

PAKISTAN'S SCO LANDSCAPE OF 2024 : ACHIEVEMENTS, CHALLENGES, AND OPPORTUNITIES

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SHANGHAI COOPERATION Organisation (SCO) Summit 2024



The year 2024 marks achievement of significant milestones in case of Pakistan's role in the Shanghai Cooperation Organization (SCO). Pakistan successfully hosted the 23rd meeting of Council of Heads of Government (SCO-CHG) on October 15-16, 2024. It was attended by leaders from nine SCO member states, marking a historic gathering of world leaders in Pakistan. Earlier, in September 2024, Pakistan had hosted the meeting of SCO Trade Ministers, attended by ministers of trade and commerce of all SCO member states (both in-person and online). These successful meetings reaffirmed Pakistan's strong commitment to deepen cooperation among SCO members, guided by the "Shanghai Spirit."

Key achievements

Demonstrating a proactive stance within the SCO, Pakistan participated in key high-level meetings throughout the year, starting with the 24th Council of Heads of State (CHS) in Astana in July 2024 to hosting CHG in Islamabad in October 2024. The hosting of SCO-CHG provided Pakistan a vital platform to promote regional economic integration and connectivity initiatives that align with its national interest, reinforcing Pakistan's commitment to the SCO. Additionally, bilateral meetings on the sidelines with participating leaders from member states such as China, Central Asian Republics, and Russia, helped Pakistan reinforce the groundwork for advancing enhanced cooperation in trade, counter-terrorism, infrastructure, and connectivity.

The CHS summit in Astana adopted 25 strategic documents that lay down a comprehensive road-map for the further progression of the Organization in future. These were signed/concluded by SCO leaders including the Prime Minister of Pakistan. The 'Astana Declaration' and SCO's Development Strategy were the prominent ones among others, together setting ambitious goals for regional security, sustainable development, and economic collaboration. During the summit, Pakistan specifically advocated for a unified front against rise of terrorism, extremism, and separatism in the region, promoting collective interests which align with Pakistan's national interests.¹

In the realm of trade, Pakistan actively extended support for frameworks that encourage connectivity and cross-border commerce, aiming to facilitate the achievement of greater level of regional economic integration within the SCO. In addition to advocating for trade boost during the Astana summit, Pakistan chaired the 23rd meeting of SCO ministers responsible for foreign economic and trade activities. Effectively steering the discussions focused on trade, connectivity, and economic growth, Pakistan as the chair was successful in advancement of a proposal to strengthen cooperation among Trade Promotion Organizations (TPOs) under the framework of SCO.² The proposal received widespread support as it aims to promote best practices in trade promotion, and create a network for sharing expertise and resources. Pakistan was thus able to demonstrate its resolve for a more integrated economic landscape across the regions through suggested impactful steps in addressing the trade-related challenges utilizing the SCO platform.

Challenges

Pakistan has achieved key milestones during its membership of the SCO. At the same time, there are multiple challenges which Pakistan faces within the framework of SCO such as trade deficit with overall SCO states, security concerns, and effects of climate change etc.

Pakistan's trade deficit with overall SCO member states grew from \$8.298 billion to \$11.703 billion over the last FY 2023-24. This increase accounts to almost 40%, particularly owing to large amounts of imports from China, Russia, and India.³

1 Syed Basim Raza, "SCO Astana Summit 2024: Key Outcomes", Institute of Strategic Studies Islamabad, July 19, 2024, <https://issi.org.pk/issue-brief-on-sco-astana-summit-2024-key-outcomes/>.

2 SCO Secretariat Website, "23rd Council of External Trade and Economy Ministers of the SCO Member States," The Shanghai cooperation organisation, September 29, 2024, <https://eng.sectsc.org/20240913/1535759.html>.

3 Fatima S Attarwala, "Quantum of Trade Flows within SCO," DAWN.COM, October 21, 2024, <https://www.dawn.com/news/1866624#:~:text=Pakistan's%20official%20trade%20within%20the,driven%20by%20imports%20from%20China.>

FY 2024 witnessed an increase in imports from China by nearly 39.78%, from Russia by 36.58%, and imports from India (although indirect) increased from \$190.4 million to \$206.89 million.⁴ In comparison to imports, Pakistan's exports to these states witnessed a very minimal increase, pushing Pakistan into a trade deficit of 40% with all SCO member states.⁵

Pakistan's total trade with CARs remained around \$325 million in 2023-24, with imports worth \$41 million and exports of \$284 million. The trade balance is in favor of Pakistan, but the overall trade volume is significantly lower than the actual potential.⁶ In comparison, India's exports to Uzbekistan amounted to \$512 million, nearly 64% more than Pakistan's total trade volume with CARs.⁷

Since the U.S. exit from Afghanistan, Pakistan has faced a significant surge in terrorism and terrorist attacks have soared in a substantial number. Figures indicate that terror attacks in Pakistan increased 73% during the first two years of the return of Taliban regime in Afghanistan.⁸ Terrorism is not just a concern for Pakistan, but a matter of serious concern for all SCO member states.

Afghanistan (an observer state with SCO) has been on the SCO's agenda for a long time. The SCO-Afghanistan Contact Group was established in 2006 with a purpose of establishing cooperation between SCO and Afghanistan on issues of mutual interest. The group has been inactive for three years now.

Pakistan is ranked 18th among the 193 countries of the world in terms of countries facing severe disaster risk, hit by severe climate change devastations.⁹ In the year 2022, over 33 million people were affected by the devastating floods triggered by torrential monsoon rains.¹⁰ Furthermore, as per

4 Sanjay Kathuria, "Toward a Durable India-Pakistan Peace: A Roadmap through Trade," United States Institute of Peace, June 27, 2024, <https://www.usip.org/publications/2024/06/toward-durable-india-pakistan-peace-roadmap-through-trade#:~:text=However%2C%20in%20practice%20trade%20has,imports%20on%20as%20needed%20basis>

5 Dr Talat Anwar, "Scope of Pakistan's Exports to SCO Countries," The Express Tribune, October 15, 2024, <https://tribune.com.pk/story/2502827/scope-of-pakistans-exports-to-sco-countries>.

6 Ibid.

7 OEC Database, "Uzbekistan (UZB) and India (IND) Trade," The Observatory of Economic Complexity, accessed November 19, 2024, <https://oec.world/en/profile/bilateral-country/uzb/partner/ind>.

8 Iftikhar A. Khan, "Terror Attacks Increased in Pakistan after Taliban Takeover of Afghanistan: Report," DAWN.COM, June 1, 2023, <https://www.dawn.com/news/1757192>.

9 World Bank, "World Bank Climate Change Knowledge Portal," Vulnerability | Climate Change Knowledge Portal, accessed November 19, 2024, <https://climateknowledgeportal.worldbank.org/country/pakistan/vulnerability>.

10 Web Analysis, "Climate Crisis in Pakistan: Voices from the Ground - Pakistan," ReliefWeb, June 22, 2023, <https://reliefweb.int/report/pakistan/climate-crisis-pakistan-voices-ground>.

Red Cross, over 1,700 people lost their lives and 13,000 were injured during the devastating floods of 2022.¹¹

While deliberations have been going on under the framework of SCO, there is a need for concrete measures to help hard-hit states by climate-induced disaster such as Pakistan.

Opportunities and Future Prospects

Pakistan's active role in the Shanghai Cooperation Organization (SCO) presents significant opportunities for advancing its economic and security priorities. Leveraging its strategic location, Pakistan can enhance trade and connectivity with Central Asia and beyond. Advocating for Free Trade Agreements (FTAs), reducing trade barriers, and integrating digital trade mechanisms can boost exports and strengthen regional commerce. Synergies between the Belt and Road Initiative (BRI) and SCO connectivity projects further position Pakistan as a key regional trade hub.

In security, the SCO enables Pakistan to lead efforts against terrorism and extremism. Hosting the upcoming Regional Anti-Terrorist Structure (RATS) meeting provides an avenue for advancing intelligence-sharing and capacity-building initiatives. Reviving the SCO-Afghanistan Contact Group also offers a platform to address regional security concerns collaboratively.

On climate change, Pakistan can champion adaptation and resilience strategies within the SCO framework. Proposals for a regional climate fund and technological cooperation can support disaster-affected states and foster sustainable development.

Through these initiatives, Pakistan can further reinforce its role as a proactive SCO member, advancing the goals of regional integration, stability, and economic growth while enhancing its diplomatic and strategic standing.

Conclusion

Pakistan has been proactively playing its role in the Shanghai Cooperation Organization and it underscores Pakistan's commitment to regional cooperation, collective security, and economic integration. By successfully hosting high-profile SCO events, including the Council of Heads of Government and the Trade Ministers meetings during 2024, Pakistan has helped to significantly promote SCO's objectives. The achievements notwithstanding, there are also challenges in deepening trade, enhancing security, and mitigating climate change vulnerability. Through

¹¹ British Red Cross, "Pakistan Floods and Climate Change," British Red Cross, August 30, 2023, <https://www.redcross.org.uk/stories/disasters-and-emergencies/world/climate-change-and-pakistan-flooding-affecting-millions>.

employment of strategic initiatives in these areas, Pakistan can further strengthen its positioning within the SCO and the region.