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## Issue Brief

# Regional Connectivity: Benefits for Pakistan

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Connectivity is the foundation stone of regional integration and cooperation. Regional cooperation and integration is a dynamic phenomenon and includes several aspects such as economic, social, political and strategic cooperation. Regional connectivity is given a lot of priority, especially in Asian and particularly in South Asian countries.

Literature review of developed states (for example countries in Europe and Asia Pacific) reveal the fact that one of the major factors in the overall progress and sustainability of these states is their successful connectivity in their respective regions. Durable and organised regional connectivity is of utmost significance for any nation-state to progress, and Pakistan is no exception to this rule of contemporary politics.

Regional connectivity is extremely important for Pakistan as it would reap numerous benefits for the country. Pakistan has always advocated for regional integration and connectivity and has given several proposals for a more efficient and robust regional connectivity framework in South Asia and surrounding regions. In the words of Dr. Maleeha Lodhi, a renowned Pakistani diplomat and permanent representative of Pakistan to the UN, "promoting regional integration and connectivity is one of Pakistan's top priority."<sup>1</sup>

Pakistan has four immediate neighbours with whom it share borders, namely China, Iran, India and Afghanistan. Pakistan should begin by improving its bilateral relations with all of them and try to settle pending issues and disputes via dialogue and peaceful political means. Addressing security issues in its neighbourhood will ensure peace and stability for Pakistan and its neighbours. Secure borders will not only provide physical and psychological security for Pakistan, but it will also encourage foreign investors to feel safe while engaging in economic activities within Pakistan and its neighbourhood. This in turn will bring economic progress and prosperity for the entire region as a whole and improve regional connectivity and integration. Secure and peaceful borders will mean opening up of more venues of cooperation in terms of economy, security, society and politics. Regional connectivity will further be strengthened by this cooperation as it would build more confidence and trust between Pakistan, its neighbours and adjoining areas (such as South-East Asia, Middle East, and Central Asia).

Cooperation in the field of strategy and security (such as intelligence sharing, joint military exercises, transfer of military technology, shared border security frameworks and regular meetings of military

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<sup>1</sup> <https://www.thenews.com.pk/print/112810-Regional-integration-connectivity-Pakistans-top-priority-Lodhi>

leaderships) will further enhance regional integration and connectivity. It will help all the countries in the region, especially Pakistan to combat menaces like terrorism, drug trafficking, smuggling, and illegal movement of people across borders that pose existential threat to the national security of all the regional states. Most importantly, South Asia is home to two nuclear armed states. It is in the best interest of the region that leadership (civil and military) on both sides are on the same page regarding the safety and security of their nuclear arsenals and smooth functioning of security hotlines and protocols to avoid misunderstandings or any nuclear disasters from taking place.

Pakistan's economy, though improving, is still not progressing according to its true potential. Regional connectivity is an important pillar of economic progress. Countries like India, Iran and China are large economies, they can serve as good markets for Pakistani products. Pakistani market can also serve as a good place for the products of the above mentioned states. Afghanistan is a land-locked country and needs Pakistani transit routes to conduct trade with the rest of the world. Pakistan should capitalise on its geo-political positioning. There is an overall realisation that in order to gain meaningful progress in the economic field, countries must have an open access to world market. Pakistan has that access and Central Asian states and Afghanistan need that access to the warm waters through Gwadar Port and Pakistan is the most suitable route for that purpose. Pakistan should fully harness the potential of these natural advantages for economic and security gains along with durable regional connectivity.

Central Asia has an abundance of natural resources and Pakistan is facing a dire energy crisis. Taking advantage of its significant geopolitical positioning, Pakistan can play the role of a unification factor between Central and South Asian region. Interconnectedness of South Asian states to Central Asian Republics (CARs) can steer economic development and peace for Pakistan and all the other regional states as well.

A number of initiatives have been taken already between CARs and Pakistan to improve regional connectivity and integration. Two recent agreements include Turkmenistan-Afghanistan-Pakistan-India (TAPI)<sup>2</sup> gas pipeline project (\$4 billion), Central Asia-South Asia (CASA-1000)<sup>3</sup> electricity transmission project (\$1 billion). There is one more project with Afghanistan which is a transit route project named Afghanistan-Pakistan Transit Trade Agreement (APTTA).<sup>4</sup> All these projects will help alleviate energy and

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<sup>2</sup> <http://tribune.com.pk/story/1058949/tapi-gas-pipeline-four-countries-ink-deal-for-10-billion-project/>

<sup>3</sup> <http://www.casa-1000.org/>

<sup>4</sup> <http://www.commerce.gov.pk/APTTA/APTTA.pdf>

power crisis in Pakistan and will help improve the economy of Pakistan and the economy of CARs and Afghanistan.

Afghanistan tends to be the central transit country between Central Asia and South Asia in both of the above mentioned projects, but the success of these projects is linked to the peace and security situation of Afghanistan. Pakistan is a major player for ensuring peace and stability in the war-torn country and it should play a vital role in this regard as it would not only ensure a secure border with one of its neighbouring states but it will also open up multiple venues for economic, societal, political and strategic cooperation and progress.

A new paradigm shift has taken place in Pak-Iran relations especially after the lifting off of economic blockade on Iran. Pakistan and Iran should discuss and work on more areas of cooperation which will help enhance regional connectivity of both states and help improve their respective economies. Pakistan can help Iran in reaching the South East Asian and Asian Pacific markets, while Iran can help Pakistan approach African and Middle Eastern markets. Pak-Iran relations' significance for regional connectivity can be gauged by the statement given by Dietrich Reetz (senior research fellow Moderner Orient Germany) on his visit to Pakistan in December 2015, "Pakistan can potentially play a mediating role if regional cooperation works. Pakistan can become a game changer for global engagements with Iran."<sup>5</sup>

Sino-Pak relations are an open book for everyone. Pakistan is engaged in all facets of regional connectivity with China from military cooperation to economic cooperation. CPEC is the latest addition to the long list of cooperation ventures between China and Pakistan where China is investing \$46 billion in Pakistan out of which \$33 billion is for the energy sector alone. It will not only help remove the energy deficit plaguing Pakistan, but it will help create jobs for more than a million people within Pakistan, help the country industrialise, bring economic stability to the region and attract unlimited foreign direct investment opportunities. The project holds lucrative prospects for engaging with other neighbours and adjoining areas.

Political engagement of Pakistan with its neighbours and adjoining areas will help remove the insecurities and help strengthen cases of mutual benefit and interest on international forums (for example the UN) if Pakistan works together with regional states in a collective manner. Lobbying for Pakistan for its own vested interests will become easy and way more effective than it currently is.

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<sup>5</sup> <http://tribune.com.pk/story/1005778/regional-politics-pakistan-between-south-and-central-asia-a-bridge-or-a-stumbling-block/>

Stature of Pakistan and its support on all international forums will be furthered improved and strengthened.

Although regional economic integration should be pursued without any influences from the political and security issues, but in the case of South Asia and especially Pakistan and India, things are not that simple. Security dynamics are very important for regional integration. Methods for inter-state cooperation between hostile or not so friendly neighbours need to be taken into account first to make any cooperation successful. Solely focusing on economy and leaving out politics and security has been a point that the South Asian region has been struggling with for a long time. Regional states of South Asia do realise the significance of economic integration and connectivity, but the situation has always been mired despite this awareness.

Increased economic activity helps acquire economic cooperation, energy security and strategic balance. The case of European Union validates the point that increased economic cooperation and interdependence does help maintain durable peace and economic progress. It is the dire need of time for Pakistan to adhere to and enhance its efforts to improve regional connectivity by promoting regional trade with a particular focus on gas and electric supplies from Central Asian States. Instead of postponing projects, Pakistan should work towards providing more incentives to the investors and security for the projects and their infrastructures (in the same manner it is doing for the CPEC project).

Relations of Pakistan in the region need to transition. More trust needs to be built with regional states and convergence on security issues need to be ensured, otherwise, progress on the economic front may not be likely. Greater and organised regional cooperation will work towards reinforcing Pakistan's peace, progress and prosperity for a better future.