

ENHANCING COOPERATION: PAKISTAN-AZERBAIJAN MULTI-SECTORAL PARTNERSHIP

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The President of Azerbaijan, H.E. Iham Aliyev, concluded his two-day visit to Pakistan on July 12, 2024. During the visit, he held meetings with President Asif Ali Zardari and Prime Minister Muhammad Shehbaz Sharif. The two sides exchanged views on a range of areas of mutual interest, committing to enhance cooperation across the broad spectrum of bilateral relations.¹ Additionally, Pakistan and Azerbaijan signed 15 MOUs and agreements. These MOUs/ agreements aim to enhance cooperation in the fields of trade, commerce, tourism, minerals, science and technology, law, justice, and cultural exchanges.²

Pakistan and Azerbaijan have traditionally enjoyed close cordial relations since the independence of Azerbaijan in 1991. Pakistan was one of the first countries to recognize Azerbaijan's independence and the formal diplomatic relations were established on 9 June 1992.³ In 1995, the then President of Pakistan, Sardar Farooq Ahmed Khan Leghari, paid an official visit to Azerbaijan. President Heydar Aliyev reciprocated the gesture in 1996, paying an official visit to Pakistan. Similarly, in 1995, the protocol for establishment of 'Azerbaijan-Pakistan Joint Commission at Ministerial Level' was signed,

1 "Visit of the President of Azerbaijan to Pakistan," Ministry of Foreign Affairs, July 12, 2024, <https://mofa.gov.pk/press-releases/visit-of-the-president-of-azerbaijan-to-pakistan>.

2 Express Tribune, "Pakistan, Azerbaijan Sign 15 Mous to Boost Bilateral Ties," The Express Tribune, July 11, 2024, <https://tribune.com.pk/story/2478882/pakistan-azerbaijan-sign-15-mous-to-boost-bilateral-ties>.

3 "Bilateral Relations between Azerbaijan and Pakistan," Embassy of Republic of Azerbaijan to Pakistan, accessed July 25, 2024, <https://islamabad.mfa.gov.az/en/content/3/bilateral-relations>.

to provide an institutional mechanism for the development of bilateral economic ties.⁴ Moreover, consistent with Pakistan's strong commitment to non-aggression and upholding of the principle of territorial integrity of states, Pakistan along with Turkiye co-sponsored the United Nations Security Council (UNSC) resolution 822, demanding an end to all hostilities by occupying forces of Armenia in Karabakh region of Azerbaijan.⁵ Azerbaijan, as a member of OIC Contact Group on Jammu and Kashmir, has been advocating for a peaceful resolution of the Jammu and Kashmir dispute.

Although the two states are situated in different regions, separated by a distance of almost 2200 kilometers, the closeness and cordiality of their relations is exceptional. This is owed to several important factors: both states share a common faith; there is an existence of ancient historical ties between them; both have faced external aggression by occupation forces; and both support each other on their respective core issues. Pakistan and Azerbaijan are both emerging economies, seeking to enhance their economic capacity and form versatile multi-sectoral partnerships. In 2023, Azerbaijan's GDP stood at \$72.36 billion and Pakistan's at \$338.37 million, depicting a massive potential of growth for both sides.⁶ The two countries have also been connected via the ancient Silk route and the remnants of this are illustrated by the 14th century 'Multan Caravanserai' in Baku. The commitment of both Pakistan and Azerbaijan for collective development and expansion of cooperation across regions is clearly depicted by the Pakistan-Turkiye-Azerbaijan trilateral mechanism, which recently held its summit meeting in Astana on 3 July 2024. Moreover, the two countries have faced similar external aggression, resulting in a common political stance at the international level. Armenia's illegal occupation of Karabakh region of Azerbaijan in 1992, shortly after the independence of Azerbaijan, is similar to Indian illegal occupation of Kashmir in 1948, shortly after the independence of Pakistan.

Currently, Pakistan and Azerbaijan are cooperating on multiple fronts such as the economy, defence, energy, Information Technology and many more. As evident from the recent visit of President Ilham Aliyev, both countries are committed to upscale cooperation to newer level across myriad of sectors. Bilateral trade has seen a notable growth, increasing almost three-folds since 2017, standing at \$40.88 million in 2022.⁷ While deciding to further enhance bilateral trade, the two sides discussed a

⁴ ibid

⁵ "1993 UN Security Council Resolutions on Nagorno-Karabakh," US department of State Archives, accessed July 25, 2024, <https://2001-2009.state.gov/p/eur/rls/or/13508.htm>.

⁶ "GDP (Current US\$) - Pakistan," World Bank Open Data, accessed July 25, 2024, <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=PK>.

⁷ "Azerbaijan (Aze) and Pakistan (PAK) Trade," The Observatory of Economic Complexity, accessed July 25, 2024, <https://oec.world/en/profile/bilateral-country/aze/partner/pak>.

series of joint projects worth \$2 billion, aiming to transform the relationship into an ‘economic partnership’.⁸

In terms of defence cooperation, Pakistan and Azerbaijan have been engaged in cooperative relations from the outset. It has been recorded that during the first Nagorno-Karabakh war, Azerbaijan’s military was clearly overwhelmed and the government sought help from Pakistan.⁹ Additionally, in 2014, Pakistan and Azerbaijan signed a ‘Bilateral Military Cooperation Agreement’ during the fifth meeting of Azerbaijan-Pakistan Working Group on Military Cooperation held in Islamabad.¹⁰ Defence and military cooperation was stressed during the state visit of President of Pakistan, Mamnoon Hussain, in March 2015. In 2019, Pakistan’s military personnel participated in ‘Caucasian Eagle-2019 Military Exercise’ as observers and Pakistan’s support to Azerbaijan during the ‘Patriotic War’ in 2020 illustrate that defence relations have grown from strength to strength. The ‘Khojaly Massacre’ of 1992, where Armenian forces indiscriminately shelled the town of Khojaly and killed nearly 500 civilians¹¹, is very similar to Indian military’s multiple massacres of Kashmiri population killing hundreds of civilian protestors. In this context, Pakistan and Azerbaijan deem it an obligation to support each other.

Cooperation between Pakistan and Azerbaijan is not just restricted to economy, trade, and defence. Azerbaijan’s massive oil and gas reserves entail a great potential for both states in terms of closer energy cooperation. Azerbaijan has an estimated 1.3 trillion cubic meters of natural gas reserves and the country’s biggest gas field “Shah Deniz” is considered one of the biggest in the world. Pakistan has been facing severe energy crisis in the recent times and the country’s gas reserves are depleting significantly. Pakistan’s overall gas output has dropped to 3.8 billion cubic feet a day compared to 6 billion cubic feet a day ten years ago. However, according a report published by Bloomberg in 2023, the country’s gas demand is going to triple in the next five years.¹² Moreover, according to a report by Energy Planning Resource Centre (EPRC) of Ministry of Planning and Development, the country’s recoverable gas reserves have undergone a staggering decline, from original recoverable reserves of

⁸ Amir Latif Arain, “Pakistan, Azerbaijan Discuss \$2B Trade, Investment Projects,” Anadolu Ajansı, July 11, 2024, <https://www.aa.com.tr/en/asia-pacific/pakistan-azerbaijan-discuss-2b-trade-investment-projects/3272805>.

⁹ “Azerbaijan Pakistan Defense Relations,” *Roznama Ummat*, October 12, 2022, 58 edition, sec. 27.

¹⁰ Dr. Nazrin ALIZADA, “Azerbaijan-Pakistan Military Relations - Ankasam: Ankara Center for Crisis and Policy Studies,” ANKASAM, September 30, 2021, <https://www.ankasam.org/azerbaijan-pakistan-military-relations/?lang=en>.

¹¹ THOMAS DE WAAL, *Black Garden: Armenia and Azerbaijan through Peace and War*. NYU Press, 2003. <http://www.jstor.org/stable/j.ctt9qg51h>.

¹² Robert Tuttle and Faseeh Mangi, “Pakistan’s Demand for LNG to Nearly Triple in Five Years,” Bloomberg.com, September 21, 2023, <https://www.bloomberg.com/news/articles/2023-09-21/pakistan-s-demand-for-lng-to-nearly-triple-in-five-years>.

63,311 cubic feet (bcf) to 20,951 bcf by 2021.¹³ In such circumstances, Pakistan needs to import LNG to cope with the increasing energy demands and Azerbaijan's enormous potential in this regard presents a huge opportunity. Among the 15 MOUs and agreements signed during the visit of Azerbaijan's President, it was agreed to deepen energy cooperation, thus helping to strengthen Pakistan's energy security and representing an opportunity for Azerbaijan to increase its exports.

In terms of Information and Communication Technologies (ICT), Azerbaijan's market has seen an exponential growth, with the government prioritizing the development across the sector of digital economy. The ICT sector of Azerbaijan has witnessed a 13.2 % growth, and accounted for 3.2 % of the country's GDP in 2021.¹⁴ Additionally, the government of Azerbaijan has been working on the implementation of various initiatives, prominently 'Azerbaijan 2030: National Priorities for Socio-Economic Development' strategy, which underscores the country's commitment to transform into a global leader in digital technologies. Pakistan, too, has been focusing on a robust growth of the ICT sector, witnessing the emergence of a large pool of IT professionals and a strong IT sector startup ecosystem. Pakistan's ICT exports grew to \$2.1 billion, contributing 4.8% of the country's GDP depicting a 47% increase from the previous year.¹⁵ Consequently, the recent MOU signed between the Ministry of Digital Development and Transport of Azerbaijan and the Ministry of Information Technology and Telecommunication of Pakistan underscores the shared commitment to expand cooperation in field of ICT.

Concluding, it can be stated that Pakistan and Azerbaijan's friendly bilateral relations between Pakistan and Azerbaijan are transforming into a full-scale partnership, spreading across multiple sectors. Such a partnership underscores the commitment of the leadership of both sides to promote a bilateral relationship which is not directed against any state or alliance, is non-confrontational, and free from bloc politics. Moreover, the two countries have committed to expand cooperation into areas of tourism, precious mineral extraction, and cultural exchanges, aiming to promote bilateral development, which also creates a positive impact across regions.

¹³ Ghulam Abbas, "Pakistan Grapples with Depleting Gas Resources," Profit by Pakistan Today, June 22, 2023, <https://profit.pakistantoday.com.pk/2023/06/22/pakistan-grapples-with-depleting-gas-resources/>.

¹⁴ World Bank Group, "Accelerating the Growth of High-Speed Internet Services in Azerbaijan," World Bank, January 28, 2015, <https://www.worldbank.org/en/country/azerbaijan/publication/broadband-in-azerbaijan>.

¹⁵ "Software Development in Pakistan," Trade Development Authority of Pakistan (TDAP), August 18, 2022, [https://tdap.gov.pk/software-development/#:~:text=Information%20technology%20/software\)%20infrastructure%20and,the%20GDP%20in%20the%20country.](https://tdap.gov.pk/software-development/#:~:text=Information%20technology%20/software)%20infrastructure%20and,the%20GDP%20in%20the%20country.)