

Seminar Report

Pakistan-China-Iran: A Trident of Regional Connectivity



Institute of Strategic Studies Islamabad

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Pakistan-China-Iran: A Trident of Regional Connectivity

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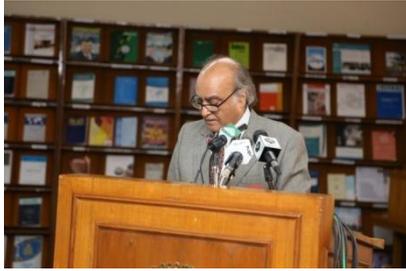
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In addition to publishing a quarterly journal and a monograph series, the ISSI organises talks, workshops, seminars and conferences on strategic and allied disciplines and issues.

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PICTURES OF THE EVENT





SEMINAR PROGRAMME

Inaugural Session

- 1030 hrs Recitation from the Holy Quran
- 1035 hrs Welcome and Introductory Remarks - Ambassador Khalid Mahmood, Chairman ISSI
- 1040 hrs Address by Chief Guest **H. E. Prof. Ahsan Iqbal**, Federal Minister for Interior/Planning Development and Reforms
- 1050-1100 hrs Tea Break

Session 1: Pakistan-China-Iran: Analyzing the Prospects of Triangular Cooperation

Chair: H.E. Mr. Yao Jing, Chinese Ambassador to Pakistan

- 1100 hrs Mr. Lin Minwang, Professor and Research Fellow, Fudan University, Shanghai.
- 1110 hrs Ambassador Alireza Bikdeli, IPIS, Tehran.
- 1120 hrs Dr. Ashfaque Hasan Khan, Principal & Dean, NUST, Islamabad
- 1130 hrs Q& A
- 1150 hrs Concluding remarks by the Chair

Session 2: Pakistan-China-Iran: Initiatives for Regional Connectivity

Chair: H.E Mr. Mehdi Honardoost, Iranian Ambassador to Pakistan

- 1155 hrs: Dr. Muhammad Jafar Javadi Arjmand, Assistant Professor, University of Tehran
- 1205 hrs: Dr. Rong Ying, Vice President, CIIS, Beijing.
- 1215 hrs Dr. Syed Rifaat Hussain, HOD Department of Government & Public Policy, NUST, Islamabad.

1225 hrs	Q&A
1245 hrs	Concluding remarks by the chair
1245-1345	Lunch Break

**Session 3:
Challenges to Trilateral Cooperation and the
Way Forward**

Chair: **Ambassador Khalid Mahmood, Chairman ISSI**

1350 hrs	Dr. Hadi Soleimanpour, Head of Centre for International Research & Education (CIRE), Tehran.
1400 hrs	Dr. Wang Yiwei, Director Institute of International Affairs, Renmin University, Beijing.
1410 hrs	Ambassador Javid Husain, Islamabad.
1420 hrs	Q&A
1440 hrs	Concluding Remarks by the Chair

CONCEPT NOTE

While a whirlpool of economic activity grips Asia, the need to forge well-rounded relations with one's neighbors is becoming more and more nuanced. Pakistan's geostrategic location in South Asia is ideal for various initiatives of regional connectivity despite its close proximity to a troubled state like Afghanistan. Opportunities are arising for enhancement of cooperation under the aegis of the regional connectivity initiatives that China is promoting such as the Belt and Road Initiative in general and the China Pakistan Economic Corridor (CPEC) in particular. While China and Pakistan enjoy a deep abiding friendship with one another, Iran's outlook towards these two countries is also based on principles of brotherhood and solidarity. On the sidelines of the 71st UNGA session in September 2016, the Iranian President Hassan Rouhani expressed Iran's desire to join CPEC for furthering regional participation.

As the world faces disparities and divides on several fronts, the need to assuage these gaps has become even more imperative. The humanitarian crises in Syria, Yemen, Kashmir, Palestine and several other countries are all dire indicators of the prevalent divide that exists in the world at the moment. With such multilateral initiatives, regional integration can be enhanced which consequentially translates into global peace. Iran being a gateway to the Middle Eastern countries can help connect those countries to the economic development underway in the Asia-Pacific. CPEC as a testing ground for promising economic opportunities is what could bring these three states even closer together. Cultural exchanges and joint projects can bring about an air of understanding that otherwise lacks from the picture due to several compelling factors. It has been time and again reiterated by all three heads of states and their representatives that Gwadar and Chahbahar ports are meant to function with cooperation instead of competition. Their proximity and purpose could even lead them to become sister ports in the future as well. This would be yet another validation for this 'trident' in question that can easily aim to weed out naysayers and negative forces from the region, for the collective good.

In this regard, Institute of Strategic Studies Islamabad organized a one-day conference on "Pakistan-China-Iran: A Trident of Regional Connectivity" on December 19, 2017. The conference brought together diverse groups of professionals from all three countries. The purpose of the conference was to analyze this trident and its many facets and to give policy proposals for the practical implementation of this idea of integration.

For this purpose, the proceedings of the conference were divided into three sessions with the following themes:

1. Pakistan-China-Iran: Analyzing the Prospects of a Triangular Cooperation

What can be the different facets of this cooperation? (economy, geostrategic stability and security)

2. PCI: Initiatives for Regional Connectivity

What are the major regional initiatives by either of these countries that are aimed at connectivity?

3. Challenges to Trilateral Collaboration and the Way Forward

What are the major challenges to this collaboration? (Economic, geostrategic, security, etc.) Policy Proposals for future (economic, social, cultural exchanges etc.)

WELCOME REMARKS

Ambassador Khalid Mahmood,
Chairman, Institute of Strategic Studies Islamabad

It is with great pleasure that I welcome Honorable Prof. Ahsan Iqbal, Federal Minister for Interior, and Planning, Development and Reform. I also extend a very warm welcome to H.E. Mr. Yao Jing, Ambassador of the People's Republic of China and H.E Mr. Mehdi Honardoost, Ambassador of the Islamic Republic of Iran, as well as to distinguished speakers from China, Iran and Pakistan and indeed all of you at this international conference on regional connectivity in our part of the world.

A surge in economic activity has gripped Asia symbolizing the need to forge well-connected synergetic ties with neighbors. Pakistan's geostrategic location, at the cross-roads of South Asia, Central Asia, West Asia and Persian Gulf is ideal for various initiatives of regional connectivity, notwithstanding its close proximity to the troubled state of Afghanistan.

A phenomenon taking the world by storm is the wave of regional economic connectivity being spearheaded by China through the Belt and Road Initiative (BRI), of which Pakistan is a major component. China-Pakistan Economic Corridor (CPEC) is the flagship project of the Belt and Road Initiative. And of its six component corridors, CPEC is progressing the fastest. Through CPEC, Pakistan is poised to rapidly becoming a hub of economic activity in the region and beyond. Iran is also an essential link in the Belt and Road Initiative, connecting China to Europe through its territory.

The China-Pakistan Economic Corridor (CPEC) is the flagship plank of the Chinese Belt and Road Initiative (BRI) which aims to build global connectivity and multiply mutually beneficial trade and investment opportunities. This would bring about accelerated development, reducing global poverty and enhance people-to-people contacts, not only between Pakistan and China, but across the whole region and beyond. Happily, a number of early harvest projects under CPEC, primarily in the energy and infrastructure sectors, have been completed, and work on the remaining projects is progressing at a great speed. Stage is now set to move to industrialization in the designated 9 Special Economic Zones (SEZ), as work on different Gwadar port related projects commences in right earnest. Following

extensive discussions among all stakeholders, including the provincial governments, a long-term plan spanning the period from 2017 to 2030 has been approved during the 7th Joint Cooperation Committee (JCC) meeting in November 2017, headed by H.E. Prof. Ahsan Iqbal along with the Ambassador of China H.E. Mr. Yao Jing.

CPEC naturally evoked intense competitive interest in all units of Pakistan. This was wrongly perceived by some elements as absence of consensus among different provinces. While the fact is that no one in Pakistan has any misgivings, or is opposed to this grandiose project. All support it, and in fact want to have more and more of it.

Happily, with mutual consultations within Pakistan and with the Chinese Government, complete national consensus has been achieved on all aspects of CPEC. This was evident at the various Joint Cooperation Committee (JCC) meetings held from time to time, which were attended by the Chief Ministers of all the provinces.

CPEC is an inclusive enterprise open to all countries which wish to become its part and partake its benefits. Pakistan and China have encouraged Iran and other regional countries to join the CPEC project which offers mutually lucrative prospects for all its participants. Ambassador Yao Jing stated on November 18, 2017 that the CPEC was common agenda of development which would be expanded to neighboring countries and regions in future. While China and Pakistan enjoy a deep abiding friendship with one another, Iran's outlook towards these two countries is also based on feelings of brotherhood and solidarity. On the sidelines of the 71st UNGA session in September 2016, the Iranian President Hassan Rouhani expressed Iran's desire to join CPEC for furthering regional cooperation.

It is in this spirit that the Institute of Strategic Studies Islamabad has taken the initiative of organizing this international conference and invited experts from China and Iran to have an exchange of ideas on exploring avenues for cooperation, integration and connectivity between three neighboring countries.

Beijing and Tehran have proved to be reliable and helpful partners in Pakistan's hours of need. Pakistan looks forward to integration and cooperation with both due to its close historical ties with them.

China is a great friend of Pakistan. The two countries have a history of splendid relationship. Their relationship guarantees peace and stability in South Asia and even beyond.

This model relationship has been expanding in many directions, from the diplomatic to strategic, and now moving to achieve new milestones in the economic domain with the initiation of China-Pakistan Economic Corridor.

On the other hand, Iran was the first country to recognize independent Pakistan, and Pakistan was the first country that recognized the Islamic revolution of Iran in 1979. Iran's steady support to Pakistan in its difficult times, particularly during the 1965 and 1971 wars and after natural disasters, is etched in the memory of Pakistani nation. Among other things, they, together with Turkey, established the Regional Cooperation for Development (RCD) and its successor ECO, besides coordinating their policies in the framework of OIC, NAM, and the UN system.

Today, Pakistan, China and Iran share the desire for regional cooperation. Trilateral economic and trade cooperation and connectivity, however, are currently not at par with the level of political ties among them. It is essential that the three countries explore new ways to facilitate trilateral trade, visa process for workers and businesses, and expand commercial linkages. There is no problem of long distance, as the necessary minimal infrastructure of transport and communication is already in place. Enhanced connectivity will have the added benefit of increasing the tourism industry and people-to-people exchanges between the three countries.

The three countries share a common interest in economic development of their underdeveloped regions. Ports of Gwadar and Chabahar, when fully operational, will emerge as new hubs of economic activity in this region. China and Pakistan are jointly developing and expanding Gwadar Port, while Iran has recently inaugurated the first phase of Chabahar Port. It has been time and again reiterated by all three heads of states and their representatives that Gwadar and Chabahar ports are meant to function in cooperation rather than competition. Their proximity and common purpose could lead them to become sister ports in the future. This would be yet another validation for this 'trident' in question refuting naysayers and negative forces from within and outside the region. Our shared interests will underpin trilateral cooperation for regional integration and connectivity. In any case, in the end, apart from their geographical configuration, which port provides better, more efficient and economical services will be the deciding factor? With these remarks, I once again thank the honorable Chief Guest and the two Session Chairpersons, as well as other participants for

gracing this conference. I am confident there is going to be a dynamic and constructive discussion during this day-long Conference.

INAUGURAL ADDRESS

H.E. Prof. Ahsan Iqbal,

Federal Minister for Interior/Planning, Development and Reform

I am very pleased that the Institute of Strategic Studies Islamabad has assembled a panel of experts from Pakistan, Iran and China to discuss a very important subject of Pakistan, China and Iran opportunities or trident of regional connectivity. The Ambassador has given a very comprehensive overview of the subject and he has hardly left anything for me. But as a politician, I must live up to my reputation of saying something. We are in the best of the times and the worst of the times. As it is said by Charles Dickens, our age is an age of opportunities and also an age of unprecedented challenges. The world is becoming more connected, the world is becoming more networked, but simultaneously, the dangers of conflicts are also growing in different parts of the world which have huge implications. Today, the world has shown slowdown in economy and as a result, we find two responses to this crisis.

In the West, there is a building up of walls to close down the borders and try to mitigate the effects of slow global growth. And on the contrary, China's response is that if there is slow growth in world economy, we need to find new demand and need to create new markets by connectivity and by building bridges so that we can spur the global growth in the economy. Belt and Road initiative is a very progressive vision that has been projected and promoted by the Chinese leadership. Similarly, Pakistan also believes in the vision of regional connectivity. The vision has been finalized for Pakistan in "Vision 2025" by the leadership of this country. Out of seven pillars of this Vision, one pillar is about regional connectivity because Pakistan happens to be located in a particular location.

If Pakistan can create regional connectivity north, south, east and west, we have the opportunity of connecting 3 billion people in one big economic zone. So, that is the Vision Pakistan sees for itself. China-Pakistan Economic Corridor is a step in that direction, a step in the realization of that Vision. Yesterday, I had the privilege with the Ambassador of China to launch the long-term plan of CPEC. This long-term plan also envisages to create and establish the economic integration of South Asia and Central Asia.

I hope we will be able to realize this Vision because we believe that the age of geo-politics is over and now, we all focus on the dynamics of geo-economics and the advantages of geo-economics in the future for this region. Pakistan has long history of playing geo-politics. But the end result of geo-politics has been that today, we are left with the burden of 3.5 million refugees, drugs, arms and a society where we have to deal with the militancy and extremism. Others won their wars and walked away with trophies. The Berlin Wall came down and Germany was unified, European Union became more secure and NATO was without competition. But Pakistan is still paying the price.

Similarly, in United States, end of history was proclaimed. Evil empire was disintegrated. But Pakistan still continues to pay the price and still continue to get the blame. Time has come that we also look at our own options in the best interest of the region, and, the best interest of our country. That best option is to work proactively, and work with the friends in the region and create, as in the words of President Xi, a community of shared destiny and shared prosperity. That can only be created with strong connectivity and integration of economies.

Unfortunately, at the moment, the regional economies are not doing well in terms of their bilateral trade or regional trade. ECO is an important bloc comprising of Iran, Pakistan and Turkey with Central Asian Republics. We just finished an ECO meeting that Pakistan hosted. In the meeting, when we looked at the trade of ECO countries among themselves, it was very poor. Similarly, when we look at the potential and actual trade between Iran and Pakistan, it is not satisfactory by any means. Until CPEC was started, Pakistan and China who had the best of the best relations, but they too, were performing very poorly on economic cooperation.

Unfortunately, economics was never a priority in Pakistan for previous governments. We never realized the power of economics in shaping the new realities of the world. In August 2013, when I was chairing the first JCC meeting, I was myself surprised to find out for my own knowledge that China figured thirteenth in terms of Foreign Direct Investment in Pakistan. After three years now, thanks to CPEC, China is number one Foreign Direct Investment country in Pakistan. It has changed the scope. Similarly, we need to figure out opportunities. How regional countries can focus on bilateral trade and regional trade to harness opportunities that exist for our people.

I hope such conference which has leading experts from the three countries under the leadership of our very distinguished Ambassadors of China and Iran who will help and guide this discourse in a direction that we can have some positive outcomes.

Let me finally say that CPEC envisages regional cooperation. Gwadar and Chabahar are not competing ports. They are complementary ports. We look forward to developing strong cooperation between Pakistan and Iran so that we can harness opportunities that are developed due to development of new infrastructure through CPEC in the region. Pakistan and Iran can work together to harness the potential of trade with Central Asia, and with Europe, through this network of connectivity.

I would also like to highlight that we have many dangers in this region. There are clouds hanging over this region which also pose serious challenges for the leadership to work together and to ensure that the peace and stability in the region is not compromised. In last thirty years, Pakistan has learned one lesson and I am sure that Iran has also learned this lesson from their history , and we all need to learn this lesson from Chinese leadership that conflicts have no winners. In peace, everyone wins. This is the path we need to follow collectively. How can we guarantee peace and stability in this region? How can we use peace and stability for greater regional cooperation? How can we use regional cooperation for creating a community of shared prosperity for the people in this region because people in our countries are also entitled to good quality of life?

We are not entitled to live in poverty forever. The time and turn of Asia has come. By 2050, Asia will be contributing 52% of the world's GDP. So, this region has to have a fair share in development of world economy and also Asia. I hope that Pakistan, China and Iran can collectively find opportunities through which we will have greater share of prosperity in Asia and the world economy and we would be able to give people good quality of life.



SESSION I

Pakistan-China-Iran: Analyzing the Prospects of Triangular Cooperation



The session was chaired by the Chinese Ambassador to Pakistan, **His Excellency Mr. Yao Jing**.

The speakers in this session included **Mr. Lin Minwang**, *Research Fellow, Fudan University, Shanghai*; **Ambassador Alireza Bikdeli**, *Senior Expert, Institute of Politics and International Studies (IPIS), Tehran*; and **Dr. Ashfaqe Hasan Khan**, *Principal and Dean S3H, NUST, Islamabad*.

PRESENTATION

Mr Lin Minwang,
Research Fellow, Fudan University, Shanghai

I will focus my presentation on three broad areas - that we live in an uncertain world; the emerging Indo-Pacific architecture; and China-Pakistan-Iran Triangular Cooperation

There are self-contradictions in US President Donald Trump's statements. For example, he campaigned with a promise of ending US presence in Afghanistan, calling for a complete withdrawal on a number of occasions, but his new Afghanistan strategy is very different. Also, the Trans Pacific Partnership (TPP) was thrown into disarray when Trump withdrew in one of his first acts as president, leaving other countries scrambling to keep the deal alive. Now Japan wants to be the bellwether. Japanese Prime Minister Shinzo Abe is promoting a "free and open Indo-Pacific Strategy" to enhance "connectivity" between Asia and Africa.

As far as the emerging Indo-Pacific architecture is concerned, a new geo-political pattern is emerging in Asia. In this new architecture, China will lead Asia in its development. If calculated by economic growth rate per year, the United States has a 2.5% growth rate, China 6.5%, and Japan 2%. China's economy will account for 85% of the economy of United States by 2020. Further, the economy of Japan, India, and Australia combined will be unable to match China.

The influence of the United States and Japan in Asia is declining. *Asian Infrastructure Investment Bank (AIIB)* is widely regarded as a rival and counterbalance to the US-led World Bank and the Japan-led Asian Development Bank. The United States has failed in efforts to discourage its European and Asian allies from joining the AIIB, their having applied one after the other, notably South Korea and Australia, to be part of it. This would appear to endorse China's rapid rise in the financial market and the decline in the United States' influence.

Noteworthy is India's growing presence and influence in Asia. Indian Prime Minister Narendra Modi has actively promoted the "Made in India", to explore the potential for economic development in India. For Asia's regional affairs, India has now also become more actively involved in issues, such as South China Sea issues.

As far as the Quadrilateral Security Dialogue is concerned, India has been promoting a free, open, prosperous and inclusive Indo-Pacific region, with an emphasis on its cooperation

on terrorism, proliferation, and connectivity. The Indian side has highlighted India's Act East Policy as the cornerstone of its engagement in the Indo-Pacific region. Japan has promoted free and open international order based on the rule of law in the Indo-Pacific, dealing with proliferation threat, ensuring freedom of navigation and maritime security in the Indo-Pacific, and countering terrorism and other issues. Australia has advocated a shared vision for increased prosperity and security in the Indo-Pacific region and to work together to ensure it remains free and open, with emphasis on rules-based order in the Indo-Pacific and respect for international law, freedom of navigation and over-flight. It has emphasized the need for an increased connectivity; coordination on efforts to address the challenges of countering terrorism, and upholding maritime security in the Indo-Pacific, the proliferation of weapons of mass destruction, including the DPRK's nuclear and missile programs.

The US sees a shared vision for increased prosperity and security in a free and open Indo-Pacific region, the need for upholding the rules-based order in the Indo-Pacific, including freedom of navigation and over-flight, respect for international law, and the peaceful resolution of disputes; increasing connectivity consistent with international law and standards, based on prudent financing; coordinating on counterterrorism and maritime security efforts in the Indo-Pacific; and further cooperating to curtail North Korea's nuclear and missile programs and unlawful acts.

India is different from the other three sides because it did not mention rule-based order, freedom of navigation and maritime security, international law; did not commit to deepening cooperation, or advocate free, open, prosperous and inclusive Indo-Pacific region.

With regard to the trilateral cooperation between China, Pakistan and Iran, I will put emphasis on the Belt and Road Initiative which aims to promote the connectivity of Asian, European and African continents and their adjacent seas, establish and strengthen partnerships among the countries along the Belt and Road, set up all-dimensional, multi-tiered and composite connectivity networks, and realize diversified, independent, balanced and sustainable development in these countries. This initiative is open for cooperation. It covers, but is not limited to, the area of the ancient Silk Road. It is open to all countries, and international and regional organizations for engagement, so that the results of the concerted efforts will benefit wider areas.

In my view, cooperation priorities between the three countries should be:

1. Policy coordination,
2. Facilities connectivity,
3. Unimpeded trade,
4. Financial integration, and
5. People-to-people bond.

The mechanisms to bring about cooperation should be a trilateral agreement for China-Pakistan-Iran triangular cooperation and a Trilateral Consultation Mechanism on China-Pakistan-Iran triangular cooperation.

It is India's geo-political bias which hinders India in benefiting from Belt and Road Initiative. At the first Raisina Dialogue in 2016, Foreign Secretary Jaishankar talked about India's view of regional connectivity. More importantly, he claimed that "in the absence of an agreed security architecture and the continuation of significant territorial disputes, the Asian landscape has been more than a little uncertain ... More dangers than convenience are perceived from connectivity," which would lead to unnecessary competition in Asia. However, the official reason the Indian government rejected the offer to join the initiative is that it is designed to pass Kashmir, a disputed area between India and Pakistan. However, it is just an unfounded excuse as Beijing has been maintaining a consistent position on the Kashmir issue, which has never changed. Beijing has expressed, on various occasions, its anticipation to see New Delhi join the grand project and to make concerted effort with India in building economic corridors involving China, India, Sri Lanka, Nepal, Bangladesh, and Myanmar but has not gotten a favorable response.

PRESENTATION

Ambassador Alireza Bikdeli,

Senior Expert, Institute of Politics and International Studies (IPIS), Tehran

I feel it necessary to express my gratitude to the Institute of Strategic Studies Islamabad (ISSI) for hosting this session in this beautiful city of Islamabad. Dr. Sajadpour and other colleagues in the IPIS give importance to the cooperation between centres of thought of the two countries and wish further achievements in our cooperation .

I, in today's speech, will highlight two issues, first is description of the concept of "neighborhood policy" as a software in Iran's foreign policy, and the second is application of this concept in Iran-Pakistan relations.

The element of neighborhood in the foreign policy of the Islamic Republic of Iran has much importance. The president of the Islamic Republic of Iran, on a number of occasions including the meeting of the Chairman of Senate of Pakistan, declared that expansion and strengthening of relations with neighbors is a priority of the foreign policy of Iran.

The Islamic Republic of Iran, through its experiences, has found that the secret of success in the arena of foreign policy lies in the quality of ties with neighbors. In this presentation, I shall try to inform you about the important axis of Iran's neighborhood policy.

Issue of Neighborhood

The concepts of "neighbor" and "neighborhood" entered international relations from human's social life. While "neighbor" has a physical and geographical sense, "neighborhood" rightly indicates a normative value as interactions and the act of being neighbors. The notable point is that neighbors may have ties, but these ties may not necessarily represent "neighborhood". It is likely that two neighboring countries would have rivalry or even hostility instead of neighborhood. Foreign policy begins from relations with neighboring countries. For most of the countries of the world, development of foreign policy requires development of relations with neighbors. A successful foreign policy on neighboring countries is always based on successful "neighborhood" policy.

Importance of Neighbor Policy for Foreign Policy of the Islamic Republic of Iran

Iran has 15 neighboring countries. In terms of the number of neighbors, it ranks second in the world after China. So, paying attention to neighbors is important for Iran. Besides the benefits accruing from neighborhood, the neighbors with common border, are subject to differences. Border disputes, ethnic and religious factors and interference by foreign players make the neighboring countries more open to rivalry. The factor which can manage this rivalry and rather change them to opportunities for gaining from the benefits of being neighbors is "neighborhood". Apart from the importance of neighborhood, this subject has been mostly ignored in science of international relation. It seems as if the issue of neighborhood has much more potential for regulating bilateral, regional and international relations within the framework of regionalism.

Theoretical Bases of Neighborhood Policy

The reality of neighbor is a less important variant against the basis of neighborhood. In neighborhood, different potentials like history, culture, language and religion are useful. Countries strong in terms of history and culture, may have a more successful neighborhood policy. This policy must be considered a policy or reciprocal approach. This is a confidence-building policy and provides an opportunity for designing a long-term policy on relations. Neighbor policy is a constructive approach for benefitting from potentials of neighborhood based on neighbor policy. As neighboring countries, we welcome economic development and the resulting safety and security of the neighbors and take advantage from it. Neighborly relations try to keep themselves away from the influence of any third party. The proceedings of economic convergence among countries falling in the domain of neighborhood policy get pace. Signing of preferential trade agreement, creation of common market, reduction of customs barriers, betterment of transportation ties, increase in pace of movement of goods and passengers, making economic cooperation, diversification and strengthening of cooperation in energy sector, establishment of common border gate, use of national currency in trade, establishment of common industrial zones, development of free economic zones near borders, increase in investment, abolishment of visa and improvement in economic indices are among the important issues that help in the assessment of success of neighbor policy.

Specifications of Neighborhood Policies of Iran and China and the Role of Pakistan

Iran's "neighborhood policy" is a part of the constructive interaction policy of the Islamic Republic of Iran. This policy is based on the constitution, Vision 2025 and five-year plans of Iran. On the basis of this policy, the Islamic Republic of Iran pursues specific relations with its 15 neighbors. These relations are based on stable and reciprocal principles. The bases of Iran's neighborhood policy are cultural and civilizational ties, which is bolstered through economic cooperation particularly in the fields of energy, transit and trade. Pakistan in the eastern wing of Iran's neighborhood policy has an important position.

Neighborhood policy of China has an economic base. When America tried to limit China as a competitor, China began to encounter by adopting an active neighborhood policy, using economic bonds and forming a trade network based on reciprocal interests. The neighborhood policy of China makes the country a nucleus of regional convergence. The neighborhood policy of China firmly stands on the theory that the emerging powers need a friendly region in their environments. Pakistan on the western wing of China's neighborhood policy has an important role.

Strengthening of Neighborhood Relation With Pakistan is a Target for Iran

Iran and Pakistan must try to benefit from their neighborhood potentials in implementing long-term plans. These countries must keep their common development plans away from security issues. Iran has stated a number of times that it supports Pakistan's economic development plans. None of the development plans of Iran are in contrariety to the interests of the Islamic Republic of Pakistan.

The eastern Iran transit development plan and the CPEC project gives a meaningful order to development projects of the two countries. Development of transportation networks and trade, improvement of energy infrastructures, involving local industries, focus on investment, attentions to sectors having value-addition including border areas of the two countries and development of the two important ports of Chabahar and Gwadar will provide suitable grounds for strengthening of neighborhood between these two neighboring and brotherly countries.

Due to this approach, Iran welcomes CPEC and consider it complementary to its own development projects. As Chabahar and Gwadar ports are the gravitational point of these

plans, the sea ports are paid attention to as a reality for the well-ordered development of the region, and their places in the economy of the two countries are taken properly into consideration. Cooperation between these two ports and these two axis must be seriously organized in the framework of Iran-Pakistan neighborhood policies. Having a port and a corridor should not be the target, but economic development and development of economic relations through these infrastructures and facilities should be our goal.

The present approach of China toward the region and belief of Iran and Pakistan on constructive economic cooperation with China play a key role in accomplishment of this plan. We believe that with the subversive role of USA in recent decades, China has attained a more proper position in West Asia. Iran and Pakistan have an important role in elevating the position of China. Cooperation among the three countries is highly important for further stability and security of our region.

Iran and Pakistan are the two neighboring countries having a huge potential for development based on neighborhood. In the Islamic Republic of Iran, there is a consensus regarding the importance of and priority to relations with Pakistan. There is no restriction for development of relations with Pakistan. As the necessary infrastructure for achieving our goals based on neighborhood policy has not been built yet, we support Pakistan and China's steps in CPEC and announce our readiness for cooperation in this field.

PRESENTATION

Dr. Ashfaque Hasan Khan,
Principal and Dean S3H, NUST, Islamabad

I will, in my presentation, focus on importance and modes of connectivity for regional cooperation. The term “connectivity” refers to the degree to which exchange activities are facilitated, both within and across countries. This term has often been associated with cross-country connectivity or regional connectivity where there is smooth flow of goods, services, people, technologies, knowledge, capital, culture and ideas. Connectivity through physical transport, telecommunications and energy infrastructure take place mostly within countries where these factors are closely related to economic development. Enhancing connectivity requires a two-pronged approach. One, it is necessary to build strong regional institutions for planning, managing and funding major cross-country initiative. Two, it is important to provide specific support to the region’s least developed countries, landlocked developing countries and small island developing countries so that they can take full advantage of better regional connectivity. According to the ‘Gravity Model’ to analyse intra-regional trade, the value of bilateral trade increases with the economic size of the trading partners and decreases with their distances. Enhanced connectivity has reduced the distances and hence, increased the size of the bilateral trade

Modes of connectivity can be through transport (roads, port development highways, railways), through information and communication technology, through energy connectivity (establishment of regional energy market), and through people-to-people connectivity, through trade facilitation, and through financial cooperation.

China’s Belt and Road Initiative (BRI) aims to transform the economic and strategic geography of much of Euroasia – a “new Euroasian order” - through infrastructure networks and regional free trade areas. The BRI aims to link the economic circles in East Asia and Europe, connecting China through land and water to partner Asia, Europe and Africa. With over 4 billion people, 66 countries and 40% of world GDP connected through BRI, it will represent the biggest market in the world with un-paralleled potential.

Globalization is under attack and giving rise to nationalism and protectionism with potential to hamper global economic recovery. Why is this? People in some countries feel that not everybody has benefited from globalization. The fruits of globalization have not been

shared fairly. How can globalization be made fairer and equitable? China believes that this can be done through enhancing connectivity. This is the philosophy behind China's BRI. China believes that "your prosperity depends on your neighbor's prosperity". There cannot be an island of prosperity in the ocean of deprivation. There is a wise Chinese saying "*A friendly neighbor is better than a distant relative.*" In line with this philosophy of China: How to make your neighbors prosperous? How to reduce ocean of deprivation? This can be done through connectivity. Connectivity requires building new infrastructure (roads, highways, railways, ports, communication network, and energy projects) and strengthening the existing ones. Empirical evidence suggests that infrastructure investment contributes to economic growth and bring prosperity on sustained basis. Infrastructure investment promotes economic growth through raising domestic demand, as well as through trade and investment by improving connectivity.

In my view, China-Pakistan Economic Corridor (CPEC) provides a unique opportunity for Pakistan to boost its strategic and economic position. It has the potential to transform Pakistan into a regional hub for trade and investment. CPEC covers everything from energy to key elements of infrastructure development including roads, highways, sea port and airport development, communication links and economic zones. CPEC is covering four key economic areas which include energy, transportation, infrastructure and industrial cooperation, including Gwadar Port development.

This presents a number of opportunities for Pakistan including: infrastructure development; balanced regional development; overcoming energy crisis; industrialization and export promotion; agricultural development; services sector development; mining and quarrying development; development of Gwadar Port and Gwadar City; development of special economic zone in Gwadar; higher economic growth; job creation; poverty alleviation; development of human capital; and regional connectivity.

CPEC, once implemented fully, has the potential to transform Pakistan's economy from a low growth mode (3-4%) to a higher (7-8% per annum) and sustainable growth economy; removing key infrastructural bottlenecks, promoting balanced regional growth and development; shaping new industry clusters, improving living standards and social mobility; and promoting regional connectivity.

China and Pakistan enjoy deep and strategic relations with one another and CPEC is a manifestation of such special relations. The project is already making progress. Iran being Pakistan's neighbor and China being Pakistan's, these three countries can join hands together to make CPEC a truly regional initiative. The President of Iran has already expressed Iran's desire to join CPEC on the sidelines of the 71st UNGA session in 2016. The importance of Iran in regional connectivity cannot be denied as it serves as a gateway to the Middle Eastern countries. CPEC through Iran can bring Middle Eastern countries in the realm of CPEC and beyond.

For Pakistan and China, Gwadar is a lynchpin for the success of CPEC. Similarly, Iranian port of Chabahar is also important for establishing connectivity with CPEC/Gwadar. The proximity between the two ports can make them sister ports in future as well. Such linkage will strengthen the bond between the three countries.

Gwadar has total traffic of 0.5 million tonnes of cargo today; and is expected to handle 1.0 million tonnes of cargo by the end of 2017. When completed and fully functional, it will handle 300-400 million tonnes of cargo per annum as against India's total port capacity to handle 500 million tonnes of cargo. The Long Beach Port of the United States is the largest port of the US. It handles 80 million tonnes of cargo each year which is just 20% of Gwadar's future capacity. Gwadar Port will be capable of handling the world's largest container ships and massive oil tankers.

Chabahar is the Iran's southernmost port city on the Gulf of Oman. It is part of Iranian Sistan-Balochistan province, bordering Pakistan's Balochistan. Iran is planning to use this port for trans-shipment to Afghanistan and Central Asia. Chabahar has been built with Indian financial assistance ostensibly, and Indian effort to build a port in Iran to bypass Pakistan for India's trade with Afghanistan and Central Asia. Currently, Chabahar has the capacity to handle 2.1 million tons of cargo in one year. Once fully completed and operational, the maximum capacity would be 8.0 -10.0 million tons of cargo per annum. On October 29, 2017 India shipped some wheat out of 1.1 million tons commitment to Afghanistan via Chabahar port. The wheat was shipped from the Kandla Port of India – the closest Port with Chabahar (650 NM). Seven more shipments of wheat to Afghanistan via Chabahar port will be made by the end of January 2018.

India's trade with Afghanistan through Afghanistan-Iran border in the west will probably remain a pipe dream for two reasons. One, because most of Afghan population lives in east and south, close to Pakistan border. Two, because Afghanistan has poor infrastructure, making it very difficult to move cargo from west to east and south of the country (Afghanistan).

The distance between Chabahar and Gwadar Port is about 72 km, it has the potential therefore, to become sister ports. However, given the Indian opposition to CPEC, the possibility of Chabahar port and Gwadar port becoming sister ports appears dim.

Recent Indian spy incident has created fear in Pakistan that Indian presence in Chabahar, ostensibly for the construction of port is meant to create hurdles in the way of CPEC. At the same time, Pakistan has been assured by the Iranian leadership that Iran would not allow any Indian covert activities against Pakistan from its soil. This is highly reassuring for Pakistan and is in very much in line with Iran's desires to join CPEC.

With lifting of western economic sanction on Iran, Iran-Pakistan gas pipeline can become a reality. This will enable both the countries to strengthen their economic ties. China can also join Iran-Pakistan gas pipeline project to make it a true "Friendship Project".

It may be possible to extend the benefits of CPEC to Central Asia. The 11 members Central Asia Regional Economic Cooperation (CAREC) consisting of Afghanistan, Azerbaijan, China, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan has enormous potential for cooperation with CPEC. The common factor among CPEC and CAREC is Pakistan and China. The benefits of CPEC can spill over to the entire CAREC member states. Pakistan can serve as a bridge between CPEC and CAREC. At the moment, CAREC is promoting regional cooperation through transport, trade facilitation, energy and energy trade policy to exploit the true potential of the region. Central Asian nations are rich in energy and South Asian countries are energy deficit. Hence, a regional energy market can be established. CPEC will complement CAREC's regional connectivity initiatives and would prove to be a milestone in regional development and connectivity. CPEC is promoting connectivity and CAREC is doing the same, therefore, both can complement each other.

In conclusion, CPEC has enormous potential to transform Pakistan's economy from a relatively low growth economy to a relatively higher and sustainable growth economy. It will

generate millions of jobs directly and indirectly; will raise per capita income, and will bring prosperity in the country. It will strengthen the country's physical infrastructure and can promote balanced regional development. Industry will benefit from the relocation of Chinese industries in our nine industrial zones. CPEC has the potential to include Iran to make it a truly regional connectivity project. CPEC-CAREC cooperation can be a game changer for approximately 2 billion people in the region. It will open enormous business opportunities for Pakistani businessmen and industrialists.

Indian opposition to CPEC can scuttle the benefits to Iran by interfering in Balochistan through Chabahar. Assurance from Iranian leadership that its soil will not be used against Pakistan is highly reassuring. Closer cooperation between China-Pakistan and Iran will have tremendous potential to enhance effective regional cooperation between the three countries which can be extended to Middle Eastern countries through Iran.

QUESTION AND ANSWER SESSION

- Q:** India is expanding its naval capabilities with the help of the US. The Indian Ocean is being occupied by countless US nuclear submarines and aircraft carriers posing a direct threat to all shipments leaving Gwadar for their destinations. What would be Chinese response to this development?
- Q:** The US in its new National Security Policy spoke aggressively with regard to China and Russia and it seems that there is a new cold war between these countries. This is contrary to the position Trump took during his visit to China.
- Q:** For Pakistan, India is the biggest threat. Indian media has been aggressively promoting Chabahar as a counter encirclement of Gwadar and China. Can Iran ensure Pakistan that no more Yadavs will be able to take refuge in Chabahar and launch activities that are against Pakistan's interest, and Chabahar port will not become a den of spies? Pakistan hopes that Iran will not let inimical forces disrupt the CPEC project which is vital for Pakistan's development.
- A:** Chabahar is a name of a port in Islamic Republic of Iran. There has never been anything against Pakistan from Iran or Chabahar. Both Chabahar and Gwadar are sister ports and Chabahar is being developed with Iranian resources and finances and not Indian finances. Iran believes that its neighborhood policy is the gate to Iran's prosperity.
- Q:** What is required, as was suggested by Mr. Lin Minwang, is having a source of consultation mechanism among the three countries to look at the difficult planning of these two projects - Gwadar and Chabahar - and how they complement each other? A consultative approach was suggested, but it need further clarification.
- A:** The main purpose of this project is economic development. Many people mention the geo-political implications, but the main purpose for the Chinese side is economic relations. Physical mechanism was also mentioned between China-Pakistan and Iran. Track II discussion between the academics and local governments would help. Such discussions can then be presented to the central governments.

A: It was rightly pointed out that Chabahar should be seen from Iran's point of view. But it is very difficult for Pakistan to ignore certain realities. India has never accepted CPEC and has been opposing it on flimsy grounds. As a matter of fact, this corridor has existed since 1970s, and both China and Pakistan have been using this corridor for trade. India never opposed this corridor in the past, so one wonders why it is opposing it now. The intellectuals in India believe that India has done a great job by investing in Chabahar to counter Chinese presence in this region. This makes it evident that many people in India do not see Chabahar as an economic project and the motives are different. India could also take benefit had it joined the CPEC project. Unfortunately, Afghanistan has also taken Indian side. This is the reason why it is creating so much concern in Pakistan.



SESSION II

Pakistan-China-Iran: Initiatives for Regional Connectivity



The session was chaired by the Iranian Ambassador to Pakistan, **His Excellency Mr. Mehdi Honardoost**.

The speakers in this session included **Dr. Muhammad Jafar Javadi Arjmand**, Assistant Professor, University of Tehran; **Dr. Rong Ying**, Vice President, China Institute of International Studies (CIIS), Beijing; **Dr. Syed Rifaat Hussain**, HoD, Department of Government & Public Policy, NUST, Islamabad.

PRESENTATION

Dr. Muhammad Jafar Javadi Arjmand
Assistant Professor, University of Tehran

I am very pleased to participate in this international conference “Pakistan-China-Iran: A Trident of Regional Connectivity.” I am very grateful and actually pleased with the Institute of Strategic Studies Islamabad for giving me an opportunity to address at this occasion.

My remarks for this conference are very short, and I will essentially point out the two fundamental subjects about CPEC and regional connectivity between the countries (China, Pakistan, and Iran). The first one is regarding regionalism which can further be divided into two phenomena; old regionalism and new regionalism. The old regionalism refers to the model before the collapse of the Soviet Union and after the transitional phase, new regionalism emerged. Its main points to which we can refer are good ideas of peace, human rights, governmental and non-governmental authorities. This new regionalism gives rise to the phenomena of “neighborhood” which is essentially a normative approach. I think that connectivity between the three countries must encompass a regional approach. I mean that it should promote peace, security and national interests of the countries.

Regionalism and especially new regionalism could provide a background for integration, especially in economic field. Pakistan is part of the South West Asia and China is part of EastAsia. By the coalition of three countries, the background of Asian culture gradually appears. It means that economic integration in the region is in the context of Asian culture. I want to emphasize that the notion “Common Asian Culture” is very deep in every nation of this region. I think that if we promote or enlarge the “Common Asian Culture”, it will lead to promoting and enlarging neighborhood thinking for the West Asia region and it will change the concept of neighboring. The concept of neighbor is only a geographical matter, but neighborhood is a normative approach and it could lead to much more cooperation between Iran, Pakistan and China.

The second fundamental variable is economic diplomacy which is very significant, especially for the developing countries like Iran and Pakistan. We know that China has passed three or four decades as a developing country in Asia. China, Pakistan and Iran must get together to work and to implement the aspects of economic diplomacy. Economic

diplomacy and regionalism could lead to economic integration or economic coalition. We know that economic integration is a reference of the CPEC as a new Silk Road approach of revival and stabilization. The best linkage policy among the West East Asia is culturalism and this economic diplomacy is effective in Central Asia and Eurasian Countries and will lead to enlarging the New Silk Road. To analyze the aspects of economic integration, we can just point to four aspects, which are rising between countries: common markets; economic union, enlarging market; custom union.

In conclusion, I think that multilateral economic diplomacy by these three countries is a way to establish peace, security and welfare of nations of these countries. This multilateral diplomacy includes scientific diplomacy, cultural diplomacy and public diplomacy. The use of these instruments of diplomacy in the context of connectivity will lead to the promotion of mutual cooperation in future.

PRESENTATION

Dr. Rong Ying

Vice President, China Institute of International Studies (CIIS), Beijing

I would like to use this opportunity to thank Institute of Strategic Studies Islamabad for inviting me to Islamabad. My presentation consists of two parts. First, I will share my personal views about how to make this trilateral cooperation possible since we share the vision, we strongly feel the tranquility or need to strengthen this trilateral cooperation. If we want to make this cooperation a success, first of all, we have to face the reality. Despite of the fact that this tranquility had a huge potential and potentiality lead to prosperity, we have to keep in mind the visions for the region. We have to certainly look at the aspects of Chinese side as put forward in the Belt and Road Initiative in general, and CPEC in particular. Beijing will also have an international north and south transit corridor.

In addition, we also have Asia-Africa Growth Initiative which is put forward by India and Japan. We also have Indo-Pacific Initiative. So, this is the ground reality about which everyone is talking here.

Now, the question is, we three countries sitting together want to make a difference and want to make sure that with our trilateral cooperation we provide different and better choice to address this issue. We three countries are attempting to make these shifts to provide an alternative vision to avoid the geo-political rivalries and reducing competition which can turn into violent confrontation. These are:

1. A shift from geo-politics to geo-economics because narrative is changing. Geo-political is a zero-sum game, while economics is most likely a win-win situation.
2. A shift from past tense to future tense because we are neighbors who have differences and problems. So, question is how to make sure that instead of putting focus on the past, we develop future-oriented forward looking approach.
3. A shift from offensive to proactive. Through innovation and courage we can reduce uncertainties, grasp new prospects and turn challenges into opportunities for a different future.

I believe that all three shifts are really significant if we want to turn the handle, manage and teaching competition to make sure that we have more cooperation and coalition. It leads to few suggestions or proposals and to see for that to happen, to have common base, consensus budget so that we focus on more profound coordination and consultations to make sure that we work and speak on same page. It will lead to the synchronization of thinking and strategy.

It is also important to understand the concept of development and security put forward by China through the Belt and Road Initiative. The Chinese development can play a kind of role that may help solve the problems of development. The Chinese experience is that master key for solving issues in development. Regarding security, China has been advocating “Asia Security” concept featuring common, cooperative, comprehensive and sustainable security. China is trying to fuse the concept of security and development together.

Last but not least, I believe that for successful trilateral cooperation we have to deliver without which these plans will turn up nothing. I believe if we want to make a difference in terms of regional issues we are facing, we should make it successful. We need to be able enough to provide some solutions to unbalanced development in region or within particular country, and to be able to proceed to the much needed reforms and structure. In past five years, Chinese government pursued a comprehensive reform system by putting forward 360 reform plans covering 1500 steps. So, I believe that these are the important steps if we want to make this cooperation a success. Lastly, all these projects should be economically viable.

I want to make it clear that when China put forward the Belt and Road Initiative, it made it clear that all these initiatives are going to be government-led enterprise with societal acceptance.

PRESENTATION

Dr. Syed Rifaat Hussain,

HOD, Department of Government & Public Policy, NUST, Islamabad

I would like to express my gratitude to Institute of Strategic Studies Islamabad, and especially Chairman Ambassador Khalid Mahmood for inviting me to this very important conference to discuss trilateral cooperation between China, Pakistan and Iran. I would like to highlight few emerging trends regarding the prospects for this trilateral cooperation.

1. The first trend is the declining American influence on Pakistan and Iran.
2. The relative decline of American influence on Pakistan and in the region has been replaced by rising and growing influence of China as a regional and global player. It is evident from the emerging narrative that Asian Century belongs to rising China.
3. What happens at the bilateral level between Pakistan and Iran will directly impact on each state's interactions with China – the third country.
4. China's approach towards Pakistan and Iran will be affected by its own relations with the Arab Middle East and the Persian Gulf states.
5. Because of CPEC, the destinies of Iran and Pakistan are not only getting intertwined, but the regional politics will be decisively shaped by patterns of competition and cooperation between them.
6. The new great game for regional influence is marked by China's quest for energy, markets for its industrial and technological products, and revival of its deep cultural and historical ties.
7. Peace in Afghanistan has become imperative for China as continued violence in Afghanistan will not only adversely affect China's key regional ally Pakistan, but would also affect the (nearly 25 millions) Muslim living in the Xinjiang area.

Here, I would like to make a point that whenever we talk about the foreign policy of these countries, we talk about the regional and global influences but neglect the domestic context which is equally important. As mentioned before, that a reform process is going on in China,

I want to inform the audience that Iran and Pakistan are also undergoing a major reform process. So, the domestic politics will also have a decisive influence on the foreign policy outlook of Pakistan and Iran. As Lenin said, “Foreign policy is a continuation of domestic power.” What happens inside each country – who is wielding power, what constellation of power is emerging – is becoming more important than ever before. Regime disposition and stability is becoming more important as a driver of their foreign policies

A huge plus factor for cooperation between China, Iran and Pakistan is the absence of sources of conflict between them. Pakistan and China had a border dispute but it was amicably resolved through bilateral treaty signed in 1963. Furthermore, there is a rich history of strategic consultation and cooperation between Chinese and Persian Empire - there is no direct or indirect conflict between China and Iran. President Yang Shangkun during his visit to Tehran in 1991 emphasized on the “two thousand years of friendly exchanges between two people.” Premier Zhou Enlai described the roots of Sino-Iran ties by saying that “Iran is a country with a long history and an ancient civilization. The industrious, courageous and talented Iranian people created the splendid Persian culture which remains a rich legacy for mankind and adds luster to the treasury of world civilization.” The joint communique issued by President Khatami and Jiang Zemin referred to China and Iran as “two great civilizations in Asia,” endorsed the Iranian call for making 2001 the UN “year of dialogue among civilizations,” and “stressed the necessity of respect for human rights and for the history, culture, and religions of each country in defending and developing (those) human rights and fundamental freedoms.” So, Pakistan, China and Iran are the three countries which are starting their cooperation on a very positive note.

Furthermore, there are other important determining factors like energy security. China has an unquenchable thirst for oil. It's not that China lacks oil reserves. China's share of global oil consumption was a tiny 3% in the 1980s. But by 2007 its share had rocketed to 9%. The International Energy Agency estimates *that China will account for over 40% of the increase in the world's oil demand through to 2030*. This scenario assumes an average economic growth rate of 6%.

Meanwhile, the prevailing tensions between America and Iran highlight the vulnerability of oil imports to what are called “chokepoints.” The first major chokepoint is the Strait of Hormuz, the only entry into the Persian Gulf. At its narrowest, it is only 21 miles wide, separating Iran to the north and the Oman to the south. The United States Department of

Energy estimates that 24% of China's oil imports travel through the Strait of Hormuz. The second major chokepoint is the Strait of Malacca. At its narrowest, the strait is just 34 miles wide, separating Singapore to the north and Indonesia to the south. The United States Department of Energy estimates that 80% of China's oil transits through the Strait of Malacca. The Strait ranks among the world's busiest and most dangerous shipping lanes.

Importing oil overland eliminates the Strait of Hormuz and the Strait of Malacca entirely. China's neighbor, Kazakhstan, claims 3% of the world's oil reserves. Not surprisingly, China has focused on Kazakhstan in its search for an alternative oil supplier because of the country's

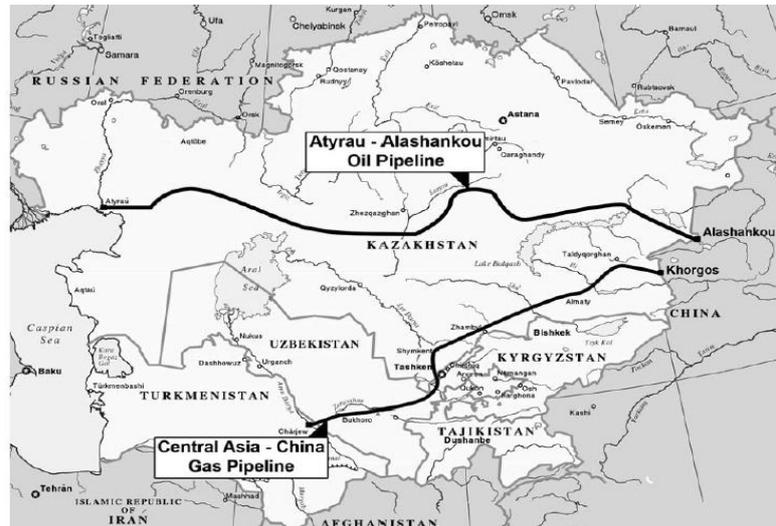


Figure 5.3 Map of Major New Chinese Pipelines in Central Asia

proximity. A pipeline running from the Kazakh oil fields to Chinese oil refineries would be of huge strategic value to the state planners in Beijing.

Trilateral cooperation between China, Pakistan and Iran is challenged by one fundamental factor of search for peace in Afghanistan. The ground reality of Afghanistan is that a war economy has virtually existed for the past four decades since 1979 in Afghanistan. The Taliban are continuing their military offensive against the National Unity Government (NUG). Despite having achieved military successes, the Taliban are not in a position yet to topple NUG. As a result of this situation, there is a military stalemate between the NUG and the Afghan insurgency. Under Trump, the Americans have decided to keep their military presence in Afghanistan around 14,000 soldiers to deny the Taliban any more territorial space. The NUG has succeeded in winning over the support of Hikmetyar's Hizb-e-Islami for the peace process. This is seen as a big plus for the NUG as it opens the way for jumpstarting the reconciliation talks. Recent reports of an unconditional offer of peace talks by Afghan high peace council to Taliban raises hopes for a negotiated settlement.



As a landlocked entity, Afghanistan needs access to the outside world through Pakistan or Iran. Chabahar port is being projected as an option for Indian goods to Central Asia, bypassing Pakistan. Afghanistan is also a multi-ethnic state which has deep cultural, ethnic and tribal links with its neighbors. For peace in Afghanistan, it is imperative that the Quadrilateral Coordination Group (QCG) peace process should be revived. Afghanistan's civil war has drawn in external powers with their own conflicting agendas. Afghanistan's "democratic future" critically hinges on a modicum of regional cooperation. The role of peace spoiler like narco-mafias, warlords and ISIS is becoming more important. The real challenge is to reconcile the conflicting interests of NUG and various Afghan insurgent groups.

Pakistan faces a nut-cracker situation in the wake of war on two fronts. 1/3 of Pakistan's military is deployed on the Western front. IP and TAPI and CPEC will be subverted if peace eludes Afghanistan under the pernicious effects of Indo-US strategic partnership. US has been projecting India as a security provider in the India-Pacific region. It's a time for a non-violent turn. Can Taliban be co-opted or they would remain like the "crooked timber of humanity" willing to be broken but unwilling to bend.

QUESTION–ANSWER SESSION

Q: Iran and Pakistan are Muslim and neighboring countries but they do not share very close ties which is often exploited by India, development of Chabahar port in Iran is one such example. So what measures should the two countries take to establish a strengthened relationship between Iran and Pakistan?

A: Iran has always tried for more cooperation between Chabahar and Gwadar and strengthening of economic ties. Iran is looking for more and more co-operation through this harbour. This misconception in Pakistani peoples' minds needs to be cleared that Iran has allowed its territory to be used against Pakistan. I would like to clarify that Iran has never given permission to any country in the world to misuse its territory against Pakistan. Many discussions between the two countries have been undertaken to increase co-operation between the two sister harbours of Chabahar and Gwadar and negotiations are underway to strengthen the transmission line of electricity from Iran to Pakistan. Major progress has been achieved in establishing a shipping line between these two ports. I believe that now it's time to co-operate and collaborate as both countries have already wasted enough time. Iranian approach is that they only way to overcome regional issues is to pursue a regional approach. Regional diseases need regional treatment.

More interaction between the two countries is needed to remove all misunderstandings. Most of the misperceptions have been created due to lack of information. I am surprised to know that not many people are aware about Iran's progress in the field of science, bio technology, medicine and space.

Everyone is aware of the fact that all three countries, Iran, Pakistan and China experience cordial relations and fortunately there is no dispute or tension between them. We don't look at CPEC only as a trade and business project, we believe that if Iran's potential in the energy sector is exploited through this project then Iran is ready to collaborate. Iran has immense potential in energy and transit and if these areas are exploited, Iran will fully support the regional countries in doing so. No one can deny Iran's potential in the energy sector and its immense energy resources.”

Q: US influence is declining in this region while China's influence is increasing and in order to counter that US is aligning itself with India. While China is perusing regional connectivity, US is pursuing Asia –pacific strategy so how can Pakistan keep a balance between its relations with US and China?

A: Pakistan has been playing this very difficult balancing game in choosing its friends and also maintaining relations with those who are not its friends for a long time. Even back in the Cold War era, Pakistan chose to enhance its relations with China despite the fact that this antagonized United States. Pakistan had very good diplomats at that time due to which Pakistan was able to find negotiating space to keep friendship with China on one hand, and divert US pressure on the other. But unfortunately, over the years that shape has shrunk and Pakistan is once again, vis-a-vis US and China, in a zero sum choice. US-China relationship is a mixture of conflict and co-operation. Hence, Pakistan can choose on certain issues to align with China and can cooperate on other issues with US. Given the Trump administration's advocacy of an order which is based on Indo-centric approach, then the possibilities of more co-operation is negative. However, if Pakistan plays its cards well then Pakistan can easily play this balancing game successfully.

A: China is not forcing Pakistan to choose between China and US, as China itself has very cordial and stable relations with US which it wants to keep in the future. I believe that the issue based strategy on terrorism which the Trump administration is pursuing is creating problems in US-Pakistan relations.

Q: Explain that on one side China is shifting its focus from geo-politics to geo-economics, but at the same time it is increasing its military presence in the Indian Ocean.

Q: Why China is not importing gas from Iran through Iran-Pakistan gas pipeline rather than importing it through Turkmenistan which is very cost ineffective.

A: As China's interests in the international arena grow so will its presence. But the national interest of China is to safeguard peace and prosperity of the world and as far as the energy issue is concerned, China is open to all other options if they are technically and economically viable.

Q: Geo-economics on its own is not enough to bring peace and stability in the region. Geo-politics is equally important and economics on its own cannot rule the world. Japanese a major economic power during the World War II, couldn't stand the pressure of US, a military giant with advanced technology. One day China will be a super power, but only being economically stable will not lead it there until and unless it has the ability to influence globally. The only thing that differentiates the ports of Gwadar and Chabahar are the geo-political interests of the regional powers.

A: Yes, I agree that China itself has both geo-economic and geo-political concerns but we need to change that narrative by focusing more on geo-economics in order to encourage more co-operation.

Q: What will be the repercussions on this regional triangular cooperation of Iran, Pakistan and China if US decides to pull out of Afghanistan as it has recently indicated in its security strategy?

A: Both countries have suffered a lot due to the presence and ambitions of superpowers in this region in the past. The solution is to increase interaction between the three countries and activate all the potential of trade and transit that exists between them. It is definitely clear that in recent years Pakistan and Iran have suffered a lot due to their animosity. Iran wants better relations between Islamic and other regional countries and is trying for more co-operation. Terrorism is a global phenomenon and it's sad that the big powers have differentiated terrorism into bad terrorism and good terrorism, according to their own interests. For Iran, terrorism is terrorism and cannot be differentiated into good terrorism if they are with us or bad terrorism if they are against us. This is the American approach to terrorism. It is sad that both the countries are victims of terrorism. All countries are now exposed to this danger.

CONCLUDING REMARKS

H.E. Mr. Mehdi Honardoost,
Iranian Ambassador to Pakistan

Both Iran and Pakistan are young countries as a massive majority of their population lies below the age bracket of 35 years. After the exit of US from Afghanistan the threats to regional peace and security will increase. Hence, in order to address regional issues including terrorism, I believe that all the three countries Iran, Pakistan and China can come together as new patrons of friendship that they can offer to the world. The recent catastrophic events have most affected the countries in our region. The solution to these issues exists in a convergence approach and setting aside any differences in order to promote peace prosperity and give better lives to the people of our region.

SESSION III

Challenges to Trilateral Cooperation and the Way Forward



The session was chaired by **Ambassador Khalid Mahmood**, Chairman, Institute of Strategic Studies Islamabad.

The speakers in this session included: **Dr. Hadi Soleimanpour**, Head, Centre for International Research & Education (CIRE), Tehran; **Dr. Wang Yiwei**, Director, Institute of International Affairs, Renmin University, Beijing; **Ambassador Javid Husain**, Former Ambassador of Pakistan.

PRESENTATION

Dr. Hadi Soleimanpour,

Head, Centre for International Research & Education (CIRE), Tehran

I will first talk about the facts and figures regarding economic cooperation, particularly, between Pakistan and Iran. The cooperation between Iran and Pakistan in the sector of energy for instance needs to be addressed from the CPEC's perspective as well. CPEC does compound projects on energy.

I will secondly talk about the Chabahar Project which is a part of the development process in Iran which connects sea and the south to the northern part of Iran. These days, the two important ports of Iran, Bandar Abbas and Imam Khomeini port are under immense pressure. The main objective is to reduce pressure on Bandar Abbas and the port of Imam Khomeini.

If the corridors stretching from south at Chabahar to the central Iran and beyond to the north is closely observed, one realizes that the corridor in Mirjaveh, which is of 300 kilometers further goes in two directions, one by railway to Rafsanjan and connects to the railway network of Iran and then by road to Zahidan and Kabul and Milak. Zahidan is only a part of that plan and having a potential of the market of Afghanistan is only a part. To avail the potential of Afghanistan market would be only 5.1 million tonnes per year. Nobody would build such a huge infrastructure for 5.1 million tones of the Afghan market. So Chabahar is not for Afghanistan or to bypass Pakistan for India. That is basically meant to reduce pressure on the other ports of Iran and build an access through railway from the south to the north of Iran. The railway itself between Chabahar and Mirjaveh is fully invested by the Iranians, not by any other country. The investment is almost \$300 billion and 58% of the work is completed and the remaining 300 kilometres would be completed in another two to three years by investing \$320 million more.

Pakistan provides a very limited market of \$ 0.8 million to the trade of \$1.8 billion Iranian trade. If China wants a strong trident relationship between Pakistan, Iran and China, it has to come up with more integrated economic plan for stronger ties. Otherwise, if you just plan for Pakistan and Iran separately, it would not sustain and is neither a sustainable approach.

How can Pakistan, Iran and China work together on Chabahar and in general? If the shift from geo-political to geo-economic logic is realized as a base of relationship between Pakistan, Iran and China, it would resolve several issues. Economic cooperation in each project should have economic justification otherwise it would not work. If for example, CPEC or any north-south project, (such as Chabahar) is launched on geo-political or security concerns, it would not work. But if it has economic considerations within the main plan, it can help create employment at the local levels and can contribute to the local GDP. Both Pakistan and Iran are certainly in need of increasing their strength for the purpose. China hence need to understand and help Pakistan and Iran develop an integrated, comprehensive and interrelated plan to save the region. The political rivalries can thus be met more effectively. The eastern neighbors have several proposals to come to the Iranian side. But I urge the Chinese to come forward.

Secondly, both Gwadar and Chabahar should be complimentary ports, otherwise the potential of resources held by both Iran and Pakistan would be lost. The economic situation in which Pakistan and Iran are living would not benefit out of this rivalry. Therefore, any threat to positive economic competition must be avoided, since it would have a spillover effect on other kind of rivalries. Both Chabahar and Gwadar and other transport corridors have different agendas and mandate.

Similarly, the economic factor in their relationship (Pakistan and Iran) cannot be restricted to Chabahar and should be looked into beyond this. The potentials on both sides must be realized. Both Pakistan and Iran should try and convince China that they also hold great potential of distribution chain apart from the production chain. Both are rich in human resource. After South Korea, Iran has admirably reached to the second position of human development progress in the last three decades. Pakistan is followed by that. Iran is also amongst the first six countries in Nano technology. Iran is considered as one of the first twenty countries in bio-technology. In IT also, Iran is well-developed. Their development is not only confined to energy sector, but heir human resource potential is equally useful. Similarly, Pakistan also holds great potentials. China should therefore not only look at the southern gulf as a part of their distribution chain. Pakistan and Iran can play a significant role in this aspect as well while serving the Chinese interests as well.

To further their cooperation, one such forum could be that of ECO. Under this agreement signed between Pakistan, Iran and Turkey many years ago for trade, there are almost no

tariffs on trading certain goods having quota based system. Pakistan now chairs that organization and with an extended membership of Azerbaijan, can talk to all the members of the ECO for economic cooperation. Similarly, there is another organization by the name of D8 of which Bangladesh is also a member along with Malaysia and Indonesia. The DG of the organization is a Pakistani. China can talk with the D8 and ECO by using Pakistan's offices in order to strengthen itself regionally. It would be hard for China to succeed bilaterally in its objective of regional development comprehensively.

In the end, I will say that all efforts would be shaky if Afghanistan is not engaged in the entire process of regional development. Afghanistan is an important part of this region. Peace and development in Afghanistan is an essential part of any regional development. In Afghanistan, all old traditional narratives have so far failed. The narrative of extremism and terrorism has failed. Pakistan with the Taliban has no future there. The presence of Daesh is evidence that the Taliban do not fully enjoy the support there as much, at least for a certain group. The narrative of pro-western and American has also failed. Even within Kabul, every one tried to introduce their own narrative from Karzai to Hikmatyar. Hence, the time is crucial for Pakistan, China and Iran to introduce a new narrative based on peace and development.

PRESENTATION

Dr. Wang Yiwei,

Director, Institute of International Affairs, Renmin University, Beijing

China has emerged as a leader of the Indo-Pacific region since the influence of the US and Japan is declining. The influence of the United States and Japan in Asia is also declining. Already, Asia Infrastructure Investment Bank (AIIB) which is widely regarded as a rival and counter-balance to the US-led World Bank and the Japan-led Asian Development Bank is becoming popular amongst the European and Asian allies, notably South Korea and Australia. This would appear to endorse China's rapid rise in the financial market and the decline in the United States' influence. Europe is also thinking in terms of taking its fate in its own hands. China's economy is likely to account for 85% of the United States by 2020. The economy of Japan, India, Australia combined will be unable to match China despite India's growing presence in the region.

China aims to promote the connectivity of Asian, European and African continents and their adjacent seas through its projects of One Belt One Road (OBOR). It envisions establishing and strengthening partnerships among the countries along the Belt and Road, setting up all-dimensional, multi-tiered and composite connectivity networks, and realizing diversified, independent, balanced and sustainable development in these countries.

China's Initiative is open for cooperation. It is not limited to the area of the ancient Silk Road. It is open to all countries, and international and regional organizations for engagement so that the results of the concerted efforts could benefit wider areas. President Xi Jinping has said that "rather than undercutting each other's efforts, countries should complement each other and work for joint progress."

For Pakistan, China and Iran's Triangular Cooperation, there should be cooperation priorities, policy coordination, facilitating connectivity, ensuring unimpeded trade, guaranteeing financial integration and encouraging people-to-people bond. It is disappointing that the geo-political bias of India hinders in benefiting from BRI. It is because of this that Bangladesh-China-India-Myanmar (BCIM) corridor has made little progress. Even a basic roadmap has not yet been released. Modi instead has invited Japan to participate in economic development projects in northeastern India which reflects that he is more

enthusiastic about India's connectivity with Thailand and Myanmar. On the other hand, Beijing has expressed its anticipation to see New Delhi join the grand project and to make concerted effort with India in building economic corridors involving China, India, Sri Lanka, Nepal, Bangladesh, and Myanmar.

PRESENTATION

Ambassador Javid Husain,
Former Ambassador of Pakistan

As previous speakers at this conference have underscored, there are bright prospects and opportunities for trilateral cooperation among China, Pakistan, and Iran to the benefit of all the three countries and indeed the whole region. These opportunities are based essentially on the convergence of the strategic interests of the three countries as a result of which they are gradually gravitating closer to one another. The joint statement issued at the end of Chinese President Xi Jinping's visit to Pakistan from April 20-12, 2015 stressed that Pakistan considered its friendship with China the "cornerstone of its foreign policy". The Chinese side also affirmed that it had "always placed its relationship with Pakistan on a priority position in its foreign policy agenda". Pakistan-China friendship is an important factor for strengthening strategic balance and peace in the region, especially in South Asia. Pakistan's friendship with Iran is again based not only on historical links, geographical proximity, and cultural affinities but also on the realization that their security and economic well-being are closely inter-linked. It is, therefore, in the common interest of the two countries to cooperate with each other and coordinate their policies in dealing with major strategic issues on the basis of mutual understanding and mutual accommodation. It is also a reality that the evolution of the global and regional security environment is conducive to the strengthening of strategic partnership between China and Iran. In a nutshell, these strategic commonalities provide a sound foundation for close all round cooperation among Pakistan, China, and Iran in various fields.

Beyond strategic and political commonalities, geographical proximity and economic considerations are additional factors which justify close trilateral cooperation among these countries. Geographically speaking, the three countries, which are directly linked through land routes, together cover a large contiguous area of great strategic, economic, and commercial importance in Asia. The trade potential of the land routes linking them is waiting to be developed. The China-Pakistan Economic Corridor or CPEC involving Chinese investment of over \$55 billion in various sectors in Pakistan with the possibility of extending it to Iran is an important manifestation of the huge potential for economic and commercial cooperation among the three countries. CPEC, when fully developed, will not only provide to China, especially its western provinces, a relatively short trade route through Pakistan for

direct access to the Arabian Sea and the Persian Gulf region, but also facilitate trade among Iran, Pakistan, and China. Economic complementarities provide further underpinning for close economic and commercial cooperation among the three countries. For instance, China, which has surplus capital for investment abroad, can find lucrative opportunities for investment in both Pakistan and Iran which are in need of foreign investment. According to reports, China has huge investment plans for Iran also. State-owned CITIC Group recently established a \$10 billion credit line and China Development Bank is considering to provide additional \$ 15 billion for investment in Iran. Iran, which has huge oil and gas reserves, can find markets for these commodities in Pakistan and China which are oil and gas importing countries. Iran-Pakistan gas pipeline, once it is completed and becomes operational, can be extended to China to meet its rapidly growing gas requirements. Pakistan can export textile items to Iran which is a net textile importing country. Both Iran and Pakistan can also benefit in various ways from the technological advances that China has made in various sectors. Thus, there is an enormous potential for economic and commercial cooperation among the three countries.

Challenges to Trilateral Cooperation

Trilateral cooperation among China, Pakistan, and Iran has political, strategic, security, economic, commercial, and cultural dimensions. The three countries must beware of the challenges and obstacles which confront them in fully exploiting the potential for mutually beneficial cooperation in these areas

Political, Strategic, and Security Challenges

At the political and strategic levels, China, Pakistan, and Iran need to develop mutual understanding on important regional and global problems like Afghanistan, nuclear proliferation, terrorism, and peace and stability in Asia and its various sub-regions especially Central Asia, South Asia, and the Persian Gulf region. The challenge facing them is to identify and expand the common ground among them on issues relevant to these problem areas. This will not be an easy task because of the variety of their interests. But the difficulty of the task should not deter them from undertaking it. In particular, the three countries should coordinate their policies for the restoration of durable peace and stability in Afghanistan because of its central location and its deep impact on regional peace, stability, and progress. They should also strictly adhere to the principles of sovereign equality and non-interference

in each other's internal affairs.

It is not a secret that India is firmly opposed to CPEC and growing strategic cooperation between Pakistan and China as it sees in them a challenge to its hegemonic ambitions in South Asia. It would not miss any opportunity to create obstacles in the successful implementation of CPEC projects and the development of Pakistan-China strategic cooperation. It is not surprising, therefore, that India is involved in fomenting terrorism in Pakistan, as shown by the activities of the arrested Indian spy, Kulbhushan Jadhav, a serving officer of the Indian navy, and in inciting instability in Pakistan. India would also oppose the strengthening of strategic cooperation between Pakistan and Iran because of its enmity towards the former, or even between Iran and China as it views the latter as a rival in Asia and a major obstacle in the fulfillment of its hegemonic designs in South Asia and the Indian Ocean region. So China, Iran, and Pakistan must beware of India's attempts to create misunderstandings and obstructions overtly and covertly in the strengthening of trilateral cooperation among them.

The US opposition to CPEC and the strengthening of trilateral cooperation among China, Pakistan, and Iran is hardly surprising. The defining feature of geopolitics in the current century would be the growing Sino-US rivalry because of China's phenomenal economic growth and, more recently, its rapid military build-up. Pakistan's friendship with China runs contrary to the US policy of containment of China. CPEC would also enable China to establish its presence at Gwadar at the mouth of the Persian Gulf and the northern reaches of the Arabian Sea, thereby, posing a possible challenge to the US in the region. Washington is also at loggerheads with Iran primarily because it sees in it a major obstacle in the realization of its strategic goals in the Middle East and the Persian Gulf region. It has, therefore, opposed the Iran-Pakistan gas pipeline project. For these reasons, trilateral cooperation among China, Pakistan, and Iran would also attract the US opposition. Therefore, a major strategic challenge facing these three countries is to identify the various forms, overt and covert, in which this opposition would manifest itself and how to overcome the US opposition to trilateral cooperation among them.

Pakistan has been the victim of terrorism for quite some time. It has made strenuous efforts and rendered enormous sacrifices in blood and treasure for overcoming this menace. Despite its successes in the eradication of terrorism, the country is faced with security problems. Pakistan must, therefore, adopt special measures for ensuring the security of the

various projects which are undertaken under the framework of CPEC or trilateral cooperation and for the personnel working on them. It is heartening to note that GOP has already raised a special force for this purpose. Further, both Pakistan and Iran need to take steps for improving the security situation across their borders with a view to interdicting the activities of criminal groups and terrorists.

As for Pakistan, it would also have to take into account the likely opposition from Saudi Arabia and some other Arab countries of the Persian Gulf region to its attempts to get closer to Iran. Pakistan needs to strengthen friendly relations with both Iran and Saudi Arabia. The balancing of its relations with Iran and Saudi Arabia would pose to Pakistan the challenge of some tight rope waling.

Economic and Commercial Challenges

The main challenge facing China, Pakistan, and Iran in the economic and commercial fields is to make their trilateral cooperation beneficial to all of them. It is only in this way that the foundation of a durable cooperative relationship calculated to promote goodwill on the basis of sovereign equality and mutual respect can be laid. A one-sided relationship in which benefits flow in one direction will not be sustainable. Fortunately, CPEC and trilateral cooperation as pointed out earlier carry enormous economic and commercial benefits for all the three countries. However, in the management of projects under CPEC and those involving trilateral cooperation, the principles of transparency and efficiency, besides the objective of mutual benefit, should always be adhered to with a view to avoiding any misunderstandings at the public level. This would help make the trilateral cooperation sustainable in the long run by providing necessary political and public support in all the three countries, and by ensuring that the various projects under the framework of trilateral cooperation are implemented on efficient lines.

Pakistan offers attractive opportunities for Chinese investment in the construction of dams for irrigation and power generation, transport and communications, industry, agriculture, infrastructure, and energy sectors. The challenge facing the two governments is to identify and develop feasible projects ready for Chinese public or private investment. This task must be undertaken on a continuous basis to take advantage of emerging new opportunities. Pakistan and Iran would also have to streamline their administrative procedures to enhance their foreign investment absorption capacity so as to avoid waste and

corruption.

At present, the balance of Pakistan-China trade is heavily in favor of China. Pakistan-China trade was estimated to be \$ 12.5 billion in 2016-17 with Pakistan's exports to China reported to be only \$ 1.62 billion. The situation calls for well-considered and effective steps by the governments of Pakistan and China to rectify the situation. Pakistan needs to adopt necessary measures within the country to enhance domestic productivity and encourage exports. China, on the other hand, needs to take steps to encourage imports from Pakistan. For this purpose, the two countries may have to amend the Free Trade Agreement to provide preferential treatment to Pakistan's exports to China.

The low level of Pakistan-Iran trade (\$ 150 million}, mostly because of the US sanctions against Iran but partly also because of the lack of due attention on the part of the two governments and the weaknesses of their private sectors, is totally unsatisfactory. The governments of Pakistan and Iran need to adopt creative measures to overcome the existing difficulties and promote bilateral trade on a balanced basis. In particular, the two government should complete and operationalize the Iran-Pakistan gas pipeline at the earliest with the possibility of its extension later to China. The completion of this project will not only promote Pakistan-Iran trade but also encourage cooperation in other economic sectors.

The development of Gwadar as a deep-water seaport with the help of Chinese investment is a flagship project under CPEC. It can act as a complementary and sister port of Chahbahar seaport on the Iranian side as indeed has been affirmed by both the governments of Pakistan and Iran. Sea and road links between the two would help in fully realizing the potential of the two seaports.

Cultural Challenges

Undoubtedly, there are strong historical links and deep cultural affinities between Pakistan and Iran. However, it would be naive to make the same claim regarding the relations between Pakistan and China, or between China and Iran. The reality is that China, on the one hand, and Iran and Pakistan, on the other, belong to two different civilizations. Pakistan and Iran are important members of the Islamic civilization. On the other hand, Chinese civilization with its glorious past going back thousands of years has its own distinctive features. Accordingly, the three countries need to understand one another's cultural values and sensitivities so as not cause unwittingly any misunderstandings. The challenge facing the

three countries, therefore, is to promote cultural interaction among them with a view to enhancing mutual understanding and goodwill, and providing a sound foundation for cooperation in other areas. People-to-people contacts, if properly handled, can also help in promoting mutual understanding and goodwill among the three countries.

Conclusion

In conclusion, despite the bright prospects for trilateral cooperation among China, Pakistan, and Iran, it would be a mistake on their part to adopt an attitude of complacency because of the serious strategic, economic, commercial, and cultural challenges confronting such cooperation. The governments and the peoples of the three countries should, therefore, adopt a pro-active approach for coming to grips with and overcoming those challenges.

QUESTION-ANSWER SESSION

Q: You have removed apprehensions about Chabahar, what is the actual Indian investment in Chabahar? There have been speculations about the amount of money that India has invested in Afghanistan?

A: Iran is past the stage of western sanctions. There is a need for a new narrative for Afghanistan.

Q: What kind of narrative are you talking about? My question is for Dr. Soleimanpour and Ambassador Javid Husain, regarding this issue.

Q: There is no silver bullet, no single point agenda which will take you anywhere. Diplomacy, money and military power will find the ultimate solution. So many people have talked about the centrality of peace in Afghanistan. The concept of regional cooperation is not liked by some of the powers, as they do not like this axis. What is it that these three countries can do? It is not going to be easy. They will do everything to make it a failure. We can all go back and think about this issue. We will have to think what we really will have to do in this regard.

A: I will tell you in total transparency and honesty regarding the Indian investment in Chabahar. The Indian investment is limited to the machinery only and the Indian investment is not huge at all. It is less than 70 million dollars and if you think about it, the actual level of investment is very low. Everyone has their own calculation in this regard. It is good for China, if it comes and looks at the project and see if it is viable. The investment is not very high and they are not involved on the port, on the road they are not involved. We need to get think tanks and talking among the elites, involved at different levels as well as the different related persons to see how this connectivity can be enhanced. A comprehensive, interrelated and integrated and interrelated plan for the coastal areas is required. On how to fix the trilateral relations between the three countries, my suggestion is that we have many things to do and how we can connect the railway between Peshawar, Mir Jawa, Zahedan. How Pakistan and China can benefit from existing facilities, which already exist. Secondly, the gas pipelines can be connected to address the main difficulty, which is energy, in this country Pakistan. The coastal areas should be developed and used for economic

prosperity. China can use its experiences to make the two ports, complementary ports. China has the experience and just as you put the Guangzhou port very near to the other ports. The support of China is very important for enhancing the trilateral relations. Finally, on the narratives in Afghanistan, we have the same wish, which is that there should be peace in Afghanistan. If the prosperity of the people is not accounted for, then peace will not come. The relationship between India and Iran is a limited one, but whereas the relationship between Pakistan and Iran has no limitations. Pakistan and Iran have the same goals and aspirations for Afghanistan, meaning a stable Afghanistan. Radicalism and terrorism did not create trust between Afghanistan and Iran. The new narrative in Afghanistan should be introduced somehow by Iran, Pakistan and China based on the development of that country. If the economy of Afghanistan does not grow, then peace will not come and if the prosperity of the people is not taken into consideration, then even peace will not come. The breakthrough is in these things.

Q: It is just a question about a point Ambassador Javid Husain made about the linkages between Islam and the Chinese civilization. Huntington, when he talks about the conflict between civilizations, it is very interesting that he put together the lines of conflict; he put together the Hispanic Civilization and the Islamic Civilization as harmonious rather than compared to the Hispanic Civilization and the Western Civilization. Therefore, I think there is a natural harmony between these civilizations, although the Chinese have their own distinct civilization and are not a part of the Islamic civilization but there are no fundamental conflicts.

A: I have two to three fundamental points regarding the situation in Afghanistan. Pakistan and Iran have made mistakes in handling the issue in the past. We need not repeat those mistakes of the past. Pakistan and Iran should work together and not work for cross purposes, as this has proved detrimental in the past. The fundamental goal of both the countries should be to establish peace and stability in Afghanistan, along with China. You cannot achieve peace and stability by disenfranchising the Pakhtuns in Afghanistan or by disenfranchising the non-Pakhtuns in the country. The US military presence is a complicating factor for these countries and we do not know

how the US would react at the moment to the efforts by these three countries, China, Iran and Pakistan. Thank you.

A: It is important to state that while talking about civilizations, it can be said that the Islamic and Chinese civilizations are harmonious as there are many Muslims in China as well. India has conflicts with all its neighbors and it interferes in the domestic affairs of all its neighbors.

CONCLUDING REMARKS

Ambassador Khalid Mahmood,
Chairman, Institute of Strategic Studies Islamabad

This topic has generated very interesting discussion. These concluding remarks will cover all the previous sessions and I will highlight some of the outcomes of the discussions that have taken place and the ideas thrown during this discussion. Everyone agrees that there are good compelling reasons that warrant trilateral cooperation between Iran-Pakistan and China. BRI and CPEC have also opened opportunities in the region. There are many challenges that have been identified, which are mainly, peaceful conditions in Afghanistan, for this trilateral cooperation to prosper. Secondly, the naysayers, who would not like this cooperation to prosper also, pose a challenge. The triangular integration among these countries can be further improved by enhancing cooperation at all levels. While peaceful conditions in Afghanistan are also an absolute necessity, India has openly opposed the Belt and Road Initiative as it is not a purely geo-economic venture but it also has a geo-strategic aspect as well. Much discussion has taken place on the Chabahar and Gwadar ports which should not be viewed as rival ports as the geographical configuration will decide the future of these ports. This competition between the two ports should be a healthy competition as explained by Dr. Soleimanpour. We need to show commitment and show dedication, in order to take these initiatives forward. We can say that the Chinese commitment is very evident and at present the BRI is now a part of the Chinese constitution and this project has received endorsement from the UN. There are conducive arguments in favor of this initiative. I would like to congratulate the ISSI for initiating and stimulating this debate on this very important aspect of the BRI and we hope to continue this discussion in other forums as well.

I thank all of you for your commitment and for taking interest in such an important subject.



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