

Rejuvenating Pakistan-Russia Relations: Discernable Trends and Future

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Abstract

Amid changing geopolitical and geostrategic milieu along with the evolving inter-regional economic prospects and emerging threats to the regional stability, high-level bilateral engagements bring Russia and Pakistan to begin a new era of relationship. The institutional framework between the two countries facilitates them adequately to collaborate in the fields of defence, trade, investment, economy, science, technology, agriculture, education and culture. In the backdrop of situation in Afghanistan, the Indian tilt towards the West and other regional developments led to renewed bilateral relations between Russia and Pakistan. It is imperative that this renewed relationship between both the countries must be viewed on the strategic and regional canvas. Apparently, no major obstacles restrict them to improve their multi-dimensional relations but certain factors may lead to slow down their pace of growth, which needs to be unearthed through critical lens. This paper intends to analyse the recent improvements in Pak-Russia relations in terms of its viability, the prospects of cooperation, current and discernible challenges for trade and investment and other key factors involved in this relation in a descriptive manner.

Keywords: Pakistan, Russia, Rapprochement, Multi-polar Order, ISIS, SCO.

Introduction

Since 1947, the pattern of blowing hot and cold in Pakistan-Russia relations, to a large extent, could be interpreted through an Indo-centric prism. Even there were some phases of improved relations between Pakistan and Russia but overall both the countries remained unfriendly

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towards each other due to divergent views on regional and global security issues during the Cold War era. Despite that both the countries had not even a single bilateral dispute. In the pursuit of geopolitical goals and security imperatives, both acted indirectly against each other to damage their interests in the region. In contemporary times, Russia realised the changing realities in the region, for instance; combating drug trafficking, improving relations with Pakistan, preventing the emerging threats of the Islamic State of Iraq and Syria (ISIS) and overflow of the Taliban insurgency from Afghanistan to the Central Asian Republics (CARs) and Russia. Although Russia lacks its comprehensive policy towards South Asia, yet, it is still ambitious to take advantage of the Indian economic growth and interested in to open a new window of improved relations with Pakistan. Pakistan has also been seeking diversification in its foreign policy options, especially to developing its multidimensional ties with Russia. Under the leadership of Vladimir Putin, the Russia's resurgence in the global political affairs has been shaping new contours of the world politics as a balancing force. This could provide a favourable environment for improving its overall relations with other countries.

The rapprochement, which started between Pakistan and Russia a decade ago, witnessed a milestone military cooperation pact, when the Russian Defence Minister, after 45 years, paid an official visit to Pakistan in December 2014. A landmark was achieved, when US\$2 billion inter-governmental deal was concluded between the two for the construction of North-South Gas Pipeline Project, a gas pipeline from Lahore to Karachi in October 2015.¹ Renewed ties banked on the structured bilateral mechanisms that will provide a framework to discuss and explore the prospects of cooperation including regional security and stability, defence cooperation and economic prospects, respectively. Both the countries believe that the transnational mega projects including the China-Pakistan Economic Corridor (CPEC) and the Central Asia Regional Economic Cooperation (CAREC) have been paving the way for the regional integration. The Russian strategists have realised that Pakistan's importance cannot be condoned in the Pan-Eurasian integration. Moreover, its geo-strategic location also has a pivotal role to play in the revival of Silk Road and the Eurasian integration. Stability in Afghanistan, Indo-Russian equation, the

¹ "Pakistan, Russia Sign North-South Gas Pipeline Deal," *Nation*, October 17, 2015, <http://nation.com.pk/>

US influence and the Ukrainian Crisis simultaneously created opportunities and challenges for both Russia and Pakistan to revisit the bilateral ties to achieve common goals in the region. This paper aims to cross-examine the recent improvements in Pak-Russia relations in terms of its viability, prospects, cooperation and current challenges for trade and investment. It also views Russia's relationship with India and bridging the 'trust deficit' with Pakistan, particularly in the context of security, political and economic relations, improvement of people-to-people contacts, prospects for strengthening the relationship, long-term policy formulation, the Shanghai Cooperation Organisation (SCO), the CPEC and the pan-Eurasian integration.

Brief History

Historical underpinnings reveal that since Pakistan's independence, its over-emphasised western dependence, coupled with its Indo-centric approach, marred Pakistan's relations with Russia. Moreover, Pakistan's preference of an alliance with the US — a distant and dysfunctional partner — over the doorstep great power the former Soviet Union in the 1950s gave birth to a plethora of misperceptions. Besides, this development resulted in the loss of a multitude of the opportunities between Pakistan and the Soviet Union. Pakistan's first Prime Minister, Liaqat Ali Khan's decision to fly Washington in 1950, instead of Moscow, angered the Soviet leadership.² A bitter course of events followed in Pakistan-Soviet relations when Pakistan became a part of the western security alliances like the Southeast Asia Treaty Organisation (SEATO) in 1954, and the Central Treaty Organisation (CENTO)³ in 1956, which were mainly aimed at the containment of communism. Both the countries suffered the first setback in their relations when in 1960, Soviets shot down the U-2 American spy plane during surveillance, violating its airspace and revealed that the pilot of the Central Intelligence Agency (CIA) Francis Gary Powers took off from a base in Pakistan.⁴ The Soviet leadership threatened Pakistan with dire consequences and, later on, took a strong position by supporting the Indian stance on

² Muhammad Hanif, "Pakistan-Russia Relations: Progress, Prospects and Constraints," *IPRI Journal* XIII, no. 2 (Summer 2013): 67-68.

³ "The Baghdad Pact (1955) and the Central Treaty Organisation (CENTO)," US Department of State, <http://2001-2009.state.gov/r/pa/ho/time/lw/98683.htm>.

⁴ "U-2 Over flights and the Capture of Francis Gary Powers, 1960," Office of the Historian: US Department of State <https://history.state.gov>.

Kashmir – thus, started opposing Pakistan openly. The Soviets openly backed India during the East Pakistan war in 1971; later on, Pakistan fought American proxy against the Soviet Union in Afghanistan. Moreover, the Soviets provided continued military assistance to India during the 1971 war, vetoed three ceasefire resolutions in the United Nation Security Council (UNSC) and adopted a strategy to prevent the direct Chinese intervention in the war.⁵ After the withdrawal of the Soviet Union, the situation in Afghanistan placed the two countries again on the opposite sides, when Pakistan and Saudi Arabia supported the Taliban regime while Russia, Iran and India backed the Northern Alliance.⁶

Despite an adversarial history, there were some phases of improved relations between Pakistan and the Soviet Union. From 1965 to 1970, both the countries witnessed a period of improved ties as they inked first bilateral agreement on Cultural and Scientific Cooperation in 1965, and also established Pakistan Steel Mills in 1970, which proved to be a milestone in their relations.⁷ After the Soviet disintegration, when the dust settled down a bit, both the countries agreed on a number of investments including trade and industrial growth during the visit of Prime Minister Nawaz Sharif to Russia in 1999.⁸

Overview of Recent Developments

The rapprochement between Russia and Pakistan formally started after 9/11, when Pakistan joined the American ‘War on Terror’ (WoT) against al-Qaeda and Taliban in Afghanistan. Primarily, when the Bush administration threatened to send Pakistan “back to the stone age” if the country did not cooperate with the America’s war in Afghanistan, it became a stimulus for Pakistan to diversify its foreign policy.⁹ President Pervez Musharraf paid a historical visit to Moscow in 2003, and started developing structured frameworks to improve Pakistan’s bilateral relations with Russia.¹⁰ In 2007,

⁵ Hanif, “Pakistan-Russia Relations.”

⁶ “Russia and Afghanistan,” Institute for the Study of War, <http://www.understandingwar.org/>.

⁷ “Russian-Pakistani Relations,” Consulate General of the Russian Federation in Karachi, 2016. <http://www.rusconsulkarachi.mid.ru/>

⁸ Ibid.

⁹ “Bush Threatened to Bomb Pakistan, says Musharraf,” *Guardian*, September 22, 2006, <https://www.theguardian.com/world/2006/sep/22/pakistan.usa>

¹⁰ “Russian-Pakistani Relations.”

the bilateral relations took a new turn when the Russian Prime Minister, Mikhail Fradkov, visited Pakistan and held in-depth negotiations on Pakistan-Russia relationship.¹¹ However, upon Pakistan's request to join the SCO in 2011, Vladimir Putin publically endorsed and announced a major change in Russia's policies towards Pakistan, realising the latter's importance in South Asia as a partner.¹²

Friendly gestures continued and the Russian President offered assistance in the expansion of Pakistan Steel Mills, expressed his desire for technical support in the Guddu and Muzaffargarh power plants and also showed interest towards the development of Thar Coal Project. However, in 2012, a major setback occurred when unexpectedly President Putin's much-anticipated visit to Pakistan was called off. The Russian Foreign Minister, Sergey Viktorovich Lavrov, rushed to Islamabad to negate the impression that the reset in Pakistan-Russia ties was in the doldrums. During his visit, Lavrov condemned the US drone attacks insisting that the violations of Pakistan's sovereignty and territorial integrity are completely unacceptable.¹³ Despite the cancellation of President Putin's visit, military and political leadership of Pakistan and Russia maintained high-level contacts in the following years.

As a result of these congenial relations, Russia lifted its arms embargo on Pakistan and expressed the willingness to provide Mi-35 (Hind E) attack helicopters,¹⁴ which turned into a milestone military cooperation deal that was inked in 2014.¹⁵ In January 2016, the Russian Army Commander-in-Chief, Oleg Salyukov, announced that the Russian ground forces will hold its first-ever military exercises with Pakistan in the coming years as the former had scheduled to conduct seven international drills in 2016, including the first Russian-Pakistani special

¹¹ Khurram Abbas, "Russia's Revival: Opportunities and Limitations for Pakistan," *IPRI Review*, February 4, 2016, <http://www.ipripak.org/russias-revival-opportunities-and-limitations-for-pakistan/#sthash.qm22yulQ.UgnsMwSM.dpuf>."

¹² "Pakistan-Russia Relations: Challenges and Prospects," Centre for Pakistan and Gulf Studies, Report no. II (December 2013), <http://cpakgulf.org/>

¹³ Syed Baqir Sajjad, "Russia Backs Pakistan's Stance on Drone Strikes," *Dawn*, October 04, 2012, <http://www.dawn.com/>

¹⁴ "Russia Lifts Arms Embargo to Pakistan: Report," *AFP*, June 02, 2014, <http://www.dawn.com/>

¹⁵ Matthew Bodner, "Russia Signs Landmark Military Cooperation Agreement With Pakistan," November 20, 2014, <http://www.themoscowtimes.com/>

drills in the mountainous terrains of Pakistan.¹⁶ With the support of Russia and other countries, Pakistan became a full member of the SCO at Astana Summit, held on June 9, 2017. Pakistan's participation in the regional platform will provide further opportunities to Pakistan and Russia to collaborate in economic and security realm.

Bridging the Trust Deficit

Pakistan and Russia carry a history of trust deficit in their bilateral relations. Since Pakistan's inception, the colonial legacy remained dominant in shaping its foreign policy. Pakistani elite, feudality, bureaucracy and the military remained more inclined towards the West, which continuously remained an influential factor in foreign policy formulation towards the former Soviet Union.¹⁷ Until the disintegration, the communist ideology remained dominant after the Bolshevik Revolution in the Soviet Union's policy formulations. Moreover, Russia and Pakistan tried to mend the fences but yet again a negative development placed them on opposite sides when the Taliban overtook the regime in Afghanistan. However, a contest of ideology — a factor which manifests foreign policies of both countries — faded with time. The cancellation of Putin's scheduled visit to Pakistan in 2012, indicates that both the countries have never really achieved a comfort level. India has always remained the mainstay of the Soviet's political, diplomatic and economic efforts in South Asia, which has been another major cause of mistrust between Pakistan and Russia. Moscow is consistently guided by its policy of friendship with New Delhi.¹⁸ To offload the baggage of mistrust, both Pakistan and Russia's high level political and military engagements, at bilateral and multilateral forums, supposed to be reciprocal efforts to improve the relations

Converging Interests

Pakistan and Russia have convergences on a wide-range of global issues including peaceful resolution of international conflicts, international

¹⁶ "Russian Army to Hold First Mountain Drills with Pakistan this Year," *TASS News Agency*, January 23, 2016, <http://www.dawn.com/>

¹⁷ Nazir Hussain, "Pak-Russia Relations: Lost Opportunities and Future Options," *Journal of Political Studies* 19, no.1 (2012):80.

¹⁸ Jyotsna Bakshi, "Russian Policy Towards South Asia," *IDSA*, <http://www.idsa-india.org/an-nov9-9.html>

security, the establishment of a multipolar world, strengthening the central role of the United Nations (UN) and supremacy of international law in interstate relations. Both the sides disapproved unilateral actions and the use of force to change the current international system, illegal migration, strengthening of nuclear non-proliferation and advancing the processes of regional cooperation.¹⁹ Both the countries also share commonalities with regards to Afghanistan and the regional stability. Furthermore, Russia recognises Pakistan's role in countering terrorism.²⁰ Entering into the strategic dialogue, both countries tend to minimise divergences and find out a future roadmap for the sustainable relationship.

Pakistan, too, has been recognising Russia as a “very important global player” and a country that has an important role in promoting this region's peace and stability. To settle the Afghan problem, both the countries have evolved a broad understanding that the prerogative should not be exclusively externalised.²¹ On the positive side, after the establishment of the Joint Working Group on Counter-Terrorism, the Joint Working Group on Strategic Stability and Pakistan-Russia Inter-Governmental Commission (IGC), both the sides can discuss and find out the ways and means to minimise the threat of terrorism at different forums. In the context of the situation in Afghanistan, Pakistan and Russia are on the same page with emphasis on a political solution in the country. In Moscow, Pakistan participated in the third round of Russia-China-Pakistan Trilateral Dialogue on the regional problems, involving special representatives on Afghanistan and senior officials from Russia, China and Pakistan, held on December 27, 2016. Pakistan also supported Russia's initiative to host intra-Afghan talks at a regular round of talks on Afghanistan, held on April 14, 2017.

Pakistan's Role in Pan-Eurasian Integration

Pakistan's geography, history and cultural background have placed it in a unique strategic position, located at a tri-junction of South Asia, West Asia and Central Asia. Since independence in 1947, Pakistan's foreign

¹⁹ Sarfraz Khan and Noor-ul- Amin, “An Overview of Pak-Soviet/Russia Relations,” *Central Asia*, no. 71(Winter 2012), <http://www.asc-centralasia.edu.pk/>.

²⁰ “Pakistan, Russia Renewing Ties: FM Khar,” *Dawn*, October 04, 2012, <http://www.dawn.com/>

²¹ Ijaz Khan, “Pak-Russia Relations: Expectations, Challenges and Possibilities,” *Diplomatic Insight*, December 2012, 05-08.

policy has always remained focused towards South Asia because of the conflicts, wars and the continued tensions with India. Pakistan is an active member of the South Asian Association for Regional Cooperation (SAARC). Despite the SAARC's potential to formulate a regional bloc, the Indian hegemonic designs compelled it to be a non-starter. Becoming part of the SCO would further enhance Pakistan's geographical importance in the region. Pakistan is directly involved in several trans-governmental initiatives leading towards regional integration like the CAREC, CPEC, Central Asia South Asia (CASA) 1000, Turkmenistan-Afghanistan-Pakistan-India (TAPI), Iran-Pakistan (IP) Gas Pipeline and the Istanbul Process.

Russia has also been engaged in several similar initiatives. Russia has long been ambitious for reaching out to warm waters and the CPEC has the potential to provide this opportunity to it. Officially, Russia repeatedly rebuts the speculations about the discussions on merging the CPEC project with the Eurasian Economic Union (EAEU). However, technically it may be correct as Russia has nothing to do with the CPEC portfolio but generally the CPEC is part of China's grand vision, 'One Belt, One Road' (OBOR) initiative, which is also known as Silk Road Economic Belt. If Russia and China agree to connect the EAEU with OBOR, the CPEC may also be a catalyst for the Russian reach in the Middle East and beyond. The CPEC being part of OBOR is viable to integrate China, Russia, Central Asian and other Eurasian states. Members of the SCO will be offered to use Pakistan's ports, once the CPEC is complete to get access to trade routes through the Arabian Sea.²² The EAEU may open doors not just to Russia but to Belarus, Kazakhstan, Kyrgyzstan and Armenia and to many other countries.

India and China have already declared their readiness to create the privileged trade and financial links with this fast-emerging new bloc.²³ Pakistan's decisive relations with Afghanistan will pave the way for land connectivity not only to the CARs as well as to the Eurasian region. According to Russian analyst, Andrew Korybko, Pakistan is like a zipper of Pan-Eurasian integration that is ideally placed to take advantage of the

²² "Commerce Minister Says: Pakistan to Give SCO Members Access to Its Ports," *Express Tribune*, September 17, 2015, <http://tribune.com.pk/>

²³ Kamal Monnoo, "Eurasian Economic Union and Pakistan," *Nation*, July 01, 2015, 2016, <http://nation.com.pk/>

SAARC, SCO and EAEU by strengthening its trade and financial linkages with these blocs along with the revival of the Chinese silk route.²⁴ Pakistan also intends to negotiate with the EAEU on Free Trade Agreement (FTA). China, India and other states are already actively busy in pursuing the economic opportunities available in the emerging bloc and Pakistan must take the benefit to its fullest. China has been trying to create a chain that directly connects them with the European Union (EU) through the EAEU.²⁵

Pakistan and Indo-Russian Partnership

India and Russia have been enjoying strategic partnership and multi-dimensional cooperation in the fields of economic, political, defence, civil nuclear energy, anti-terrorism and space over the decades. Still, both the countries carry a global agenda for cooperation at the UN and at the platform of Brazil, Russia, India, China, Russia and South Africa (BRICS). Both have a comfort zone at the Group of Twenty (G-20) and several other regional and global forums. Russia has always been supportive of the Indian full membership in the SCO. Historically, India has always been a stumbling block in the growth of Pak-Russia military cooperation but India's changing priorities at the regional and global level created space for the growth of Pakistan-Russian relations. The cracks in the Indo-Russian military exclusivity under the 1971 Indo-Soviet Treaty of Friendship, Cooperation and Peace, are widening and both are ready to adapt to the new realities.

Since the 1960s India remained the largest buyer of the Russian arms.²⁶ According to the Stockholm International Peace Research Institute (SIPRI) database from 1992 to 2016, the Indian military purchases reached up to US\$36 billion, which is the Russian largest supply of arms to any other individual country. The Indian quest of finding a new partner in the West, especially the US, is irksome for Moscow because the Indian military

²⁴ Andrew Korybko, "Pakistan is the 'Zipper' of Pan-Eurasian Integration," Russian Institute for Strategic Studies, November 15, 2015, <http://en.riss.ru/>

²⁵ Chen Xiangming and Julia Mardeusz, "China and Europe: Reconnecting Across a New Silk Road," *European Financial Review*, February 10, 2015, <http://www.europeanfinancialreview.com/>

²⁶ "SIPRI Arms Transfers Database," Stockholm International Peace Research Institute (SIPRI), <https://sipri.org/databases/armstransfers>

purchases are rapidly declining in the recent years. The SIPRI database reported US\$3.8 billion in 2012, which declined to US\$1.5 billion in 2016.²⁷

In the backdrop of the WoT, the US intends to honour India with a leading role in the region, particularly in Afghanistan, to counter China. The Indian and the US alignment against the CPEC is now much visible than before. The Indo-US civil nuclear deal in 2005, was the culmination of such trajectories. The US displaced Russia as India's biggest arms supplier, which remained the largest exporter of military equipment. For instance, India purchased US\$1.9 billion worth of military equipment from the US in 2013.²⁸ According to SIPRI, the US stood as a topmost exporter of major arms from 2010 to 2014, while India remained top importer with 15 per cent global share.²⁹ SIPRI also reported that between 2009 and 2013, Russia supplied 75 per cent of weapons to India, but serious delays and cost escalations in major contracts have dented Russia's as a reliable partner for India. In a bid to diversification of defence purchases, India bought defence equipment from France and the US instead from its old partner Russia: For example, New Delhi bought Medium Multi-Role Combat Aircraft (MMRCA) from France costing billions of dollars and, from the US, it chose C-130J Super Hercules transport aircraft over Russia's Il-76 planes.³⁰

It is a reality that, despite some ruffles between New Delhi and Moscow, India is still a lucrative arms market for Russia which reflects the Indian importance in the region. The Russian foreign policy's principles, adopted by President Vladimir Putin in 2013, openly claimed that he intends to continue developing a "privileged strategic partnership" with India.³¹ Similarly, the experts place absolute priority towards India in the Russian foreign policy analysis. According to Dmitri Trenin, Director of the Carnegie Moscow Centre, "Moscow has yet to figure out how to deal with

²⁷ Ibid.

²⁸ Plimmer Gill, and Victor Mallet, "India Becomes Biggest Foreign Buyer of US Weapons," *Financial Times*, February 24, 2014, <http://www.ft.com/>.

²⁹ "SIPRI Yearbook 2015," SIPRI, 2015, <http://www.sipri.org/>

³⁰ Dmitry Gorenburg, "US-Russian Arms Competition will Focus on India" Russian Military Reform, June 22, 2015, <https://russiamil.wordpress.com>

³¹ Vladimir Moskalenko and Petr Topychkanov, "Russia and Pakistan: Shared Challenges and Common Opportunities," Carnegie Moscow Centre, May 20, 2014, <http://carnegie.ru/>.

Pakistan without spoiling the relationship with New Delhi.”³² The Russia’s South Asian priorities, according to Concept of the Foreign Policy of the Russian Federation documents, adopted in 2000 and 2008, discussed the developing relations with Pakistan and other leading regional states. Yet a policy document adopted in 2013, never even named Pakistan in the entire document.³³ However, the foreign policy document clearly mentioned developing friendly relations with China and with India as one of the priorities of the Russian foreign policy.³⁴ Two more documents of the National Security Strategy of the Russian Federation and the Maritime Doctrine of the Russian Federation 2020, provide further insight into Russia’s South Asian Policy. The maritime doctrine states that Russia is interested in “a course focused on the transformation of the Indian Ocean into a zone of peace, stability and good neighbourly relations.”³⁵ Putin’s article, “Russia and the Changing World,” published in February 2012, in the *Moscow News*, recognises India as one of the rapidly growing Asian giants. “Russia has traditionally enjoyed friendly relations with India, which the leaders of both the countries acknowledged as a privileged strategic partnership. Not only Pakistan, in particular, but the current emerging multi-polar system also stands to gain from the Indo-Russian partnership.”³⁶

US Factor

Pakistan’s relations with the US played a crucial role in Pakistan-Soviet relations during the Cold War and afterwards. Historically, economic and military compulsions have abtained Pakistan’s foreign policy ambitions to maintain independent relations with other global powers, particularly with the Soviet Union and its predecessor Russia. The US developed functional relations with Pakistan, leading to compromised relations with the Soviet Union. Being a US ally in 1950s and 1980s it caused hostility between Pakistan and the Soviet Union. The US

³² Dmitri Trenin, “Russia-Pakistan Relations,” Carnegie Endowment for International Peace, February 18, 2011, <http://carnegieendowment.org/>

³³ “Concept of the Foreign Policy of the Russian Federation,” The Ministry of Foreign Affairs of the Russian Federation, February 18, 2013, http://www.mid.ru/en/foreign_policy/official_documents/-/asset_publisher/CptICk6BZ29/content/id/122186

³⁴ “Concept of the Foreign Policy of the Russian Federation,” Ministry of Foreign Affairs of the Russian Federation, February 18, 2013, <http://archive.mid.ru/>

³⁵ Moskalenko and Topychkanov, “Russia and Pakistan.”

³⁶ <http://themoscownews.com/politics/20120227/189488862.html>

sanctions on Iran, hampering construction of IP gas pipeline but also the US sanctions on the Russian company, RT-Global Resources, which is going to build US\$2 billion North-South Gas Pipeline from Karachi to Lahore, appeared to be the most recent impediment in Pakistan-Russia cooperation. The RT-Global Resources, a subsidiary of Russia's state technologies corporation Rostec, and Pakistan's Inter State Gas System (ISGS) have to build gas infrastructure in Pakistan. However, the then Pakistani Petroleum Minister, Shahid Khaqan Abbasi, who is also currently Prime Minister of Pakistan, rushed to Moscow in January 2015, to find out ways and means to activate the project. According to the Russian Special Presidential Envoy on Afghanistan, Zamir Kabulov, "the US sanctions are affecting the cooperation between Russia and Pakistan on the construction of the North-South Gas Pipeline. As soon as the agreement was signed, it immediately fell under the US sanctions, which has made work difficult. This is what you call unfair competition and shows the manner of the behaviour of the Americans who inexcusably may obstruct the deal."³⁷

Prospects for Economic Cooperation

Economic relations between Pakistan and the Soviet Union were established in the early 1950s when the Soviet Union agreed to import Cotton, Jute and Leather.³⁸ Despite the shadows of the Cold War politics, both the countries established an oil consortium in 1958, and the Soviets expressed readiness to establish Pakistan's first Steel Mills.³⁹ In 1961, the Soviet loan of 27 million rubbles laid the foundation for the establishment of Oil and Gas Development Company (OGDCL), Pakistan. In 1972, Pakistan Steel Mills was also established with the technical and financial support of the Soviet Union. With the changed realities, better understanding and convergence of interest on important political and security issues including regional stability and combating terrorism and drug trafficking are creating an environment for multi-dimensional cooperation between Pakistan and Russia. Both find it mutually advantageous to cooperate in the economic, military and

³⁷ "US Sanctions Stifle Russian-Pakistani North-South Gas Pipeline Project," *Sputnik International*, February 15, 2016 <http://sputniknews.com/>

³⁸ Nazir Hussain and Quratulain Fatima, "Pak-Russian Relations: Historical Legacies and New Beginnings," *Central Asia*, no. 72 (Summer 2013), http://www.asc-centralasia.edu.pk/Issue_72/01_Pak_Rusia.html

³⁹ *Ibid.*

regional politico-strategic and security areas.⁴⁰ The prospects are bright for promoting trade, investment and joint ventures in the fields of energy, infrastructure development, metal industry and agriculture sectors. Both the countries have successfully established institutional mechanisms of several bilateral structures like IGC on Trade, Commerce, Science and Technology and Joint Working Groups on Strategic Stability, Counter-Terrorism and Energy. Five more working groups have given new impetus to the mutually beneficial relations between the two countries. These groups are related to:

- i. Finance and Banking.
- ii. Industry (with subgroup on Pakistan Steel Mills).
- iii. Food and Agriculture.
- iv. Transport and Logistics.
- v. Education including professional training to explore sectoral potential of cooperation in various fields including defence, energy, steel industry, science and technology, trade, investment, education, culture and infrastructure development.⁴¹

In the fiscal year 2014-2015, the trade volume between Pakistan and Russia was only US\$390 million, which does not reflect the true potential. The bilateral trade statistics for the recent years are mentioned in the table no. 1.

Table No. 1
Pak-Russia Bilateral Trade Statistics (US\$ Million)

Year	Pak Exports	Pak Imports	Total	Balance
2010-11	183.57	162.42	346.99	+21.15
2011-12	189.61	202.05	391.67	-12.44
2012-13	207.31	277.17	484.48	+69.89
2013-14	187.04	235.08	422.11	+48.04
2014-15	183.84	206.45	390.29	-22.61

Source: Ministry of Trade and Commerce of Pakistan.

⁴⁰ Hanif, "Pakistan-Russia Relations."

⁴¹ Author's personal observations being a journalist.

The unsettled financial disputes emerged after the disintegration of the Soviet Union, remained the biggest hurdle towards the development of commercial relations between Pakistan and Russia. According to Alexey Dedov, Ambassador of the Russian Federation to Pakistan “our legislation does not allow providing government loans to a foreign country which has unsettled financial disputes with Russia.”⁴² Financial claims of Pakistani and the Russian companies emerged after the disintegration of the Soviet Union, remained as a key obstacle to enhance bilateral trade. Afterward, the financial disputes were resolved in November 2015, when both the countries signed an agreement to end a 20-year long dispute of US\$117 million under which Islamabad would pay back about US\$92 million while the remaining amount will be disbursed among the affected parties.⁴³

Now Pakistan and Russia have the avenues open to further improve economic relations. In fact, the Russian companies are looking forward to investing in Pakistan. Pakistan-Russia IGC on Trade, Commerce, Science and Technology is a key bilateral forum which is working hard to chalk out a framework to improve the relations. In its fourth session, various areas for cooperation were discussed. Pakistanis expressed its readiness to initiate negotiations with the Eurasian Economic Commission (EEC) for entering into an FTA including strengthening the cooperation in the fields of education, power generation, oil and gas exploration, financial sector, narcotics control and agriculture.⁴⁴ The Government of Pakistan and the business community also kept looking to tap the maximum share out of 16 billion food imports from the European countries in response to EU embargos after the Ukraine Crisis.⁴⁵ Finance Minister of Pakistan, Ishaq Dar, issued the instructions to the Ministry of Commerce and Ministry of

⁴² Alexey Dedov, “Russia-Pakistan Cooperation: Current Trends and Prospects,” Embassy of the Russian Federation in the Islamic Republic of Pakistan, <http://pakistan.mid.ru/>

⁴³ Imran Ali Kundi, “Pakistan, Russia Resolve 20-year old Trade Disputes,” *Nation*, November 21, 2015, <http://nation.com.pk/business/21-Nov-2015/pakistan-russia-resolve-20-year-old-trade-disputes>.

⁴⁴ Joint Statement of the Fourth Session of the Russia-Pakistan Inter-Governmental Commission on Trade, Economic, Scientific and Technical Cooperation, November 20, 2015.

⁴⁵ “Finance Minister Chaired a Meeting to Review the Strategy Measures Being Devised by the M/o Commerce and M/o National Food Security for Agricultural Exports to Russia,” Ministry of Finance, Government of Pakistan, December 15, 2014, http://www.finance.gov.pk/releases_dec_14.html

National Food and Security to present a plan for agricultural exports to Russia.⁴⁶ The two sides have agreed to identify the barriers to improving the bilateral trade, therefore, proposed measures to effectively remove them. Pakistan raised the issue of a feasibility study on a bilateral Preferential Trade Agreement (PTA) with the Russian Federation at various bilateral meetings.⁴⁷

For the first time in the history of Russian Federating units including the Republics of Tatarstan, Bashkortostan, Udmurtia and Chuvashia, the Mari El, the Primorsky region, the Kostroma, Smolensk, Penza, and Chelyabinsk regions expressed interest to deepen bilateral contacts with Pakistan for further development of mutually beneficial economic and trade cooperation.⁴⁸ Both the sides agreed to assign the level of importance to each other's imports, which is no less favourable to another country within the framework of the World Trade Organisation (WTO).⁴⁹ In the agricultural sector, Pakistan has also offered collaboration with the Russian companies to establish meat and dairy processing units on a commercial basis in Pakistan. Pakistan also intends to collaborate on animal vaccine production and hybrid seed production technology. The Russians have requested Pakistan to provide the Federal Service for Veterinary and Phytosanitary Surveillance of the Russian Federation (Rosselkhoznadzor) with Pakistan animal and veterinary quarantine requirements as well as necessary documentation templates, which will accompany shipments.⁵⁰

The Russian state-owned companies are keen to invest in the energy sector of Pakistan. However, the Russian companies were reluctant to compete in open tenders but Pakistan signed an inter-governmental agreement with Russia for the construction of a gas pipeline from Lahore to Karachi, transcending the rules of the Public Procurement Regularity Authority (PPRA).⁵¹

⁴⁶ Ibid.

⁴⁷ Joint Statement of the Fourth Session of the Russia-Pakistan Inter-Governmental Commission.

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ "Bypassing Bids Okayed for \$25b Power Investment," *Nation*, February 8, 2017, <http://nation.com.pk/08-Feb-2014/bypassing-bids-okayed-for-25b-power-investment>

The entity of the Russian Public Joint Stock Company (PJSC), Gazprom, is exploring the possibilities to cooperate with Pakistani energy companies on supplying the Liquefied Natural Gas (LNG) to Pakistan. In this context, Gazprom Marketing and Trading Singapore (Subsidiary of Gazprom Group) would be responsible for the LNG supplies. The group also expressed to study the specific proposals of Pakistani side to participate in the projects of exploration and production of hydrocarbons in Pakistan. The Russian Rosgeologiya, in cooperation with Pakistani oil and gas companies, is ready to cooperate in particular realisation of the followings areas;

- i. Field works on 2D and 3D seismic surveying and data interpretation;
- ii. Creation of additional facilitation for the processing and interpretation of the seismic data;
- iii. Geological exploration of hydrocarbons;
- iv. Implementation of enhanced oil recovery methods;
- v. Developing the strategies for the exchange of experience and/ or training the Pakistani companies' staff.⁵²

The Russian company RusGaz Engineering is willing to cooperate with Pakistani companies in the following areas: ⁵³

- i. Development of oil and gas production and refining infrastructure.
- ii. Development of the transportation system for the natural gas, including the construction of compressor plants and the related infrastructure.
- iii. Construction of LNG re-gasification units.
- iv. Construction and reconstruction of Liquefied Petroleum Gas (LPG) recovery plants and LPG air-mix units.

Russian companies Inter RAO-Engineering, LCC, Open Joint Stock Company (OJSC), Power Machines and Joint Stock Company (JSC) "VO" Technopromexport are in the realisation of the following projects; ⁵⁴

⁵² Joint Statement of the Fourth Session of the Russia-Pakistan Inter-Governmental Commission.

⁵³ Ibid.

⁵⁴ Ibid.

- i. Construction of 600 MW Jamshoro gas-fired power plant.
- ii. Construction of 1200 MW Guddu gas-fired power plant.
- iii. Exploration of Thar coal at available blocks (Block no. 08,10,11) and mine mouth power generation.
- iv. Collaboration with Mithi Technical Training Institute.
- v. Construction of transmission line for evacuation of power from 2660 MW coal-fired power projects at the Hub Power Company Limited (HUBCO) project.
- vi. Construction of 600KV Bipolar High Voltage Direct Current (HVDC) T/L from Thar to Lahore (960km).
- vii. Construction of “Tarbela-5” Hydro Power Project (HPP), Patan and Dasu HPP.
- viii. Collaboration in gas-fired power combined cycle plants and transmission line projects.

According to the joint protocol of IGC, once the consensus on the projects of mutual interests is reached, a specific intergovernmental agreement for each specific project shall be worked out for which Russia will arrange to finance against appropriate guarantees. Pakistani parties and Russians are also interested to join CASA-1000 project of energy during the non-supply period of CASA system (in winter season) under open access option.⁵⁵

To enhance industrial cooperation, the Closed Joint Stock Company (CJSC) group of companies, “Trolza,” are willing to establish a joint venture for “Ecobus” manufacturing in Pakistan. Pakistan has shared a list of its preferences for the cooperation in the field of industry on the bases of transfer of technology. The JSC “VO” Tyzhprom export is ready to participate in the construction of a Pig-iron making plant under Romelt process in Baluchistan.⁵⁶ The enterprises of the radio-electronic and optoelectronic branches of industry JSC “Ruselectronics,” JSC “Shvabe” and JSC “Appliance-building Corporation,” which are comprised with the Rostec State Corporation, is willing to cooperate in the fields of telecommunication equipment, X-ray scanning systems, medical neonatal equipment and modern optical and lighting systems while Pakistan also expressed its interest in ultra-sonic equipment and nano-technology.⁵⁷

⁵⁵ Ibid.

⁵⁶ Ibid.

⁵⁷ Ibid.

The Russian Rosgeologiya is willing to work on geochemical and geological and geophysical technologies for the purpose of discovering new solid minerals deposits in the following territorial regions of Pakistan:⁵⁸

- i. North-Western region (the North of Pakistan), including north-western districts of provinces of Punjab and Khyber Pakhtunkhwa.
- ii. Balochistan province.
- iii. Hydrogeology, water management system and water supply.
- iv. Development of general, basin and regional patterns and target programmes for the integral use of water resources.
- v. Development and conduct of water inventories with the use of aerospace research methods and modern mathematical models.
- vi. Assessment and monitoring of water resources by melioration and ecological parameters.
- vii. Assessment of overall groundwater resources on the bases of consolidation, research and analysis of the existing factual, library and literary data with detecting promising sites for prospecting and appraisal works for ground waters.
- viii. Prospecting and appraisal work for the groundwater at promising sites with estimation of groundwater reserves and validation of designed water inlets.
- ix. Organisation and performance of monitoring of geological environment situation at water inlets for extracting drinking and technical ground waters.
- x. Development of sewage water treatment projects for the cities and towns with the use of biological, chemical-biological and physical-chemical methods.
- xi. Development of desalting projects, projects of quality improvement and decontamination of surface and subsoil waters.

Prospects of the Defence Cooperation

It was a historical moment when the Russian Defence Minister, General Sergei Shoigu, accompanied by a 41-member delegation, visited Pakistan. It was the visit of a Russian Defence Minister after 45 years. The Russian Defence Minister successfully concluded the first-ever

⁵⁸ Ibid.

defence cooperation agreement in 2014, which indicates a major policy shift. The three bilateral forums like Joint Working Group on Strategic Stability, Joint Working Group on Counter-Terrorism and bilateral Strategic Dialogue have provided opportunities to exchange views on regional security where issues regarding arms control, non-proliferation and disarmament amongst other areas of mutual interest were discussed. However, the pace of growing convergence is slow with respect to the conventional weapons, prevention of arms race in outer-space, and the destabilising nature of Anti-Ballistic Missile system (ABM) but trends are shaping future prospects of cooperation.⁵⁹ The former Chief of Army Staff (COAS) of Pakistan, General Raheel Sharif's visit to Moscow in June 2015, was significant because he met with Russian civil and military leadership including Russian Commander-in-Chief of Land Forces, Colonel-General Oleg Sayukov, and Speaker of the Russian State Duma, Sergey Naryshkin. He held talks on various bilateral and regional issues. Gen Sharif also witnessed a defence exhibition during which all types of arms, aircrafts, and helicopters were exhibited. As a result, Pakistan and Russia signed a landmark defence deal that includes the sale of four Mi-35 (Hind E) attack helicopters to Pakistan in August 2015.⁶⁰

The avenues for naval and air force cooperation were also explored when the first-ever Russian Air Force Chief visited Pakistan in 2013, and Pakistani Chief of Naval Staff visited Russia in 2013. The Pakistan Naval Ship (PNS) *ASLAT* made a first-ever port call to Russia in October 2013, and the Russian Pacific fleet also made a port call to Pakistan from April 19-23, 2014. The PNS *Rah Naward* also made port calls to Russia in May 2014. Until now both the countries held two military exercises in their respective countries, first in Pakistan while second in Russia. The frequency of military to military contacts in the recent years is reflective of the growing interests in defence and security domains. Pursuant to military contacts and lifting of the self-imposed embargo on selling arms to Pakistan in June 2014, is considered as a soft Russian posture towards Pakistan.

⁵⁹ Senate Secretariat, 103rd Session, http://www.senate.gov.pk/uploads/documents/questions/1398154384_793.pdf

⁶⁰ Mateen Haider, "Pakistan, Russia sign Landmark Defence Deal," *Dawn*, August 19, 2015, <http://www.dawn.com/news/1201473>

Missing Link

Pakistan and Russia have limited cultural exchange and opportunities towards the people of both the countries to interact which is a key impediment to understand cultures, traditions and values of each other. Limited Diaspora in each country restricts the scope of public interaction. The language barrier between the two countries plays a significant role to restrict both cultural exchanges between two communities. Run by the Russian Consulate Karachi, a Russian language centre should be established. A single-room department in National University of Modern Languages (NUML) is providing facility to learn the Russian language. The situation of Urdu, the national language of Pakistan, is not very different in Russia. However, this impediment could be removed by giving incentives to Pakistani and Russian students who want to learn the Russian language in Pakistan and Urdu language in Russia. The cultural activities of both the countries are very much limited. The Russian Consulate Karachi is, however, active to initiate some of the cultural activities but other parts of the country and capital where Embassy of Russia is operating has no such activities. Due to limited cultural activities, the people of both the countries have limited knowledge regarding their traditions, values, music and behaviours of each country. Similarly, the people of both the countries could understand history, cultural aspects of each country if Pakistan and Russia both increase cultural activities and expand academic linkages. Besides the interactions among the government officials and parliamentarians, the people-to-people contacts, academia and journalists exchange can serve as a catalyst to further improve relations.

Conclusion

Pakistan and Russia are getting closer amid transformation of the global politics from unipolar to multipolar order. In the backdrop of the withdrawal of the US and the North Atlantic Treaty Organisation (NATO) forces from Afghanistan, the Indian tilt towards the US and the West and Russian resurgence, Pakistan and Russia have the opportunity to translate high-level engagements into tangible outcomes. Recent upward trajectories in political, economic and security ties at bilateral and multilateral levels are a manifestation of foreign policy direction, which means that both countries are ready to cooperate with each other forgetting about the bitterness of the past. The bilateral institutional structures are exploring areas of cooperation

with concrete proposals. Defence and economic relations seem to be the immediate priority of both the countries. Pakistan's full membership into the SCO has provided it with the new avenues of security and economic cooperation with Russia, China and the CARs. The SCO can facilitate Pakistan and India to resolve their long outstanding issues to move toward economic cooperation and regional connectivity. The traditional Indo-Russian military exclusivity, which has a historical connotation for each other has been suffering for a while and cracks are opening up, which indicates that the new opportunities for defence cooperation between Pakistan and Russia are in progress. Both Russia and Pakistan are interested in bringing peace to Afghanistan while relinquishing their unilateral interests to avoid the menace of extremism and terrorism, which may emanate from Afghanistan. Russia is also warming up towards Pakistan to possibly reap the fruits of the CPEC, which indeed a positive point for both countries to enhance their economic trajectories. Although for the promising ties and cementing relations, both the sides need to comprehend the emerging new realities in the region and both should coordinate and cooperate for a prosperous future at regional and the global level.