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Report – In-House Meeting

“Visit of 3-member Delegation from The Economist”

December 12, 2019



Rapporteur: Muhammad Faisal

Edited by: Najam Rafique

China-Pakistan Study Centre (CPSC) at the Institute of Strategic Studies Islamabad (ISSI) hosted an In-House meeting, on December 12, 2019, with a three-member team from Economist Magazine led by Mr. Dominic Ziegler, Asia Correspondent. He was accompanied by Mr. Ben Farmer and Mr. Waqar Gillani. Agenda of the discussion was Pakistan-China Relations and CPEC.

The In-House was preceded by a one-on-one meeting of the delegation with Ambassador Aizaz Ahmad Chaudhry, Director General ISSI. Ambassador Chaudhry gave an overview of the regional situation. He said, as the world is undergoing strategic change, the shift of global politics has moved to Asia. Today, Indian Ocean region is home to new great power competition between China and the United States. America has adopted an Indo-Pacific Strategy, whereby, it wants India to play an active role in Asia as a counter weight to China. Meanwhile, China and Pakistan are deepening and broadening their historic cooperation to advance regional peace and security. Being neighbors, Pakistan and China are very close to each other and therefore, a new kind of alignment is emerging where China and Pakistan are on one side, whereas US and India are on the other. Pakistan, he said, wants to have good relations with both China and US.

India, Ambassador Chaudhry said, has been emboldened by its growing ties with the West. Indian Prime Minister has adopted a hawkish policy, domestically and towards Pakistan. He seeks to turn India into a Hindu state. His aggressive policy towards Kashmir and minorities, particularly Muslims, are eroding regional peace. India's annexation of Kashmir in August, 2019 is blatant violations of the United Nations Security Council (UNSC) resolutions on Kashmir.

On relations with Iran, Ambassador Chaudhry stated that Pakistan enjoys cordial relationship, but the current geopolitical situation poses challenges. The tensions between Iran and the US and differences between Iran and Saudi Arabia are a source of concern for Pakistan.

Meanwhile, in Afghanistan, Pakistan desires peace and stability. Pakistan supports an Afghan-owned and Afghan-led peace process that can lead to peace and reconciliation in Afghanistan, as Pakistan believes there is no military solution to Afghan conflict. Pakistan remains mindful of the fact that instability in Afghanistan might eventually spillover into Pakistan. Thus, peace and stability is in the interest of Pakistan and the region. Pakistan supports all regional initiatives for peace and stability in Afghanistan.

On a question relating to Pakistan-China and US-Pakistan relations, Ambassador Chaudhry stated that Pakistan values relations with both great powers, as it seeks stable relations between China and the US. He said that it was Pakistan which facilitated back-channel diplomacy between Peking and Washington 40 years ago.

Mr. Ziegler and his team were later briefed by Mr. Najam Rafique, Director Research, and members of CPSC team.

Ms. Uroosa Khan, Associate Editor CPSC, briefed the guests on the history and current activities of the Institute.

Mr. Najam Rafique provided a background on China-Pakistan Economic Corridor (CPEC) and said that being part of China's Belt and Road Initiative (BRI), CPEC aspires not only to bring prosperity to Pakistan, but also act as a bridge to connect some 3 billion people across Asia, Africa, Middle East and Europe. The project, he said, has been under a lot of propaganda from the West, particularly regarding the so-called Debt Trap. However, CPEC has now completed its first phase of energy and infrastructure projects and we are reaping the 'low hanging fruits' whereby some 13 energy projects are now contributing to the national grid. Pakistan has been, to a large extent, able to overcome its energy crisis. To a query, he said that CPEC does hold a strategic value besides the economic benefits under the US scheme of containment of China. Both Pakistan and China have military collaboration including joint military exercises and training programs. Pakistan and China have also collaborated in a joint military production of JF-17 fighter aircraft.

To a query on the current status of CPEC and cooperation between Pakistan and China, Mr. Najam said that the project has now entered into its second phase of increasing cooperation in the fields of industrial development, agriculture, health, education and setting up of Special Economic Zones. Nine SEZs have also been identified in this regard.

Ms. Neelum Nigar, Research Fellow CPSC, added that the operationalization of SEZs will help Pakistan to boost its industrialization process.

Mr. Ben Farmer asked a question about the possibility of re-location of Chinese industry to Pakistan? Mr. Muhammad Faisal, Research Fellow CPSC, noted that Pakistan is aiming to incentivize Chinese industry to relocate part of their manufacturing capacity to Pakistan in the

second phase of CPEC. This, he said, will help create jobs for Pakistani workers. The process is slow, as development process of SEZs itself is slow. Pakistan has offered tax breaks to companies willing to relocate to Pakistan.

This was followed by an animated discussion on various aspects of Pakistan-China relations and CPEC.

PICTURES OF THE EVENT



