade turnover has fallen from \$600 million in 2013 to \$396 million in 2015. This is very disappointing and more work needs to be put into improving bilateral trade. However, there has been an increase in export of fruit to Russia from Pakistan, which has risen to about \$20 million and has potential for further growth. He said that a new forum for Pakistan-Russian trade was created in November 2015 to give boost to trade economic ties, and was attended by more than 150 Pakistani and Russian companies.

Ambassador Dedov also spoke about the construction of a 1,200 km gas pipeline from Karachi to Lahore by a Russian company Global Resources. He said that Russia is also very interested in regional connectivity and a delegation from Russian Republic of Tatarstan also attended this forum and met with their Pakistani counterparts. The main task of this forum is to raise awareness amongst Pakistani and Russian businesses about each other so that they could interact better with each other in the future and increase the volume of trade between the two states. Ambassador Dedov touched upon the problem of mutual financial obligations which happened about 20 years ago due to instability in Russia at that time, and which led to freezing of Russian assets inside Pakistan in the amount of \$120 million. This problem stopped Russian businesses from investing in Pakistani State-held corporations, but during the recent inter-governmental

meetings, this issue was finally resolved and a formal agreement was reached to tackle financial obligation and graft issues in the future. All the prerequisites have been completed to build up trade and now it is up to individual business to take the initiative forward. In conclusion, Ambassador Dedov added that energy links are being developed between the Russian Republic of Bashkortostan and Balochistan, the framework for which has already been put in place. A business forum meeting will take place between the two countries in Moscow in November 2016, in which further talks will take place on the upcoming projects.

During the question and answer session, Ambassador Dedov said that the military exchanges between two countries were increasing after thawing of relations between the two states. The current helicopter deal is part of this exchange and Russia is fully committed to provide these helicopters to Pakistan after signing of the deal in 2015. The helicopter deal is just a pallet and further deals are in the pipeline, as both countries face the problem of terrorism, and provision of modern military equipment by Russia is part of the counter-terrorism cooperation between the two states. He further added that President Putin will not be visiting Pakistan anytime soon, but the two leaders will have a chance to meet on the side-lines of upcoming SCO summit meeting. On the topic of Pak-Indo relations, he said that SCO is a great platform for both countries to resolve their issues; and in this regard Russia is supporting full membership to SCO for Pakistan. SCO is important as it will lead to increase in trade between the two countries. Further, Russia believes that the relations between Pakistan and India are getting better which can be seen through the upcoming mid-tier foreign level talks between the two countries, and Russia is trying to create a positive environment in which talks take place. It was mentioned that the links between research institutes of Pakistan and Russia is increasing, and each year Russia issues more than 100 study visas for the Pakistani students.

Regarding connectivity, Ambassador Dedov said that there is a talk of creating direct air links between Russia and Pakistan. In future, more links will be developed but this depends on the volume of passengers travelling between the two countries. Russia is currently involved in many energy projects inside Pakistan, and is fully committed to help Pakistan alleviate its energy crisis. Trade links have existed historically between the two states, but the volume of trade needs to be increased exponentially so that both countries can reap more benefits from it. He also added that every country overcomes its development impediments, and Russia did this by establishing economic links with the former Soviet states in 1991, and this turned out to be beneficial for all parties involved. Regarding CPEC, Ambassador Dedov said that it is a great project which will be immensely important for Pakistan by providing trade and economic opportunities, and if asked, Russia will think about joining the project also. There are many different projects going on simultaneously in the region like CPEC and One Belt One Road Project, but Russia and China have different thinking on these projects. However, this does not mean that their point of views cannot be aligned together if it is beneficial for them. On the issue of Kashmir, Ambassador Dedov, said that Russia believed in providing a positive environment for the

solution of the issue to take place bilaterally according to the Simla and Lahore Declarations. Russia believes that increase in trade and economic cooperation between the two countries is part of a good solution to solve the issue. He concluded by saying that the Russian Federation got involved in the Syrian conflict due to two main reasons; the first one was that there was a request from the elected President of Syria Mr Assad himself to intervene, and secondly, it was to counter the increasing threat of the Islamic State in that country. But now, the Russian presence is decreasing in Syria because it has achieved some of its goals to leave behind favourable conditions required for solution of the Syrian issue.

Ambassador Khalid Mahmood Chairman Board of Governors ISSI, in his concluding remarks thanked H.E. Mr Alexey Yurievich Dedov for his presence at the event. He also thanked other dignitaries and guests present on the occasion. He said that he had been fascinated by Russia from an early age and was ardent fan of Russian writers. Ambassador Mahmood also said that when he first visited Russia, he was overwhelmed by the greatness of the Russian Federation and its beauty. He further added that Pakistan and Russia have had a chequered history, especially during the Cold War, when both were on opposite sides. In hindsight, the policies pursued by both countries during those days were not correct, and acted as a destructive force ruining relations between the two countries. The Chairman said that now we are learning from our history and making amends to bring in a new era in the relationship. He further added that there are some indications of realignment in South Asia like tense Pak-US relations compared to warm Indo-US relations, which is leading towards realignment of Pakistan-India-Russia relations. Afghanistan is another major policy shifter for both countries who want to see stability there, and have common aims to counter terrorism and drug trafficking. Ambassador Mahmood said that Russian companies have also shown interest in investing in projects like Iran-Pakistan gas pipeline, and TAPI pipeline.

Summing up the talk, Ambassador Masood Khan said that Russia is a very important country in the neighbourhood; it also has great importance in global politics as a permanent member of the United Nation Security Council. There is an upswing in Pakistan-Russian relationship, and Russia enjoys a very good reputation inside Pakistan. He said that the future of bilateral relations is bright.