

**SAPM's SPEECH ON**  
**"PAKISTAN'S FOREIGN POLICY"**  
**AT INSTITUTE OF STRATEGIC STUDIES, ISLAMABAD.**

Ambassador Khalid Mahmood, Chairman ISSI,  
Ambassador Masood Khan, Director General, ISSI,  
Distinguished Guests,  
Ladies and Gentlemen,

1. It is indeed a great pleasure for me to visit the Institute of Strategic Studies and be amongst such a prestigious gathering of intellectuals, diplomats and academicians. I congratulate the Chairman and the Director General for reinvigorating the Institute by organizing such events, conferences and seminars.

**Ladies and Gentlemen,**

2. The evolving global environment with multiple challenges and, equal, if not overriding opportunities, are strong determinants for formulation of a dynamic foreign policy. While the core national interests of any nation remain constant, the process of executing the goals and objectives of foreign policy change, according to developments in the domestic, regional and global platforms.

3. Like any other state, Pakistan's foreign policy is focused on promoting its national interest in the global community. It seeks to safeguard its security and territorial integrity, building peaceful relations with all countries, especially neighbours and pursue the path of economic prosperity. Pakistan seeks peaceful and cooperative relations to acquire its rightful place as a responsible nuclear power. Its geo-strategic and geo-political stature ensures a prominent place for Pakistan, in the global environment.

4. Improved relations with neighbors in the region; deepened friendship, coupled with enhanced cooperation with China; sound relationship with the United States based on mutual respect; stronger bonds with the Muslim world; upgrading ties with Russia and West Asia; protecting interests of its Diaspora and correcting the country's negative image, guide Pakistan's foreign policy.

**Ladies and Gentlemen,**

5. It is clear that the common denominator for economic development is peace and stability. If we look back, economic development in Europe accelerated only after stability had returned to the Continent, following World War II. Visionary leaders of the time, such as Schuman and Jean Monnet, felt that economic integration and development were the way forward for their nations to ensure peace and stability in the region. Similarly, closer home, China's growth and development, as well as that of South East Asia, has been determined by first ensuring that the surroundings remain stable, thereby producing an environment

conducive to growth and development. Unfortunately, our region has not had this opportunity and remains mired in disputes and differences.

6. That is why, even before coming to power in 2013, Prime Minister Nawaz Sharif had articulated his vision of “peace for development” and “a peaceful neighbourhood”. It is clear that unless there is peace on our borders and in our region, Pakistan cannot develop socially or economically. We cannot have stability within the country, when we are faced with tensions without. Therefore, one of the first steps that the Prime Minister took after assuming office, was to reach out to our immediate neighbours – Afghanistan, Iran and India and to send a message of peaceful co-existence and cooperation, free of tensions, for the benefit of the region. While we have seen some success as regards Afghanistan, the peace overtures towards India await a response.

7. During the past two years, Pakistan has remained closely engaged with Afghanistan. Efforts continue for building a friendly and good-neighborly relationship with Afghanistan, on the basis of mutual respect for sovereignty and territorial integrity. Obsolete and ill-founded concepts of “strategic depth”, are a thing of the past.

8. Since the new government came to power in Afghanistan in September 2014, bilateral relations have been on an upward trajectory. Today, there is an intensified political engagement, enhanced security and counter-terrorism cooperation, expanded trade and commercial interaction, and deepened regional cooperation.

9. The leadership of the two countries have a joint resolve to overcome the past, and build a forward-looking relationship, based on trust and understanding. Both Prime Minister Sharif and President Ghani share a vision of a comprehensive and enduring partnership, between Pakistan and Afghanistan, contributing to the security and prosperity of their countries and reinforcing efforts for peace and development in the region.

10. While our trade and economic engagement is expanding, renewed bilateral interaction on the military and intelligence tracks is contributing to mutual confidence and coordinated steps to address common security challenges. Prime Minister Nawaz Sharif’s visit to Kabul on May 12<sup>th</sup>, helped build on the positive momentum generated following the visit of President Ashraf Ghani to Pakistan last November. The two leaders renewed their resolve to deepen cooperation on a broad range of issues of mutual interest, including peace and stability, counter-terrorism, border-security, trade and economic cooperation, and regional cooperation. Both leaders agreed that bilateral relations would be guided by the following three principles:

- i. Adherence to the policy of non-interference;
- ii. Denying use of respective territories against each other; and
- ii. Afghanistan's enemies will be treated as Pakistan's enemies and vice versa.

11. The Prime Minister strongly believes in forging a strong trade and economic partnership with Afghanistan. In his meeting with President Ghani, the leaders explored ways of realizing the full trade and economic potential of the two countries, including through expanding trade, increasing investments, improving infrastructure, building road and rail links, and enhancing energy collaboration. A target of increasing bilateral trade to US \$ 5 billion by the end of 2017 was set. A Joint Business Council has been notified that would provide an institutional platform for enhanced B2B interface. Both sides are working on Preferential Trade Agreement (PTA) and have commenced negotiations on Trilateral Transit Trade Agreement (TTTA) among Tajikistan, Afghanistan and Pakistan.

12. Pakistan and Afghanistan are facing common challenges, which need to be addressed through common coordinated efforts. The Prime Minister is committed to deepening defence and security partnership with Afghanistan, including through enhanced cooperation along the border and human resource development. As a consequence, there have been intensified contacts between the military authorities of the two countries, including several visits of the COAS and DG ISI to Kabul. Afghan Chief of General Staff, General Sher Mohammad Karimi, also visited Pakistan. The signing of an MoU between NDS and ISI is a positive development that would not only lead to further cooperation between the two agencies, but also clear many of the misperceptions that prevail on both sides. Better coordination and information/intelligence sharing would be an important contribution to forging an effective policy to address terrorist threats posing danger to both countries.

### **Ladies and Gentlemen,**

13. With our other great neighbour, our friendship remains strong and time-tested. Relations with China remain the pillar of Pakistan's foreign policy. Our "all weather" relationship is based upon shared principles and interests and forms the basis of cooperation in diverse fields. Pakistan-China relations are also a contributing factor for stability in the region.

14. President Xi Jinping's policy of reaching out to neighboring countries on the basis of "win-win cooperation" and "peaceful coexistence", to create a favorable external environment for realizing the "Chinese Dream of National Rejuvenation", complements our own policies. The China-Pakistan Economic Corridor (CPEC), which will be a 'game-changer' within the region and beyond, is fast becoming a reality. It is the culmination of a shared vision of the leadership of the two countries that believes in peace, security and development throughout this region. Other projects in energy, communication, and infrastructure sectors in Pakistan, involving Chinese investment amounting to \$ 46 billion, as well as the decision to work towards raising bilateral trade from the existing level of \$ 15 billion to \$ 20 billion within the next three years, is a clear illustration of the direction in which the two leaders wish to take their countries.

15. It is reassuring that our relations with Iran are stable and friendly, despite occasional hiccups. A new phase in our bilateral relations was initiated with the Prime Minister's visit to Tehran in May 2014, which deepened mutual understanding and led to a joint commitment to

pursue an economic intensive partnership. The major projects involve import of electricity and gas from Iran and road transport connectivity. The IP gas pipeline is a key project, which would help strengthen Pakistan's energy security. These initiatives would benefit not only Pakistan and Iran, but also the whole region, as they would unleash forces of economic integration and ensure prosperity.

16. Pakistan has all along supported a peaceful, negotiated resolution of the Iranian nuclear issue. We welcomed the framework agreement reached between Iran and the P5+1 in April and will continue to support the ongoing negotiations to reach a comprehensive settlement by June 2015. The lifting of sanctions against Iran will offer opportunities of enhancing our economic relations with Iran, in far more meaningful ways.

### **Ladies and Gentlemen,**

17. While increasing globalization has moved major parts of the world towards greater integration, our adjoining regions, SAARC and ECO, remain the *least integrated*. Despite the vast economic potential that can be tapped through regional cooperation, it remains unrealized. A quick comparison with other regions indicates that while intra regional trade within ASEAN is 24% and the EU 55%, ECO stands at a meager 9.8%, while SAARC is even lower at 5%. Domestically, while we started on a positive beginning in our formative years, there has been a steady decline in our development indices. From 2001 to 2013, India and Sri Lanka doubled their per capita income, Bangladesh increased by 75%. Pakistan's grew only by 32%. In the last two decades, Pakistan's export increased 3.5 times, Bangladesh 10 times and India 17 times.

18. Therefore, regional connectivity with ECO and Central Asian Countries is a top priority for this government. Last month, the Prime Minister paid important visits to Turkmenistan, Kyrgyzstan and Tajikistan, which have strengthened our outreach to Central Asia and created a new momentum. The focus of these visits was on enhancing connectivity through various infrastructure and energy projects, including the TAPI gas pipeline and CASA-1000. The recent decision by the Prime Minister to accede to the TIR Convention is another representation of the government's resolve in spurring connectivity and enhanced trade in the region. Other major projects include engaging China for linking CPEC with Kyrgyzstan and Tajikistan as well as Corridor 5&6 of CAREC (Central Asia Regional Economic Cooperation) connecting Pakistan at Torkham. This extremely important project will establish connectivity between Pakistan, Central Asia and beyond by linking Kashgar and Bishkek with Osh in Kyrgyzstan and Murghab in Tajikistan with Karasu in China.

19. The Quadrilateral Agreement on Traffic in Transit among Pakistan, China, Kyrgyzstan and Kazakhstan is another important instrument for promoting economic relations among member countries. However, cumbersome documentation processes and restrictive visa regime remain impediments to its full realization. The Chitral - Ishkashim Road Link will also benefit Pakistan, Afghanistan and Tajikistan, through the Wakhan Corridor. We are working closely with the Afghan and Tajik governments to make this a reality. This could well be another game-changer for this region.

**Ladies and Gentlemen,**

20. While China-Pakistan relations remain strong and relations with Afghanistan and Iran look positive, progress on our Eastern front has remained unsatisfactory. In keeping with his deep conviction that peace in the neighborhood is impossible to achieve unless relations with India improve, the Prime Minister was one of the first world leaders to congratulate Mr. Modi on his election victory and went a step further, by deciding to attend his swearing-in ceremony.

21. However, the positive momentum generated by that meeting changed overnight, when India decided unilaterally to call off the scheduled talks of the Foreign Secretaries. Its cancellation was followed by ceasefire violations by India across the LoC and the Working Boundary.

22. Indian intransigence continues and has ratcheted up with belligerent statements coming from its Foreign Minister, Defense Minister, Home Minister and even the Prime Minister, during his recent visit to Dhaka. As spelt out by our Prime Minister during the Envoys Conference last week, Pakistan remains committed to peace and cooperation, but it has to be peace with dignity and honor. An enduring Pakistan-India relationship can only be built on the basis of mutual respect and sovereign equality. We will continue our quest for a peaceful neighborhood, but there should be reciprocity and acknowledgement of the overtures already made, to promote the dialogue process.

23. There is no alternative but to return to the negotiating table, to resolve all our outstanding disputes, including the core issue of Jammu & Kashmir. As stated clearly by the Prime Minister, Kashmir cannot be relegated to the back burner of history and it is incumbent upon the international community, as well as the UN Security Council, to ensure early implementation of its resolutions on Jammu and Kashmir.

24. India's massive military build-up, both conventional and nuclear, adds to the complications, as it adversely impacts upon the region's strategic stability. In the interest of regional peace, stability and sustainable development, improved ties between Pakistan and India remain a necessary condition. Meaningful dialogue to settle all issues, in a just manner, remains a *sine qua non*.

**Ladies and Gentlemen,**

25. Pakistan has strong historical, cultural and fraternal ties with the Middle East. At present, the region remains in turmoil and it is our strong desire that stability return to the area, at the earliest. We are concerned over the continuing crisis in Yemen and the new wave of terrorism unleashed by Daesh.

26. During the ongoing crisis in Yemen, our Mission gave top priority to the safety of Pakistani expatriates and successfully evacuated and brought them home. Pakistan is against

the overthrow of the legitimate Yemeni government by the Houthi rebels, favoring resolution of all issues through peaceful negotiations. The Joint Session of Parliament adopted a resolution unanimously calling for settlement of the Yemeni conflict in a peaceful manner. Pakistan also welcomed UNSC resolution 2216 of 14<sup>th</sup> April 2015, which calls for peaceful settlement of the Yemen crisis.

27. Our special, long-standing and historical relationship with Turkey has gained momentum since 2013, with the establishment of the High Level Strategic Cooperation Council (HLSCC). Co-chaired by the Prime Ministers from both sides, the 4<sup>th</sup> round of the HLSCC, held in Islamabad in February 2015, further provided an impetus to our strategic relationship with Turkey.

**Ladies and Gentlemen,**

28. Relations with Russia are of immense importance to us. The upward trajectory of our bilateral relations in the past few years is encouraging. We would like to follow that course and also to expand it in coming months. It was during the tenure of this government that the first ever Political Consultations were held at the level of Foreign Secretary in 2013. Seven sessions of the Joint Consultative Group on Strategic Stability have already taken place. Defense Cooperation is another area of importance, with the two countries signing an Agreement on Defense Cooperation last November.

29. Our common challenges of fighting terrorism and drug trafficking, along with a common desire to enhance connectivity through Central Asia, have benefited mutual cooperation with Russia. We already have a Joint Working Group on countering terrorism, which held its fifth round in Islamabad in January this year. Drug trafficking threatens not only the present, but also future generations of our two countries. We actively participated in the 5<sup>th</sup> meeting of the Central Asian Drug Quartet (Afghanistan, Pakistan, Russia and Tajikistan), which was hosted by Russia last year. Opportunities for cooperation between the two countries in the field of Energy are many and being actively pursued. We have a Joint Working Group on Energy and are most satisfied with Russia's interest in CASA-1000 and TAPI projects. Other important projects in the pipeline include North-South gas pipeline and conversion of two Thermal Power Plants in Pakistan to coal based power generation by the Russian company, Technopromexport.

30. No less important are Pakistan's relations with the European Union (EU), which is our major trading partner, accounting for 25% of our exports. The total trade volume currently stands at US\$11 billion. The Generalized Scheme of Preferences Plus (GSP Plus) status (awarded to Pakistan in December 2013) effective 01 January 2014, has resulted in an increase of over US\$ 1 billion of our exports to the EU in the past year.

31. While trade and economic cooperation remains the centre-point of our relations with the EU, the presence of a large Pakistan Diaspora plays a pivotal role as a bridge between Pakistan and Europe. We are working towards strengthening of cultural and educational linkages. The terrorist attacks in Europe and developments in their aftermath, have underlined the need for a concerted approach towards fighting terrorism and addressing its root causes.

Unlimited freedom of expression which hurts the sentiments of any religious community, needs to be avoided. We remain deeply concerned over instances of xenophobia, religious or racial profiling and defamation of religions. The need of the hour is to promote inter-faith harmony for world peace.

**Ladies and gentlemen,**

32. Relations with the United States constitute a most important element of Pakistan's foreign policy. This relationship spanning more than six decades, is robust and wide ranging. The United States is our largest trading partner and a major source of foreign investment. The two countries enjoy strong defense relations. The large Pakistani community in the US is yet another bond between the two countries. Over the years, this relationship has experienced many ups and downs.

33. The bilateral relations which had turned sour in 2011/2012, because of a series of events, has seen a visible improvement, acquiring both stability and predictability. It was in 2013, when the Obama Administration appreciated the "historic, peaceful and transparent transfer of civilian power", with Prime Minister Nawaz Sharif's visit to Washington in October of that year, becoming the the first official visit by a Pakistani Head of Government to the United States, in over a decade. It cleared the path for strengthening and expanding our bilateral cooperation in a range of areas, including security, defense, trade, energy, economy, counter-terrorism, education, science and technology. This was evident in the Ministerial Review Meeting of the revived Strategic Dialogue in January 2014, which encompassed the above areas of vital importance to both sides. They also expressed their conviction that an enduring U.S.-Pakistan was of importance to regional and international security. The US recognized its shared interest in Pakistan's economic growth, increased trade, regional stability, and mutually determined measures, to counter extremism and terrorism.

34. There is a growing understanding amongst US official and political circles of the immense challenges that Pakistan faces. Our resolve to root out terrorism, demonstrated through the military operation "Zarb-e-Azb", has been appreciated and Pakistan's sacrifices in the struggle against terrorism acknowledged. Both countries recognize the crucial importance of each other in the attainment of mutually beneficial objectives.

**Ladies and Gentlemen**

35. On strategic issues, Pakistan continues to act with restraint and responsibility and strengthen its export control. This was most recently acknowledged by the United States during the seventh round of the U.S.-Pakistan Security, Strategic Stability, and Nonproliferation (SSS&NP) Working Group held in Washington, DC earlier this month. We take most seriously, the national responsibility to ensure the safety and security of our nuclear programme.

36. The United States has welcomed Pakistan's efforts to harmonize its strategic trade controls with those of the Nuclear Suppliers Group and other multilateral export control regimes. There was agreement on the desirability of continued outreach to integrate Pakistan

into the international nonproliferation regime. We continued to lay stress on the need for access to peaceful nuclear technology as a socioeconomic imperative, particularly in the agriculture and health sectors and there was an understanding by the US on Pakistan's energy needs and the requirement of peaceful nuclear energy. Both sides noted the high priority that arms control has for the international community.

37. The United States and Pakistan have a shared interest in strategic stability in the region. The US Administration welcomed Prime Minister Sharif's 2014 statement to the United Nations General Assembly in which he noted that to promote stability, Pakistan is prepared to explore new confidence building measures. Reaffirming that statement of Prime Minister Nawaz Sharif, Pakistan reiterated its longstanding proposal of pursuing nuclear restraint, conventional equilibrium and conflict resolution in South Asia.

38. The United States has expressed full confidence in Pakistan's indigenous efforts to strengthen nuclear security, and welcomed Pakistan's efforts to strengthen export controls and border security including through ongoing efforts for installation of radiation portal monitors at border crossings, as well as Pakistan's hosting of IAEA training activities at its Nuclear Security Center of Excellence.

39. Pakistan has a four-decade long experience of safe and secure operation of nuclear power plants under IAEA safeguards. We are a fossil fuel deficient country and our energy needs are projected to increase by a factor of 7 over the next two decades. Nuclear energy as a clean source is an integral part of our Energy Security Plan which envisages a target nuclear power generation capacity of 8,800 MW by the year 2030. We, therefore, seek the removal of barriers on trade in peaceful nuclear technologies to meet our growing energy needs for socio-economic development and we will continue to push for a non-discriminatory and fair treatment from NSG regarding access to peaceful nuclear technologies and membership of NSG.

40. The world knows well that Pakistan has always been and remains opposed to a conventional or nuclear arms race in South Asia. Consequently, we are perturbed over India's massive acquisition of conventional weapons, expansion of strategic assets and pursuit of offensive doctrines, which pose a serious threat to regional stability. The international community has a responsibility to ensure that this region does not fall prey to an arms race, which would be detrimental to peace and security.

#### **Ladies and Gentlemen,**

41. Pakistan fully subscribes to the concept of comprehensive reform of the UN system, including the UN Security Council, to bring it in sync with the global realities. However, despite the lapse of two decades, there has not been any notable progress in the UNSC reform. Alongwith other nations of the world, we believe that the Council should be made more representative, democratic, accountable, transparent and effective. In fact, these principles should underpin any reform of the Security Council. As a member of the Uniting for Consensus group, Pakistan has long recognized these principles. We are opposed, in principle, to the addition of new individual permanent members to the Council. Such a proposal will be

inequitable, contrary to the letter and spirit of the UN Charter, especially the Principle of Sovereign Equality of States.

42. Pakistan remains fully committed to the objectives of non-proliferation and disarmament. We share the global concern that proliferation of the Weapons of Mass Destruction poses serious threat to international peace and security. Over the years, Pakistan has institutionalized a number of national measures to strengthen export control, security and WMD non-proliferation. As a responsible state, Pakistan is also participating in and cooperating with the international community in efforts to prevent and combat proliferation of WMDs.

### **Ladies and Gentlemen**

43. Today, our region is confronted with numerous challenges which present formidable policymaking difficulties to the decision-makers. We continue to grapple with the aftershocks of the global economic slowdown and restive extended region. Terrorist outfits with regional and global footprint have already wreaked havoc in the region. More are trying to establish a foothold in South Asia, in their drive to expand. Climate change and natural disasters pose serious risk to our poverty alleviation efforts. Increasing populations would continue to strain our food security.

44. Confronted with these challenges, rapid and sustainable growth is the need of the hour to provide education, healthcare, and sufficient employment opportunities to our young populations. To achieve all this, we need to build upon integrating our region. Despite numerous bilateral efforts, existence of SAARC for almost 3 decades, South Asia remains the least integrated region in the world, denying the fruits of prosperity to the teeming billions.

45. We must ensure that SAARC becomes a vibrant organization, like its sister organization, ASEAN. We need to work together in an atmosphere that is free of mistrust and hostility. One of the main reasons why this region has not embarked upon the road to prosperity is because it is festered by lingering political and territorial disputes. We need to work collectively to overcome and resolve these differences, so that we can march ahead in tapping the vast potential that the region has to offer.

46. In the face of changing global and regional contexts, Pakistan's balanced approach, avoiding interference in the internal affairs of other countries, involvement or in intra-regional affairs, which are not directly of concern to us, has been widely appreciated. The revival of our economy, as clearly highlighted by the many positive economic indicators; the highly successful military operations against the militants and terrorists, and also the decisive steps taken to attract foreign investment in energy and other sectors, have significantly expanded prospects for deeper economic cooperation with other countries.

47. May I conclude by making two observations, based on my four and a half decade long association with diplomacy and diplomatic practice. First and foremost is that foreign policy is but a reflection of domestic policy. They are two sides of the same coin. Secondly, though shrill outbursts and public chest-thumping may appeal to raw emotions, diplomatic

objectives can be pursued far more effectively by calm demeanour, measured reflections and thoughtful communication.

I thank you all!