



*Report – Roundtable
with
Dr. Hadi Soleimanipour, Secretary
General, Economic Cooperation
Organization (ECO)*

March 14, 2019



PICTURES OF THE EVENT



Institute of Strategic Studies Islamabad (ISSI) hosted a Roundtable discussion on March 14, 2019, with the Honourable Dr. Hadi Soleimanpour, Secretary General, Economic Cooperation Organization (ECO). The agenda for the session was based on how successfully the ECO has achieved its objectives of regional connectivity and trade promotion.

Participants at the roundtable included: Ambassador Tariq Aziz ud Din, Ambassador Asif Durrani, Brigadier (Retd) Said Nazir, Institute of Policy Studies (IPS); Ambassador Tajammul Altaf, Ambassador Ali Sarwar Naqvi, Dr. Tughral Yamin, Centre for International Peace and Stability (CIPS), NUST; Ms. Anum Fatima, Pakistan Institute of Parliamentary Studies (PIPS); Dr. Muhammad Munir, National Defence University (NDU); Ambassador Seema Ilahi, Ms. Saqlain Syedah, Director General ECO/CARs, Ministry of Foreign Affairs (MOFA); Ms. Naila Israr, MOFA, and Dr. Shaheen Akhter, NDU.

In his welcome remarks, Director General ISSI, Ambassador Aizaz Ahmad Chaudhry highlighted how globalization is spurring many responses, one of which is regionalism. He said that in order to lead the process of regional development, economic organizations can play the role of a catalyst and locomotive. For several decades, the South Asian region has been unsuccessfully attempting integration. In this regard, it is necessary to take stock of what has been achieved so far in tangible terms. Pakistan stands at the crossroads of regional connectivity, and it is imperative to link together the landlocked member states of the ECO he said. By creating linkages, both Gwadar and Chabahar ports can facilitate maritime trade. The ECO Vision 2025 has set targets for member states to cope with challenges unfolding in the current world landscape. The indisputable reality is that the potential of ECO cannot be fully utilized unless member states work together in the domain of economic cooperation.

Dr. Hadi Soleimanpour greeted the participants and thanked the Institute for arranging the roundtable discussion on ECO's vision. He began by saying that ECO is the only regional organization that interlinks the northern part of the Persian Gulf to the Mediterranean Sea, the Black Sea, as well as the Caspian Sea. It also connects the Indian Ocean to the Caucasus region and to Russia; and Central Asia to the Subcontinent. ECO remains the only regional organization that is multi-connected with over 55000 km of railways and 800,000 km of road networks. The organization is marked as having huge potential with a global trade of \$960 billion and an

average regional GDP of \$171 billion. There is need to exploit the potential of this shared region taking into account the values of individual ECO member states based on their shared historical backgrounds and deep cultural linkages.

He further elaborated that before the colonial era and even up till now, the ECO region has remained economically well-integrated and culturally interactive. He stressed that the relationship among the ECO member states has been defined in terms of geo-economics and none of the ECO member states have strained their mutual ties over geopolitical rivalries or territorial disputes. This geo-economic approach is all cooperation and development, as well as integration. However, the facts and figures tell us that there is still a lot more to be done. The intra-trade volume stood at \$58 billion in 2017 which makes up about 7.8% of the total volume of regional trade. The main ECO trade agreement - the Economic Cooperation Organization Trade Agreement (ECOTA) on preferential trade has not been implemented even after almost fifteen years of its adoption. It is worth mentioning that only 5 out of 10 ECO member states are ECOTA signatories. Despite road and rail development at national level, the member states are not properly linked at regional level. Connectivity between member states is the major issue and remains top priority of the ECO Secretariat. Also, there is a need to design these different forms of connectivity in a way that are commercially justifiable such as Kazakhstan-Turkmenistan-Iran (KTI) corridor. ECO is currently working in collaboration with United States Educational, Scientific and Cultural Organization (UNESCO) and the Islamic Development Bank (IDB) on this KTI corridor.

Many points of connectivity are the missing links including areas like Mazar-i-Sharif, Herat and other regional points where rehabilitation and reconstruction is needed. However, in this vein, the most relevant example is the Quetta-Taftan and Taftan-Meerjaveh-Zahedan part of the Islamabad-Tehran-Istanbul (ITI) railway corridor which is one of the oldest corridors in the ECO region. The slow speed of the cargo train is also an impediment and it is encouraging to know that Pakistan has recently prioritized this issue through collaboration with China and Iran for repairing parts of this corridor to increase the pace of the cargo train up to 100 km/hr. Talks are being held with Pakistan's railway ministry for bringing this part of the project under China-Pakistan Economic Corridor (CPEC).

Bringing parts of this corridor under CPEC would prove to be a game-changer for regional prosperity and connectivity as it would bring Kashgar and the entire Western China closer to Southeastern Europe by passing through only three countries; Pakistan, Iran and Turkey. It would also reduce traveling time to a considerable extent between Chinese cities and Turkey, and Europe ultimately. This could drastically transform regional and global transit scenario. The Transit Transport Framework Agreement (TTFA) which is a major legal instrument to govern the transit transport issue in the ECO region has been ratified by only nine members. This agreement needs to be in place and properly implemented. With regard to the energy sector, he said that the ECO is in the process of establishing joint ventures with some of the EU countries, Chinese banks and Asian financial institutions. ECO is currently working on establishing an ECO Clean Energy Centre (ECEC) as a joint venture with United Nations Industrial Development Organization (UNIDO) and with assistance of some European Union (EU) countries and China.

ECO Vision 2025, a major achievement of the Islamabad Declaration of 2017 should be properly implemented and the general focus of ECO must be done by redirecting from documentation producing approach to a project-oriented approach. This can be achieved only through prioritizing the development of a regional financial systems and strengthening working relationships with regional and international organizations. ECO Vision 2025 contains about six priority areas like trade, transit transport, energy, tourism, economy and social welfare. There is also a need for expansion of ECO relations with countries like China and with institutions such as the Asian Development Bank (ADB).

An interactive session followed Dr. Hadi Soleimanpour's presentation in which important points such as educational role of ECO, scholarships, people-to-people contacts, visa facilitation for member countries and development of banking channels were discussed. Expert drafting of the projects undertaken by ECO was identified as a gap in ECO's working. Chabahar and Gwadar ports projects and their potential cooperation was also talked about. The Secretary General ECO emphasized that the role of think tanks and research organizations with respect to ECO and its working was crucial in order to gain fresh perspectives. Answering a question about US sanctions on Iran, the Secretary General highlighted how the lack of regional financial

institutions has stagnated ECO member states' economic cooperation, while he called sanctions a pressure tactic that had not only regional but global implications.

Concluding the discussion, the Director General ISSI expressed his gratitude to Honourable Dr. Hadi Soleimanpour and all the esteemed participants for being part of the roundtable.