

Documents

January-June 2016

I. Foreign Policy

A. ACD

Statement by Mr. Sartaj Aziz, Adviser to the Prime Minister on Foreign Affairs, at the 14th ACD ministerial meeting

Mr. Chairman, Honourable Mr. Don Pramudwinai,
Minister of Foreign Affairs of the Kingdom of Thailand,
Excellencies,

Ladies and Gentlemen,

May I join my colleagues and record my appreciation for the warm welcome, generous hospitality and elaborate arrangements made by the Government of the Kingdom of Thailand in hosting this meeting. I would also like to welcome Nepal as the 34th member of ACD.

Mr. Chairman,

For decades, Asia has been the most dynamic region of the world. Last year, the global economy's growth was 3.1 percent, whereas Asia grew at 5.4 percent. The same level of growth is expected this year. It will, therefore, continue to drive the global economy in the coming years. In fact, with several important projects to improve energy and trade connectivity in Asia, prospects for the future are improving at a fast pace and we can now confidently predict that the 21st century belongs to Asia.

While the prospects for economic progress are improving, political and security challenges are also becoming more serious. Unless we overcome them through closer cooperation, we will not realize our full potential.

In this context, Asia Cooperation Dialogue is at a crossroads. As the Concept Paper points out, ACD has yet to realize its potential, a large gap has appeared between its objectives and achievements in the last fourteen years. We haven't been able to follow through on some of the commitments we assumed as prime movers and co-prime movers. We need a vision for ACD to turn it into a useful organization, which can offer solutions to problems and challenges that we are not able to tackle individually.

Ladies and Gentlemen,

I commend Thailand for coming up with a Concept Paper to present a vision for the organization, which offers us a way forward to meet the objectives of ACD. Pakistan supports the idea of undertaking a more detailed study to evolve a Vision-2030 for ACD and subsequently a Blueprint for adoption at the 2nd ACD Summit.

Pakistan also agrees with the conceptual framework of the Roadmap for Regional Connectivity. We believe that connectivity is of paramount importance in binding us together. Regional connectivity can be greatly facilitated by the communication revolution and the digital highways that are growing rapidly. Pakistan is working on energy connectivity projects like CASA-1000 and TAPI with our Central Asian neighbors. We are also working on China-Pakistan Economic Corridor, a flagship project to connect the western parts of China to the Arabian Sea shores of Pakistan. The project will also provide a link between Central Asia and the Middle East.

As the Secretary-General has just emphasized, different member countries in Asia belong to different regional or sub-regional organizations like ASEAN, SAARC, ECO, GCC and SCO. ACD could provide a useful platform for the Chairpersons and Secretary Generals' of these organizations to share information on their respective achievements, plans and activities. In this way, each regional organization will not only benefit from other's experience but could also evolve joint projects for cooperation among two or more organizations in certain areas. Such a role will require ACD to follow more closely, the programs and initiatives of Regional and sub-regional organizations in Asia.

Currently, Pakistan is a Prime Mover for Asian Institute for Standards. We are also Co-Prime Movers in Agriculture and Tourism. We are in the process of establishing the Asian Institute of Standards. A progress report in this regard will be soon shared. We have endorsed the Concept Paper on Agriculture, prepared by Kazakhstan. We also stand ready to cooperate on new initiatives in the field of tourism. At the same time, we welcome the decision to reduce the existing twenty areas of cooperation into six, including (i) Connectivity, (ii) Science, Technology and Innovation, (iii) Education and HR development, (iii) Energy, (iv) Food, Energy and Water Security, (v) Tourism and Culture, (vi) Alternative approaches to Inclusive and Sustainable development with the framework of Sustainable Development Goals

Excellencies,

I take this opportunity to thank the State of Kuwait for hosting the Provisional Secretariat of ACD and bearing expenses and support its proposal to upgrade the Provisional Secretariat into a Permanent Secretariat.

I thank you all.

10 March 2016. *Source:* www.mofa.gov.pk

B. AFGHANISTAN

1. **Opening Statement of Mr. Sartaj Aziz, Adviser to the Prime Minister on Foreign Affairs, at the first meeting of the Quadrilateral Contact Group (QCG) of Afghanistan, China, Pakistan and the United States on Afghan reconciliation process**

Honourable Members of the Quadrilateral Group,

I would like to extend you a very warm welcome for this important first meeting of the Quadrilateral group being hosted by Pakistan today as part of our collective endeavor to facilitate the resumption of the Afghan reconciliation process and coordinate our efforts to move the process forward in a meaningful manner.

At the outset, I want to reaffirm that Pakistan values its brotherly and neighbourly relations with Afghanistan, and is firmly committed to continue serious efforts for long term peace and stability in Afghanistan.

The Fifth Ministerial Conference of the Heart of Asia-Istanbul Process provided positive impetus to our quest for lasting peace in Afghanistan. While the Conference reaffirmed collective regional and international resolve for promoting peace and stability in Afghanistan, the meetings on the sidelines between President Ahrar Ghani and Prime Minister Nawaz Sharif as well as our quadrilateral interaction involving Afghanistan, China, Pakistan and the United States reflected important consensus on the way forward on Afghan peace and reconciliation process.

In this regard, we took two key decisions on the way forward: (a) politically negotiated settlement was the most viable option for durable peace in Afghanistan; and (b) Towards that end, the quadrilateral group should closely coordinate the reconciliation process between Afghan government and Taliban groups.

On 27 December, Chief of Army Staff Gen Raheel Sharif also visited Afghanistan and had useful interaction with the Afghan side for strengthening security and counterterrorism cooperation through intelligence sharing and facilitating the Afghan peace and reconciliation process.

Today's meeting of the Quadrilateral Group is of great significance. The first and foremost task before the Group is to define the overall direction of the reconciliation process along with the goals and targets it would like to set with a view to creating a conducive environment for holding direct talks between Afghan government and Taliban groups. It is important to undertake a realistic assessment of the opportunities as well as anticipated obstacles in the process and then develop clarity on how to proceed further. In our view, assigning specific tasks amongst us in accordance with the principle of shared responsibility will be crucial for getting the desired outcome.

I am confident your meeting today will be able to evolve an efficient procedural framework to provide the basis for smooth functioning of the Group. In this regard, it is important to underline that the ToRs have to be consistent with the objectives and mandate of the Group.

As you would agree reconciliation through a politically negotiated settlement is an arduous and complex task. In order to ensure that the process remains constructive and achieves a meaningful outcome, following important elements relating to the process and the public messaging have to be kept in mind:

Firstly, the primary objective of the reconciliation process is to create conditions to bring the Taliban groups to the negotiation table and offer them incentives that can persuade them to move away from using violence as tool for pursuing political goals. It is, therefore, important that pre-conditions are not attached to the start of the negotiation process. This in our view will be counterproductive.

Secondly, proper sequencing of actions and measures in the process would be significant in paving the way for direct talks with Taliban groups. Threat of the use of military action against irreconcilables cannot precede the offer of talks to all the groups and their response to such offers. Distinction between reconcileables and irreconcilables and how to deal with the irreconcilables can follow once the avenues for bringing them to the talks have been exhausted.

Thirdly, certain CBMs can play a key role in encouraging Taliban groups to join the negotiation process.

Fourthly, while the roadmap is important for charting the course of action, it has to be realistic and flexible. It should broadly define steps and phases, but avoid unrealistic targets and deadlines.

Finally, while positive public messaging is important, keeping in view the sensitive nature of Group's work, it should be our endeavor to keep the work of this group out of media glare, as much as possible.

I am confident that the meeting of the Quadrilateral group will have constructive and meaningful deliberations focusing on all relevant issues and charting the way forward keeping sight on our shared goal of achieving lasting peace in Afghanistan through a politically negotiated settlement.

I wish to conclude with my best wishes for your proceedings today.

Thank you very much.

Islamabad, 11 January 2016.

2. Joint Press Statement issued after the first meeting of the Quadrilateral Coordination Group on Afghan Peace and Reconciliation Process

The first meeting of the Quadrilateral Coordination Group (QCG) of Afghanistan, Pakistan, the United States and China on Afghan peace and reconciliation process was held in Islamabad on 11 January 2016. The delegations were led by Afghan Deputy Foreign Minister Hekmat Khalil Karzai, Pakistan's Foreign Secretary Aizaz Ahmad Chaudhry, the US Special

Representative for Afghanistan and Pakistan Ambassador Richard G. Olson and China's Special Envoy for Afghanistan Ambassador Deng Xijun.

The Group reiterated the commitment of their countries to the realization of objectives expressed in their statement from the quadrilateral meeting held on the sidelines of the Heart of Asia Conference in Islamabad on 9 December 2015. Building on the outcome of December 9 trilateral and quadrilateral meetings, they considered mutual efforts to facilitate an Afghan-led and Afghan-owned peace and reconciliation process with a view to achieving lasting peace and stability in Afghanistan and the region.

All four countries underscored the importance of bringing an end to the conflict in Afghanistan that continues to inflict senseless violence on the Afghan people and also breeds insecurity throughout the region. The participants emphasized the immediate need for direct talks between representatives of the Government of Afghanistan and representatives from Taliban groups in a peace process that aims to preserve Afghanistan's unity, sovereignty and territorial integrity.

The discussions focused on undertaking a clear and realistic assessment of the opportunities for peace and reconciliation in Afghanistan, anticipated obstacles and measures that would help create conducive environment for peace talks with the shared goal of reducing violence and establishing lasting peace in Afghanistan.

The meeting adopted the terms for the work of the Quadrilateral Coordination Group and agreed to continue regular meetings to advance the peace and reconciliation process in Afghanistan. The group would hold discussions on a roadmap at its next meeting to be held on 18th January 2016 in Kabul.

Islamabad, 11 January 2016.

3. Joint Press Release issued after the second QCG meeting on the Afghan Peace and Reconciliation process

The second meeting of the Quadrilateral Coordination Group (QCG) of Afghanistan, Pakistan, the United States and China on the Afghan Peace and Reconciliation process was held in Kabul on January 18, 2016. The delegations were led by Afghan Deputy Foreign Minister Hekmat Khalil Karzai, Pakistan's Foreign Secretary Aizaz Ahmad Chaudhry, the US Ambassador to Afghanistan Michael McKinley and China's Special Envoy for Afghanistan Ambassador Deng Xijun.

Taking note of the joint statement of January 11, 2016 and building on the outcome of the first meeting of the QCG, the group discussed and made progress on a roadmap towards initiating peace talks with Taliban groups that reflects the shared commitments of the QCG member countries. The roadmap aims to set specific measures that are necessary for creating a conducive

environment for the commencement of Afghan led, Afghan owned peace talks between representatives of the Government of Afghanistan and representatives of Taliban groups aimed at reduction of violence and establishing lasting peace in Afghanistan and the region. To this end, the QCG called on all Taliban groups to enter into early talks with the Afghan government to resolve all differences politically in accordance with the will and aspirations of the entire Afghan nation and the desire and support of the QCG member countries for lasting peace in Afghanistan.

The participants of the QCG once again emphasized the need for an end to the senseless violence against the Afghan people. The QCG countries agree that all forms of terrorism presents a grave threat to countries, the region and the world. The members indicated their commitment to a robust effort to eliminate all forms of terrorist groups, regardless of their national origin, operating in their respective territories.

The QCG member countries agreed that friendly, mutually respectful and cooperative relations between the member states of QCG are necessary to create an enabling environment for the peace process in Afghanistan, which will help ensure the security, stability, prosperity, and interests of the region.

The QCG agreed to continue regular meetings to advance the Peace and Reconciliation process in Afghanistan. The group will hold its next meeting on February 6, 2016 in Islamabad.

Kabul, January 18, 2016.

4. Joint Press Release issued after the third QCG meeting of Afghanistan, Pakistan, the United States and China

The third meeting of the Quadrilateral Coordination Group (QCG) of Afghanistan, Pakistan, the United States and China on the Afghan Peace and Reconciliation process was held in Islamabad on 6 February 2016. Foreign Secretary of Pakistan Aizaz Ahmad Chaudhry hosted the meeting. Other delegations were led by Afghan Deputy Foreign Minister Hekmat Khalil Karzai, US Special Representative for Afghanistan and Pakistan Ambassador Richard G. Olson and China's Special Envoy for Afghanistan Ambassador Deng Xijun.

Building on the progress made in the last two meetings, the Group explored ways for holding early direct peace talks between the authorized representatives of the Afghan Government and Taliban groups. In this regard, the Group also adopted a roadmap stipulating the stages and steps in the process.

The Group stressed that the outcome of the reconciliation process should be a political settlement that results in the cessation of violence, and durable peace in Afghanistan.

Towards this end, the QCG countries agreed to continue joint efforts for setting a date for direct peace talks between the representatives of the Afghan government and Taliban groups expected to take place by the end of

February 2016. The QCG members called on all Taliban groups to join the peace talks.

The QCG agreed to continue regular meetings to ensure a smooth way forward in the peace and reconciliation process in Afghanistan. The group agreed to hold its next meeting in Kabul on 23 February 2016.

Islamabad, 6 February 2016.

5. Joint Press Release issued after forth QCG meeting

The fourth meeting of the Quadrilateral Coordination Group (QCG) of Afghanistan, Pakistan, the United States and China on the Afghan Peace and Reconciliation process was held in Kabul on February 23, 2016. The delegations were led by Afghan Deputy Foreign Minister Hekmat Khalil Karzai, Pakistan's Foreign Secretary Aizaz Ahmad Chaudhry, Chinese Ambassador Yao Jing and U.S. Charge d'Affaires, David Lindwall.

The QCG members welcomed the strong statement by H.E. President Mohammad Ashraf Ghani, President of the Islamic Republic of Afghanistan, on 15 February in which he once again underlined the strong commitment of the Government of Afghanistan for peace and reconciliation with Taliban groups and Hezbi Islami Hekmatyar, the support of the Afghan nation for this national priority and his call on the Taliban and other groups to join early direct talks with the Government of Afghanistan.

Taking note of the joint statement of February 06, 2016 and building on the outcome of the previous meetings of the QCG, the group reviewed progress in the implementation of the Roadmap for the Afghan-led, Afghan-owned peace and reconciliation process. Towards this end and also in line with the desire and support of the QCG member countries for lasting peace in Afghanistan, the QCG endorsed and expressed strong support for the upcoming direct talks between the Government of Afghanistan and authorized representatives of the Taliban and other groups.

The QCG member states invite all Taliban and other groups to participate through their authorized representatives in the first round of direct peace talks with the Afghan government expected to take place by the first week of March 2016. Pakistan has graciously offered to host this round of talks in Islamabad.

The QCG also welcomed the decision by Afghanistan and Pakistan to constitute a bilateral joint working group to work with the honorable Ulema of Afghanistan and Pakistan for their support to the Afghan led and Afghan owned peace and reconciliation process, including through Fatwas against the ongoing senseless violence.

The QCG agreed to continue joint endeavors as part of their shared commitments to advance the peace and reconciliation process in Afghanistan.

The next QCG meeting will take place in Islamabad immediately after the first direct peace talks.

Islamabad, 23 February 2016

6. Press Statement by the Foreign Secretary on the Heart of Asia-Istanbul process

1. As you are aware, yesterday I visited New Delhi to attend the Senior Officials' Meeting of the Heart of Asia - Istanbul Process.
2. Pakistan is an active member of the Heart of Asia process, which has emerged as an effective platform to discuss regional cooperation between Afghanistan and its neighbours and regional countries and international partners to bring lasting peace and stability to Afghanistan. Pakistan successfully hosted the Fifth Ministerial Conference of the Heart of Asia in Islamabad on 9 December 2015. The Conference unanimously adopted a forward looking Islamabad Declaration emphasizing closer regional and international cooperation for long term peace and stability in Afghanistan.
3. You may recall that the Islamabad Conference was well-attended. There were several important meetings on the sidelines of the Conference. Afghanistan, Pakistan, the US and China also established a Quadrilateral Coordination Group (QCG) to facilitate the "Afghan-owned" and "Afghan-led" reconciliation process. The QCG members remain engaged in efforts to facilitate direct peace talks between Afghan Government and Taliban.
4. At the New Delhi Senior Officials' Meeting held yesterday, we highlighted the positive role being played by Pakistan in efforts for bringing long term peace and stability to Afghanistan. We reaffirmed our firm commitment to continued close engagement with the Government of Afghanistan. We expressed grave concern over continued violence in Afghanistan claiming innocent lives, particularly the 19 April attack in Kabul. Reiterating that politically negotiated settlement remains a viable option for lasting peace in Afghanistan, we emphasized the need of continued efforts by all the members of the QCG for early direct peace talks under the principle of shared commitment.
5. We also highlighted Pakistan's desire for promoting regional cooperation and connectivity with Afghanistan and Central Asia through projects like TAPI, CASA 1000, Railroad networks etc., which would help bring shared prosperity to our region.
6. On the sidelines of the Senior Officials' Meeting, we also held bilateral meetings with other leading delegations including Afghanistan, China, and the US to project Pakistan's perspective and efforts regarding promoting long term peace and stability in Afghanistan.
7. During my visit, I also met the head of delegation of the host country, Foreign Secretary of India, Dr. S. Jaishankar on the sidelines of the Heart of

Asia, Senior Officials Meeting. We discussed bilateral relations and issues of mutual concern in a cordial environment. In line with our Prime Minister's vision of a peaceful neighborhood, I underscored the need for a structured, sustained and result-oriented comprehensive dialogue process between the two countries. However, the uninterrupted dialogue process would require commitment from both sides. I affirmed to my Indian counterpart that Pakistan believes that a sustained and structured engagement is imperative for resolving the outstanding issues.

8. During the meeting, I highlighted Pakistan's commitment to resolve all outstanding issues between the two countries including the Jammu and Kashmir dispute. I emphasized that the Jammu and Kashmir dispute remained the core issue and it was vital to find a just solution to this long standing issue, as per the UN Security Council resolutions and wishes of the Kashmiri people.
9. Availing this opportunity and in the light of the confession statement by apprehended RAW officer, Kulbushan Jadev, I conveyed to the Indian side Pakistan's deep concern on the illegal entry into Pakistan by a RAW officer and his involvement in subversive activities in Karachi and Balochistan towards destabilizing Pakistan. Unfortunately, such acts undermine efforts to normalize relations between the two countries.
10. I also reiterated Pakistan's call for fair investigation and trial of the Samjhauta Express Terrorist Attack, which resulted in the death of more than 42 innocent Pakistanis. I expressed our concern over recent news items regarding efforts being made to exonerate some of the individuals who were responsible for the attack.
11. The Indian Foreign Secretary raised the Pathankot incident. In response, I informed him that the JIT had visited India from 27 March to 1 April 2016. On the basis of information received from the Indian side, the JIT is currently engaged in further investigations.
12. In addition, both sides discussed humanitarian issues, including the issue of release of all fishermen as well as prisoners who have completed their sentences. The two sides also stressed the need to facilitate the people to people exchanges including religious tourism.
13. Both sides agreed on the need to carry forward the relationship in keeping with the vision of the leadership.

27 April 2016.

7. Fifth Round of Pakistan-Afghanistan Dialogue organized by Regional Peace Institute: Mr. Sartaj Aziz's inaugural address

Let me first thank RPI for convening the 5th Round of Pak-Afghan dialogue and for giving me this opportunity to share my thoughts on an important subject.

Pakistan has a vital stake in peace and stability in Afghanistan. It goes without saying that without a stable Afghanistan, the security challenges facing Pakistan cannot be effectively addressed.

For Pakistan, the security situation in Afghanistan is a matter of serious concern. We have strongly condemned recent terrorist incidents in Afghanistan, particularly the 19 April terrorist attack in Kabul.

Since the Government of National Unity took charge, we made sincere efforts to forge a long-lasting relationship with Afghanistan. The Prime Minister, during his visit to Kabul on 12 May 2015 accompanied by the military leadership, declared that the enemies of Afghanistan cannot be friends of Pakistan. He has personally remained engaged with the Afghan leadership to rebuild mutual trust and understanding with Afghanistan.

On 9 December 2015, Pakistan hosted the fifth Ministerial Conference of the Heart of Asia-Istanbul Process which reaffirmed the commitment of the participating and supporting countries as well as the associated international organizations for effective cooperation for combating security threats and promoting regional cooperation and connectivity.

Pakistan has been engaged in sincere and consistent efforts for promoting peace and reconciliation through an Afghan-owned and Afghan-led peace. We believe that a politically negotiated settlement remains a viable option. In 2015, we facilitated direct talks between the Afghan government and the Taliban in Murree. Unfortunately, the talks were scuttled.

The Quadrilateral Coordination Group (QCG) comprising Afghanistan, Pakistan, US and China, has been making joint efforts for reviving direct talks between the Afghan Government and Taliban. Taliban have not yet responded positively to these efforts but we believe that QCG countries in line with their shared responsibility should continue efforts for peace talks. The Fifth Meeting of the QCG, held on 18 May in Islamabad, reaffirmed the commitment of all member states to the Afghan peace process and to continue efforts to revive direct peace talks. Pakistan along with other QCG members will continue to make serious efforts in this regard.

Ladies and Gentlemen,

Some of the challenges we face in our quest for peace and stability in Afghanistan are:

We believe that there is a need for a more unified and coherent messaging from Kabul in favour of peace and reconciliation with Taliban.

Prolonged political instability in Afghanistan had created a fertile ground for foreign meddling after 9/11. Many different militant groups have become increasingly dominant in the security landscape with growing insurgency in different parts of Afghanistan.

The announcement of the death of Mullah Omar in July 2015 not only scuttled the Afghan peace process, it also led to the splintering of the Taliban.

Negative statements about Pakistan emanating from Afghanistan tend to impede the constructive bilateral engagement. Pakistan as a policy has continued to show restraint in responding to such negative remarks.

Vested interests have often tried to create a perception that Pakistan actually controls the Taliban. Such an impression breeds unrealistic expectations from Pakistan. The mistrust between the two countries has also affected on the efforts for peace and stability in Afghanistan.

The return of Afghan refugees is also a major challenge in Pakistan-Afghanistan relations. Over three million Afghan refugees are present in Pakistan. Besides being a continuing economic burden, refugee camps have also become a security concern as they provide sanctuary to terrorists and insurgents. We have a tripartite agreement between Afghanistan, Pakistan and UNHCR, which is constantly reviewed. Pakistan is faithfully implementing this agreement.

Long porous border between Afghanistan and Pakistan is frequently used by miscreants including terrorists, militants, human and drug traffickers and criminals. For effective counter terrorism, border controls to regulate the movements across the border is vital. We look forward to positive response from the Afghan government to our proposals for effective border management.

For the way forward, I would like to highlight the following:

Without reconciliation, peace cannot return to Afghanistan. The Quadrilateral Coordination Group (QCG) is an appropriate forum to pave the way for the Afghan peace process. The immediate goal is cessation of violence. The QCG can play a key role in achieving this goal. However, the process leading to that goal needs patience and time.

There is a need for wide ranging discussion between Pakistan and Afghanistan at all levels, government, intelligentsia, civil society and media. This would help to restore trust and strengthen bilateral relations. We are ready to engage.

Robust institutional interaction at political, military-to-military and intelligence level are needed to put the relationship on an even keel and restore trust and confidence.

Regional cooperation through infrastructure and energy connectivity will also help realize the goal of shared prosperity of both the countries. To this end, infrastructure, communications, road and rail links are essential. We believe that the dream of an inter-connected and economically integrated region cannot be realized without a peaceful Afghanistan.

In conclusion, I would reiterate Pakistan's unequivocal support to efforts aimed at bringing peace and stability to Afghanistan through intra-Afghan dialogue and reconciliation. However, the long-term peace and stability in Afghanistan requires that there is synchronization of efforts by Afghanistan, neighbouring and regional countries as well as broader international community including the United States, Russia, China, EU and other major players. Pakistan supports these efforts and is keen to play a facilitative role for bringing lasting peace to Afghanistan. A stable, prosperous and peaceful Afghanistan is in

Pakistan's interest. We have been and will continue to make our sincere contribution to this objective.

Thank you

20 May 2016.

8. Joint Press Release issued after the meeting between Adviser to the Prime Minister on Foreign Affairs Sartaj Aziz and Afghan Foreign Minister Salahuddin Rabbani

Today, a meeting was held between Adviser to the Prime Minister on Foreign Affairs Sartaj Aziz and Afghan Foreign Minister Salahuddin Rabbani on the sidelines of the SCO Summit in Tashkent. Afghan National Security Adviser Haneef Atmar was also present.

Building upon the ideas generated in the meeting between Foreign Secretary and Afghan Deputy Foreign Minister in Islamabad on 20 June 2016, they agreed to constitute a high level bilateral mechanism for consultation and coordination on various important issues relating to bilateral relations and cooperation, including security, movement of people and vehicles between the two countries and other relevant issues.

The proposed mechanism will be co-chaired by Adviser Sartaj Aziz and Afghan Foreign Minister Salahuddin Rabbani and with the participation of the National Security Advisers of the two countries. It will also have a joint technical working group to deal with the concerns of both countries.

The main purpose of this Mechanism would be not only to address and resolve issues of concern to both sides through amicable means but also to prevent the recurrence of violent incidents like the ones witnessed recently in Torkham.

The two sides also took this opportunity to review other aspects of bilateral relations. They reaffirmed respect for each other's sovereignty and territorial integrity and adherence to the principle of non-interference into each other's internal affairs.

Adviser Aziz and Foreign Minister Rabbani reiterated the mutual desire for strengthening bilateral relations for promoting peace, stability, counter terrorism and economic progress of both the countries. Towards this end, it was agreed to enhance mutual engagement in diverse areas to deepen cooperation.

The two sides specifically expressed their firm commitment to continue serious efforts towards eliminating the scourge of terrorism which poses a grave threat to the peace and security of the two countries, and the region. In this regard, they emphasized the need for close cooperation and coordination between the two countries at all levels.

While discussing bilateral relations, the two sides stressed the need for continuing joint efforts to promote peace and reconciliation in Afghanistan

through timely and concrete actions resulting in tangible outcomes, including in the framework of the Quadrilateral Coordination Group process.

Tashkent, 24 June 2016. *Source:* www.mofa.gov.pk

C. CHINA

1. Keynote Address by Mr. Sartaj Aziz, Adviser to the Prime Minister on Foreign Affairs at the Third China-Afghanistan-Pakistan Trilateral Dialogue

Excellencies,
Distinguished guests,
Ladies and Gentlemen,

It is a matter of immense pleasure for me to address this august gathering of distinguished politicians, academicians, and thinkers today in the 3rd China-Afghanistan-Pakistan trilateral dialogue on the topic "Quest for peace in Afghanistan: Role of neighbouring countries".

I commend Pakistan-China Institute and KonradAdenauerStiftung for organizing this trilateral dialogue providing an opportunity for brain storming on the pursuit for enduring peace and stability in Afghanistan through a collective and coordinated regional approach. This topic is of central importance in the context of Pakistan's foreign policy.

I cordially welcome the guests and speakers who have come from Afghanistan and China for participation in this dialogue along with participants from Pakistan. I am confident that your deliberations will be constructive and meaningful.

Ladies and Gentlemen,

Pakistan's policy of peaceful neighbourhood is rooted in Qaid's dictum "peace within and peace without". The government under the dynamic leadership of Prime Minister Nawaz Sharif is pursuing the vision of good neighbourly relations for creating an atmosphere of mutual trust and confidence with all our neighbouring and regional countries. "Respect of sovereignty and territorial integrity and non-interference in the internal affairs of other countries remain the cardinal elements of our approach.

Pakistan's commitment and persistence in pursuing such principled and forward-looking approach has received recognition from the international community and regional countries.

Ladies and Gentlemen,

For Pakistan, Afghanistan is an important neighbour. Friendly relations between our peoples are based on common bonds of religion, ethnicity, history, geography strengthened through mutual interaction and movement of people spanning over centuries and millennia. Unfortunately, prolonged conflict

throughout the past 35 years in Afghanistan has, apart from causing immense suffering to the people, has prevented the country region from realizing its full development potential.

Pakistan desires sustainable peace and stability in Afghanistan. We believe a peaceful and stable Afghanistan would become harbinger of regional stability and economic integration. It will not only create a favourable environment for greater trade and energy connectivity, but also stimulate cross-regional exchanges.

Pakistan will, therefore, continue its endeavours for strengthening bilateral engagement with Afghanistan through deepening interaction in diverse fields. We are also committed to facilitating an intra-Afghan reconciliation process aimed at bringing lasting peace to Afghanistan.

Ladies and Gentlemen,

Pakistan, Afghanistan and China are three close neighbours having common interests and stakes in promoting peace and development in the region. The geo-strategic location of our three countries makes us important partners in transforming our region into a regional hub providing at the cross roads of East and West. Enduring peace and stability in Afghanistan can enable our three countries to reap economic benefits accruing from this natural strategic advantage.

It is heartening that the Fifth Ministerial Conference of the Heart of Asia held in Islamabad on 9 December reflected an overarching regional and international consensus on a collective and coordinated approach in pursuing an Afghan led reconciliation process.

Important meetings were held on the sidelines of the Conference between President Ashraf Ghani and Prime Minister Nawaz Sharif. A Quadrilateral Contact Group has been set-up between Afghanistan, Pakistan, China and the United States to explore ways and means of facilitating a politically negotiated settlement as the most viable option for achieving lasting peace in Afghanistan.

It is heartening that today as I speak here, the Quadrilateral Contact Group involving Afghanistan, China, Pakistan and the United States is holding its first meeting in Islamabad. We hope that these four countries will remain closely engaged in accordance with the principle of shared responsibility with a view to move the Afghan reconciliation process forward towards a lasting outcome.

We need to be cognizant that the reconciliation process will have to take into account following fundamentals:

One, the process has to be Afghan-led and Afghan-owned as an externally imposed settlement is neither desirable nor it would be sustainable. The role of Pakistan, China and the United States is basically to facilitate the process.

Two, political reconciliation by nature is a complex process requiring time, patience and sense of accommodation by the concerned parties with a view to arriving at a win-win solution.

Ladies and Gentlemen,

Pakistan remains focused on strengthening engagement and collaboration with Afghanistan in the fields of security and counterterrorism with a view to creating conducive environment for steering infrastructure and energy connectivity projects. We are looking forward to the mega China-Pakistan-Economic Corridor (CPEC) to become the catalyst for trans-regional commerce, trade, industry and investment flows. The project has been rightly termed as a game changer as it has the potential to change the fortunes of our peoples by fostering employment, economic growth and development.

Similarly, the projects like TAPI and CASA-1000 will help fulfill our energy needs, on the one hand, and build a stronger regional infra-structural base, on the other.

Besides, Pakistan is undertaking a number of bilateral projects in Afghanistan in the field of health, education and infrastructure development. Around 2,500 Afghan students are studying in Pakistani universities under Prime Minister's of scholarship scheme.

Ladies and Gentlemen,

In our view, terrorism is a major threat to global and regional peace. Pakistan has suffered huge human and economic losses due to this menace. But our sacrifices in the struggle against terrorism have further strengthened our resolve. Our counter-terrorism policy is based on zero tolerance for any terrorist group or outfit. Indiscriminate action against the terrorist outfits in Zarb-e-Azb is un-refutable evidence of our strong conviction. We believe that close cooperation at bilateral and regional levels is vital to eliminate this scourge and realize our shared goal of economic integration and connectivity.

Ladies and Gentlemen,

In conclusion, I would like to reiterate my best wishes for your deliberations today and for the success of this trilateral dialogue.

Islamabad, 11 January 2016

2. Remarks by Mr. Sartaj Aziz, on "One Belt One Road and its Positive Connotations for Pakistan & its Adjoining Region as well as Security Issues pertaining to China-Pakistan Economic Corridor"

I wish to thank Mr. Ikram Sehgal, Vice Chairman, Karachi Council on Foreign Relations, for arranging this event.

I would like to welcome to Dr. Manli Cheng, Dean and the faculty of National Institute of Strategic Communication (NISC) at Peking University to Pakistan and to this event.

Peking University, we all know, has inspired a large number of China's leaders and scholars, who have helped to build a great country and a vibrant society.

The focus of Peking University's NISC is currently on One Belt One Road and CPEC, I am certain, this will promote better understanding of these landmark initiatives and contribute to their successful implementation.

Ladies and Gentlemen,

One Belt One Road is a visionary concept of Chinese President Xi Jinping. Under the concept of One Belt One Road, the Chinese President has proposed creating Silk Road Economic Belt and Maritime Silk Road. This has transformed a traditional concept of Silk Road, found in old chronicles, fables and fairy tales, into a viable policy instrument for economic prosperity through regional connectivity and integration.

I believe that important features of the two Silk Roads proposed by Chinese leadership are openness and beneficial cooperation. Thus One Belt and One Road initiative enables all countries and regions to share the bounties of economic development, based on win-win cooperation.

Ladies and Gentlemen,

CPEC is a flagship project of One Belt One Road initiative. It is a vital bridge that connects the Road and the Belt. Located at crossroads of Central Asia, the Middle East and South Asia, Pakistani seaport of Gwadar, on northern Arabian Sea near Persian Gulf, is at the confluence of both the Road and the Belt.

By linking China with Arabian Sea and the Persian Gulf, CPEC will optimize trade potential and enhance energy security of China, Pakistan and our wider region. Thus, it will directly benefit three billion people inhabiting China, South Asia, Central Asia and the Middle East.

CPEC is also a catalyst for regional economic integration. It will foster regional harmony and forge closer relations among China, Pakistan and our neighbours. It will promote regional stability in the region and bring prosperity, particularly to underdeveloped areas.

CPEC is a recipe for alleviating poverty for millions of people by providing alternate livelihoods. The Corridor can also act as a bulwark against forces of terrorism and violent extremism — by engaging local youth in meaningful employment and presenting them with new economic opportunities.

For China, CPEC will further promote a peaceful neighbourhood it desires to continue on its path towards peaceful development and national rejuvenation. A successful CPEC sets example for China's similar projects with other countries and benefit the grand plan of One Road & One Belt. That's why we say building CPEC is like building the Road and Belt.

For Pakistan, CPEC will tap Pakistan's enormous natural and human resources, address acute energy shortfalls, modernize Pakistan's transport infrastructure to contemporary requirements, inject a strong impulse for national economic development and help in building a knowledge-based, egalitarian society, in line with aspirations of our founding father, Quaid-e-Azam Mohammad Ali Jinnah.

For both China and Pakistan, CPEC will instill greater vitality and a stronger economic content to our all-weather strategic partnership.

Let me emphasize that CPEC should not be viewed in the prism of regional power dynamics, old style alliance formation or 'Zero-sum relationship' between different countries. The spirit of CPEC is cooperation and not confrontation; collaboration and not competition. It is a win-win project for everybody in the region and beyond. CPEC contributes towards a regional and an international order based on shared prosperity, mutual benefits and economic convergence.

Ladies and Gentleman,

Work on CPEC is making steady progress. In the last two and half years since Prime Minister Nawaz Sharif and Premier Li Keqiang assumed offices, our two countries have achieved a broad consensus on planning and implementation of various infrastructure and energy projects as well as economic zones under the CPEC rubric.

Last April, on occasion of the historic visit of President Xi Jinping to Pakistan, our two countries signed more than 30 agreements and MoUs regarding CPEC -- dealing mainly with Transport Infrastructure, Energy, Gwadar Port and Industrial Zones.

Transport projects endeavor to improve north-south and east-west linkages of our existing road/railways networks.

Energy projects seek to add nearly 10,000 MW to national grid in next three years to ease our acute electricity shortfalls.

Projects to develop Gwadar aim at improving port operations and connectivity, provide financing modalities and help in social sector development.

Ladies and Gentlemen,

Pakistan's Government is pursuing prudent economic policies, which have stimulated economic recovery in the country and contributed to overall development. This has also helped in progress on CPEC.

In Pakistan of today, micro and macroeconomic indicators are improving, inflationary pressures have eased, budget borrowing is reduced and our currency is stable. International Credit Rating Agencies and independent monitors of international economy are making positive pronouncements on our national economy.

With economic progress and political stability, the government is now in a position to undertake key energy and infrastructure projects under CPEC

rubric. Each CPEC project makes sound economic sense and fulfils international feasibility criteria.

Ladies and Gentlemen,

As we make steady progress in implementing various CPEC projects, let me assure you that the Government of Pakistan is not oblivious to the challenges confronting us. Instead, we are robustly addressing these challenges to the best of our abilities. In this context, I will highlight following two points:

One, we attach the highest importance to Security of Chinese workers in Pakistan. On special instructions of Prime Minister Mohammad Nawaz Sharif, a dedicated force is being raised for this purpose.

Two, Pakistan's Government is mindful of ongoing debate within the country on the so-called "alignment" of CPEC. The Government continues inter-provincial coordination at the levels of Federal Cabinet and National Parliament to build national consensus on this issue. I am certain the democracy and constitutionalism, which are the bedrock of our federation, will drive the national consensus on this important issue.

Ladies and Gentlemen,

I conclude by thanking our Chinese friends. I hope the academic communities of the two countries will keep taking interest in CPEC and One Belt One Road to improve our perspectives and enrich the discourse on these important initiatives.

Thank you.

Islamabad, 15 January 2016.

3. Felicitation Message from the President of Pakistan on the 65th anniversary of the establishment of diplomatic relations between Pakistan and China

Excellency,

It is my pleasure to extend you the deepest felicitations of the Government and the people of Pakistan on the 65th anniversary of the establishment of diplomatic relations between our two friendly and brotherly countries.

In the past 65 years, we have strengthened friendship, deepened mutual trust and expanded cooperation with China. Our relationship has been elevated to a robust all-weather cooperative strategic partnership and has grown to encompass many areas of cooperation including economy, trade, science and technology, people-to-people contacts, culture and education.

We take pride in the fact that China has always proved to be an Iron brother, steadfast friend and a reliable partner of Pakistan. Our longstanding and ever-growing partnership with China is based on mutual respect, trust and shared values. It is symbolized in mutually beneficial projects like China-Pakistan Economic Corridor, legendary initiatives like the Karakoram Highway,

historical ties visible in the artifacts of Gandhara Civilization and the slogan "Pak-Cheen Dosti wan sui" which is etched in the minds and hearts of every Pakistani.

As we commemorate the 65 years of diplomatic relations, it is a time to reflect and cherish the past achievements, and a time to look ahead towards our future aspirations and dreams. Our friendship remains evergreen, fresh and forward-looking as we have sustained the test of times. Our predecessors have laid the foundation of a strong, stable and affectionate relationship. As torchbearers of two ancient civilizations and modern nations, it is our responsibility to pass the legendary narrative of our friendship to successive generations.

On the occasion of Pakistan-China friendship year, please accept my personal best wishes for Your Excellency's health and happiness and the continued progress and prosperity of China.

Please accept, Your Excellency, the assurances of my highest consideration.

(Mamnoon Hussain)

President of the Islamic Republic of Pakistan

His Excellency,
Mr. Xi Jinping,
President,
People's Republic of China
Beijing

21 May 2016

4. Felicitation Message from the President of China on the 65th anniversary of the diplomatic relations between Pakistan and China

H.E. Mamnoon Hussain
President of the Islamic Republic of Pakistan
Islamabad

On the occasion of the 65th anniversary of the establishment of the diplomatic relations between the People's Republic of China and the Islamic Republic of Pakistan, I would like to, on behalf of the Chinese Government and people and also in my own name, extend warm congratulations and good wishes to the Pakistani Government and people as well as to yourself.

China and Pakistan are all-weather strategic partners of cooperation. Over the past 65 years since the establishment of the diplomatic relations, China-Pakistan relations have stood the tests of the changes of the international and domestic situations and made headway constantly. In recent years, China-Pakistan relations have maintained strong momentum of development. We have

made positive progress in the all-round substantive cooperation and people-to-people exchanges between our two countries. China regards Pakistan as an important partner in promoting the construction of the Belt and Road Initiative. The construction of China-Pakistan Economic Corridor will lay a solid foundation for building China-Pakistan community of shared destiny. I attach great importance to the China-Pakistan relations, and stand ready to work with you to create a better future for the China-Pakistan relations.

May I wish Pakistan enjoy prosperity and its people well-being!

May I wish China-Pakistan friendship last forever!

Xi Jinping

President

The People's Republic of China

Beijing, 21 May 2016. *Source:* www.mofa.gov.pk

D. CICA

Statement by Mr. Sartaj Aziz, Adviser to the Prime Minister of Pakistan on Foreign Affairs, at Fifth CICA meeting of the Ministers of Foreign Affairs

Mr. Chairman,
Distinguished Ministers,
Excellencies,

Ladies and Gentlemen,

On behalf of the Pakistan delegation, May I join other delegations to express our sincere gratitude to the People's Republic of China, Minister Wang Yi for the excellent arrangements in hosting this meeting, and for the traditional warmth and hospitality that has been extended to us.

Mr. Chairman,

Two decades ago, CICA was created in Almaty for dialogue and cooperation in many areas including terrorism; drug trafficking, organized crime, human rights, environment, economic progress and trade.

If we draw up a balance sheet of positives and negatives, we will conclude that in area of economy and trade, Asia has made considerable progress.

While Europe and USA are still recovering very slowly from the financial crisis of 2007-2008, the Asian continent has surged ahead with a much faster rate of growth and contributed strongly to global trade and global growth. China has now become the second largest economy of the world.

The economic prospects of Asia for the next decade are even more promising due to several initiatives to expand trade and energy connectivity. The most important initiative in this context is the One Belt One Road vision of

Chinese leadership. Pakistan-China Economic Corridor is a flagship component of this vision.

The progress in two other areas namely human rights and environment has also been very positive. The Paris Agreement of 2015 on climate change and the adoption of 2030 Agenda for Sustainable Development by the United Nations will add considerable momentum to this progress in the coming years.

But in the remaining three areas, namely terrorism, drug trafficking and organized crime, the challenges have become more serious. As a result, violent extremism has destabilized many more countries in our region, exacting a heavy toll on human lives and prolonging the suffering of millions of refugees drifting in high seas in search of safety.

Worryingly, instances of Xenophobia, discrimination, religious and racial profiling and defamation of religions are on the rise. A lot more needs to be done to promote inter-religious and inter-cultural dialogue and understanding.

Even in this age of democracy, there are countries and sub-regions under foreign occupation, subjected to grave human rights violations and denied their fundamental and inalienable right to self-determination that has been promised to them by the United Nations.

Mr. Chairman,

Cooperative multilateralism offers the best mechanism to effectively address these complex challenges.

The United Nations and its Charter provide the over-arching framework for such cooperation.

Regional cooperation constitutes an important complement in this regard. Based on their comparative advantages, regional arrangements offer useful platforms for dialogue and cooperation among member states, especially on security issues.

We greatly value the role of CICA as a forum for interaction and confidence building to advance the cause of peace and security and development in Asia.

If Asia were to regain its lost power and glory and contribute to global peace and development commensurate with its true potential, we would have to assume our responsibilities and act on several fronts. We also have to draw attention to root causes of terrorism and violent extremism, and the urgent need to address them. This should be main message as a part of the theme of, promoting peace and security through dialogue.

We must find peaceful political solutions to the conflicts in Syria and Yemen. Pakistan supports the UN led diplomatic initiatives in this regard.

As emphasized by many speakers, A just and lasting settlement of the Palestinian question is essential for comprehensive peace in the Middle East.

Likewise, for durable peace and stability in South Asia, the core dispute of Jammu and Kashmir must be resolved in accordance with the resolutions of the UN Security Council and the wishes of the Kashmiri people.

Pakistan remains fully committed to this objective as part of comprehensive dialogue on all issues.

A peaceful and stable Afghanistan is in the best interest of Pakistan, and the entire region. This is also a pre-requisite for both Pakistan and Afghanistan to realize the full potential of their strategic locations as the hubs of economic, trade and energy corridors and connectivity across regions. Peace in Afghanistan will also enable the return of millions of Afghan refugees hosted by Pakistan for over three decades.

Mr. Chairman,

Before concluding I would like to convey our appreciation for China's active and able stewardship of CICA and President Xi's inspiring opening address. It is an important forum. Pakistan will remain actively engaged with member states with a view to strengthening this process for our collective benefit.

Thank you.

Beijing, 27-28 April 2016. *Source:* www.mofa.gov.pk.

E. DISARMAMENT

Statement by Special Assistant to the Prime Minister on Foreign Affairs, Mr. Tariq Fatemi, at the Conference on Disarmament

Madam President, Excellencies, Ladies and Gentlemen,

It is my pleasure to speak at the Conference on Disarmament during Pakistan's presidency. We hope to fulfil this responsibility in a professional and committed manner. This year has brought renewed hope in the CD for the resumption of substantive work. Many interesting and innovative proposals are on the table. As CD President, we will actively continue to play the role of a facilitator to build consensus.

Pakistan attaches great importance to the CD's role as the world's single multilateral disarmament negotiating body. The CD, as an integral and vital part of the UN disarmament machinery, has many successes to its credit. We remain committed to its efficient functioning for further progress on nuclear disarmament - the *raison d'être* of the CD - in a manner that results in equal and undiminished security for all States.

Our march towards this goal, however, has been marred by an erosion of the international consensus established in 1978 by the first Special Session of the UN General Assembly devoted to disarmament, SSOD-I. Hegemonic designs at the regional and global levels, coupled with discriminatory revisionism of the global nuclear order through waivers and exceptions, are illustrative of this trend. We have to realise that it is highly unrealistic to aspire for absolute security and unrestrained freedom of action for oneself, while expecting others to compromise on their peaceful existence by circumscribing their legitimate security interests.

The situation in the CD today is but a reflection of the prevailing strategic realities. It has little to do with the CD's Rules of Procedure. Genuine progress in the CD will only be possible on the basis of cooperative and non-discriminatory approaches that respect the right of all States to live in peace. The CD, with its cardinal consensus rule, is best placed to address the issues on its agenda. While other alternatives might seem as easy and attractive shortcuts, they cannot succeed unless all stakeholders that are indispensable for achieving a nuclear weapon free world are part of the process.

We sympathize with those States that are frustrated with the lack of progress on multilateral nuclear disarmament. But the solution to this impasse does not lie in abandoning the CD, nor in framing the debate on nuclear disarmament under an exclusively humanitarian paradigm that is completely isolated from security considerations. Addressing the security concerns of states is a paramount prerequisite for nuclear disarmament.

Madam President,

Pakistan believes that the scarce resources of our region should be devoted to the socio-economic development of our people. We are determined to tackle myriads of daunting challenges that beset our region including disease, poverty, illiteracy, climate change and environmental degradation. A peaceful neighbourhood is the sine qua non to build prosperous societies.

After Pakistan's security was qualitatively challenged by the introduction of nuclear weapons in our neighbourhood, we were left with no option but to follow suit, to restore strategic stability in South Asia. Prior to 1998, Pakistan's proposals and efforts to keep South Asia free of nuclear weapons are well documented. After 1974 when the first nuclear test was conducted in our neighborhood, Pakistan made several proposals for keeping South Asia free of nuclear weapons and missiles. These included simultaneous application of IAEA safeguards on all nuclear facilities and bilateral arrangement for their reciprocal inspections; simultaneous accession to the NPT; regional CTBT; Zero Missile Regime in South Asia; and signing of a Non-Aggression Pact. Unfortunately, none of these proposals met a favorable response.

Even after 1998, we have demonstrated our commitment to peace and stability in the region. Our conduct continues to be defined by restraint and responsibility. Our proposal for the establishment of a Strategic Restraint Regime (SRR) remains on the table. We believe that this proposal can lay the foundation of lasting peace and stability in the region. The SRR is premised on three interlocking and mutually reinforcing elements of conflict resolution, nuclear and missile restraint and conventional balance.

In its meeting held on 24 February 2016, the National Command Authority (NCA), our highest decision making body on strategic matters chaired by the Prime Minister, took note of the growing conventional and strategic weapons' development in the region. While reiterating its determination to take

all possible measures to effectively respond to threats to national security, NCA also reaffirmed our policy to avoid getting into arms race.

NCA also "re-emphasised Pakistan's desire for establishing the Strategic Restraint Regime in South Asia and the inescapable need of a meaningful and sustained comprehensive dialogue process for resolution of all outstanding disputes, ushering in an era of peace and prosperity in the region."

Strategic stability in South Asia has been negatively impacted by discriminatory approaches and deviation from established non-proliferation norms. In order to ensure South Asia's long term peace, stability and prosperity, it is essential for the international community to adopt an approach to this region that is even-handed and criteria-based rather than driven by strategic and commercial considerations or political expediency.

As a responsible nuclear State, Pakistan desires to contribute to global efforts towards non-proliferation and disarmament on an equal footing as a mainstream partner of the international community. Pakistan has the requisite credentials that entitle it to benefit from civil nuclear cooperation and trade, and to become part of all the multilateral export control regimes, including the Nuclear Suppliers Group (NSG), on a non-discriminatory basis.

Madam President,

Allow me to briefly outline Pakistan's principled position on the issues under consideration in the CD.

Pakistan has consistently supported the goal of a nuclear weapon free world through the conclusion of a universal, non-discriminatory and verifiable, comprehensive nuclear weapons convention in the CD. We reaffirm our commitment to this goal today. Pakistan is ready to join negotiations towards this end in the CD. As recognized by SSOD-I, the objective of this process should be undiminished security at the lowest possible level of armaments and military forces.

Pakistan has a long history of support and activism on the issue of Negative Security Assurances. In 1979, Pakistan tabled a draft "International Convention to Assure Non-Nuclear-Weapon States against the Use or Threat of Use of Nuclear Weapons" at the CD, contained in Document CD/10. Since 1990, Pakistan has annually introduced a resolution on NSAs at the UN General Assembly. The most recent version, UNGA resolution 70/25 was adopted last year without a single negative vote. 127 states voted in favour while 55 countries abstained. Pakistan is ready to join negotiations in the CD to conclude an international treaty to assure the non-nuclear-weapon States against the use or threat of use of nuclear weapons.

Pakistan also supports the commencement of negotiations in the CD on the Prevention of an Arms Race in Outer Space (PAROS). There is an urgent need to address this issue in the CD in order to prevent outer space from emerging as the new realm of conflict. The draft Treaty on the Prevention of the Placement of Weapons in Outer Space, the Threat or Use of Force against Outer Space Objects, commonly known as PPWT, tabled jointly by the Russian

Federation and China in 2008, and updated in 2014, provides a useful basis for the commencement of negotiations in the CD.

Besides the three issues of nuclear disarmament, NSAs and PAROS, which are ripe for negotiations in the CD, Pakistan also stands ready to negotiate legally binding instruments in the CD on other contemporary issues that are of a direct concern to international peace and security. These include Cyber Security, new types of destabilizing weapon systems, Lethal Autonomous Weapons Systems, chemical terrorism and biological terrorism, etc.

Madam President,

Let me briefly turn to the issue of fissile materials. A treaty that does not address the global and regional asymmetries in fissile material stocks would adversely affect Pakistan's vital security interests. A cut-off only treaty, without the inclusion of stocks, would merely be a partial non-proliferation instrument and make no contribution to nuclear disarmament.

As things stand, the major powers wishing to retain their respective strategic advantages are not willing to explicitly include existing stocks of fissile materials in the scope of the treaty's negotiating mandate. Such a treaty is not acceptable to Pakistan as it would freeze the status quo to our permanent strategic disadvantage. The asymmetries prevailing in South Asia have been compounded by the discriminatory policies of the major suppliers of nuclear material, equipment and technologies. It leaves us with no room for flexibility or compromise on this issue.

Pakistan's Working Paper on Elements of a Fissile Material Treaty, outlining concrete proposals for dealing with existing stocks, contained in document CD/2036 of 21 August 2015, remains on the table.

In the absence of consensus on the commencement of negotiations on any issue on the CD's agenda, the CD could undertake structured informal discussions. As witnessed during the last two sessions of the CD in 2014 and 2015, informal in-depth discussions held under the CD's Schedule of Activities were of great value. They allowed an interactive and substantive exchange of views to better understand the various perspectives. Such debates are extremely valuable in building convergences and adding substance to the work of the CD.

Madam President,

The nations that have turned the tide in improving the quality of lives of their people could do so in a peaceful neighborhood and under internal stability. Our quest for achieving enduring peace, security and socio-economic development for our people also starts with initiatives to develop these necessary fundamentals. Pakistan, therefore, has aimed for a conscious and well-considered strategic shift, pivoting the policy on three conspicuous strands: (i) internal peace, security and cohesion; (ii) building a peaceful neighborhood; and (iii) rebalancing between geo-strategic and geo-economic priorities with a sharper focus on economic diplomacy.

Before I conclude, I reiterate that Pakistan deeply values the CD's potential in addressing the global security challenges on the basis of cooperative multilateralism and consensus-based approaches. You will, therefore, always find our delegation as an active and constructive participant in the work of the CD.

I thank you all.

Geneva, 17 May 2016. *Source:* www.mofa.gov.pk

F. NUCLEAR ISSUE

1. Address by Foreign Secretary at the launch of Nuclear Paper Series by The Institute of Strategic Studies Islamabad (ISSI)

The launch of Nuclear Paper Series is a welcome initiative by the Institute of Strategic Studies Islamabad. The papers being launched under this initiative delve into three inter-related themes and will help contribute to the debate on strategic stability in South Asia and how it is impacted not only by regional developments but also by the approach of international community, in particular that of the major powers, towards the region.

Academia and think tanks have an important role to play in bringing a fresh outlook on issues, evaluating them from diverse perspectives and thus broadening policy options for policy makers and enlightening the general public about issues in which it is a direct stakeholder. I would like to congratulate Ambassador Masood Khan that under his leadership ISSI is endeavoring to perform these functions admirably. I would also like to express my appreciation for the authors of these papers for a job well done.

We are a peace-loving nation that was compelled to acquire nuclear deterrence in the face of a grave threat that we could have ignored only at great peril to our national security and sovereignty. Pakistan's reluctant entry into the nuclear club is well documented. After 1974 when the first nuclear test was conducted in our neighborhood, Pakistan made several proposals for keeping South Asia free of nuclear weapons and missiles. These included simultaneous application of IAEA safeguards on all nuclear facilities and bilateral arrangement for their reciprocal inspections; simultaneous accession to the NPT; regional CTBT; Zero Missile Regime in South Asia; and signing of a Non-Aggression Pact. Unfortunately, none of these proposals met a favorable response. Neither did the wider international community intervene to assuage our security concerns. This left us with no option but to develop nuclear deterrence in the pursuit of undiminished and equal security which is a right enshrined in the final document of the UN General Assembly's First Special Session on Disarmament.

In the wake of South Asia's overt nuclearization, we have demonstrated our commitment to peace and stability in the region by putting forward the comprehensive strategic stability proposal, which is premised on three

interlocking and mutually reinforcing elements of conflict resolution, nuclear and missile restraint and conventional balance. This proposal remains on the table. If pursued with sincerity, this proposal can lay the foundation of lasting peace and stability in the region.

As a nuclear state, Pakistan has always endeavored to fulfill its international obligations. Despite not being a party to the Non Proliferation Treaty, we have placed all our civilian nuclear facilities under IAEA safeguards with an impeccable and faithful compliance record. Pakistan has a four-decade long experience of safe and secure operation of nuclear power plants.

Our nuclear safety and security measures are in line with the best international standards and practices. Over the past fifteen years or so, Pakistan has taken a series of measures which include, establishment of a robust command and control system, an effective export control regime, and steps to improve nuclear security at all levels. We are also actively and constructively engaged with the international community including the IAEA, Nuclear Security Summit process and the Global Initiative to Combat Nuclear Terrorism (GICNT).

Our strong credentials as a nuclear state qualify us for being mainstreamed in the global nuclear order. The global nonproliferation regime also stands to gain from our membership.

In order to meet its exponentially increasing energy needs and to support sustained economic growth and industrial development in the years to come, civil nuclear power generation is an imperative necessity for Pakistan. Our energy requirements are expected to grow by a factor of 7 over the next two decades. Hence, our national goal to expand our nuclear energy capacity to 50,000 MW as envisaged by the Vision 2050. In order to meet this objective Pakistan needs to be granted NSG membership in accordance with a non-discriminatory, uniform and criteria-based approach. Pakistan's membership would also be of immense benefit to NSG's credibility and effectiveness as a non-proliferation regime.

Strategic stability in South Asia has been negatively impacted by the Indo-US nuclear deal and the discriminatory waiver granted to India by NSG. The apprehensions expressed by us and shared by objective analysts are turning out to be fully justified by subsequent developments. The recent reports by NTI, ISIS and other assessments by international experts corroborate that the NSG waiver has allowed India to exponentially increase its fissile material stocks with grave implication for strategic stability in the region.

In order to ensure South Asia's long term peace, stability and prosperity, it is essential for the international community to adopt an approach to this region that is even-handed and criteria-based rather than driven by strategic and commercial considerations or political expediency.

Pakistan's conduct as a nuclear weapon state will continue to be defined by restraint and responsibility. As we seek to ensure our national security, credible minimum deterrence remains our guiding principle. We will also continue to pursue constructive engagement with the international community

including the non-proliferation regimes as a confident and responsible nuclear state.

Pakistan believes that the scarce resources of our region should be devoted to the socio-economic development of our people. We need a willing and constructive partner to tackle myriads of daunting challenges that beset our region including disease, poverty, illiteracy, climate change and environmental degradation. A peaceful neighbourhood is the sine qua non to build prosperous societies.

I would conclude my remarks by once again congratulating the Institute of Strategic Studies for producing these well-researched papers which will help further crystallize the discourse around nuclear issues in South Asia.

Islamabad, 12 February 2016

2. Pakistan's National Statement issued at the Nuclear Security Summit in Washington

Pakistan is strongly committed to the objective of nuclear security and has been proactively engaged with the international community to promote nuclear safety and security. It has ensured that nuclear and radioactive materials and all related facilities are secured in all places.

The Nuclear Security Summit (NSS) process has contributed to improved nuclear security by raising greater awareness about it. The process has reinforced nuclear security culture as an area of special focus. Valuable ground has been covered in strengthening nuclear security architecture worldwide through national efforts.

Nuclear security is a national responsibility. Effectivemeasures taken at the national level contribute to nuclear security internationally.

As a responsible nuclear state, Pakistan takes nuclear security very seriously and accords it the highest priority in its security construct. Our nuclear security paradigm, evolved over the years, is effective and responsive against the entire range of possible threats. Nuclear security regime in Pakistan is dynamic and regularly reviewed and updated.

In line with the commitment made during the 2014 NSS, Pakistan has ratified the 2005 Amendment to the Convention on the Physical Protection of Nuclear Material (CPPNM). This is a reaffirmation of Pakistan's confidence in its national nuclear security regime, which is consistent with the contemporary international standards.

Focus on nuclear security should further enhanceinternational cooperation in peaceful applications of nuclear technology. Confidence in safety and security of nuclear and radiological materials and associated facilities should facilitate collaboration in health, industry, agriculture and other sectors.

Post-NSS 2016, focus should be on broadening participation in efforts towards promoting nuclear security through the platform of IAEA which has primacy and the competence in such matters.

National Nuclear Security Regime

Pakistan's nuclear security regime is based on national legislative, regulatory and administrative framework. The elements of nuclear security in Pakistan include robust command and control system led by the National Command Authority (NCA), rigorous regulatory regime, comprehensive export controls and international cooperation. We follow the principle of multi-layered defence to prevent and effectively respond to the entire spectrum of threats.

Pakistan has established a specially trained, highly skilled and well equipped force that is designed for nuclear security. Dedicated intelligence provides depth to our security architecture. Continuous threat appraisal and institutional reviews are conducted to upgrade response mechanism.

The regulatory regime encompasses all matters related to nuclear safety and security, including physical protection of materials and facilities, material control and accounting, transport security, prevention of illicit trafficking, border controls, and plans to deal with possible radiological emergencies through an elaborate Nuclear Emergency Management System (NEMS).

Pakistan's export control regime is at par with the standards followed by Nuclear Suppliers' Group (NSG), Missile Technology Control Regime (MTCR) and Australia Group.

International cooperation, consistent with our national policies and international obligations, helps in voluntary sharing of best practices and experiences in the security domain.

Centre of Excellence: As part of nuclear security regime, Pakistan's Centre of Excellence on Nuclear Security (PCENS) has been established. Working together, PCENS, the National Institute of Safety and Security (NISAS) and Pakistan Institute of Engineering and Applied Sciences (PIEAS) provide exhaustive education and training in areas including physical protection, material control and accounting, transport security, cyber security and personnel reliability. These training facilities continue to grow into a regional and international hub, with support of the IAEA.

In collaboration with IAEA, PCENS has conducted several regional and national training courses. Pakistan hosted the annual meeting of the "International Network of Nuclear Security Support Centres" in March 2016, which was the first meeting of the Network held outside IAEA Headquarters, Vienna.

Technical and Scientific support: PNRA and PAEC maintain dedicated units to provide technical and scientific support services at the national level to ensure equipment lifecycle management and to provide assistance in case of any nuclear security event. These units are equipped with necessary laboratory tools, equipment, software and expert support.

Nuclear Safety: Pakistan attaches great importance to nuclear safety at all levels. Safety parameters, emergency preparedness and response, and operators' training protocols and procedures are continuously reviewed and enforced. The approach to ensure safety of nuclear power plants is in accordance with national regulatory system.

IAEA-Pakistan Nuclear Security Cooperation Program: Pakistan has successfully implemented IAEA-Pakistan nuclear security cooperation program. Several projects have been successfully implemented for capacity enhancement in nuclear security.

Nuclear Medical Centres: Security measures at all Nuclear Medical Centres with category-I radioactive sources are being upgraded, through IAEA-Pakistan cooperation. Physical protection at a number of Centers using Category-I sources has been upgraded consistent with the IAEA Code of Conduct on Safety and Security of Radioactive Sources.

In addition, collaboration with IAEA is an ongoing process for enhancing nuclear security systems and measures at civilian Nuclear Power Plants and Research Reactors consistent with global good practices, such as nuclear security recommendations contained in INFCIRC 225/Rev.5 and other nuclear security documents of IAEA.

Nuclear Emergency Management System: A Nuclear Emergency Management System (NEMS) has been established at the national level to handle nuclear and radiological emergencies. A Nuclear and Radiological Emergency Support Centre (NURESC) and Nuclear and Radiological Emergency Coordination Center (NRECC) provide technical guidance to licensees and users of nuclear and radiation facilities in case of an emergency and coordinate the response. Several training courses for the first responders and emergency response personnel have been conducted for emergency preparedness.

Revision of Pakistan's National Export Control List: The Strategic Export Control Division (SECDIV) in the Ministry of Foreign Affairs notified second revision of the National Export Control List in 2015. The List, classified on the basis of the European Union's integrated system, covers the scope of export controls maintained by NSG, Australia Group and MTCR.

Combating Illicit Trafficking: As part of its national detection architecture, Pakistan has deployed radiation detection equipment at several entry and exit points to deter, detect and prevent illicit trafficking of nuclear and radioactive materials.

International Cooperation: Pakistan has submitted four reports to the UNSCR 1540 Committee. The reports elaborate measures taken by Pakistan for nuclear and radiological security as well as on controls over transfer of sensitive materials and technologies.

Pakistan is a party to the Convention on Physical Protection of Nuclear Material including its 2005 Amendment, Nuclear Safety Convention, Convention on Early Notification of a Nuclear Accident, and the Convention on Assistance in case of a Nuclear Accident or Radiological Emergency. Within

this framework, Pakistan will continue to contribute to the strengthening of nuclear safety and security.

Pakistan has been working with the Global Initiative to Combat Nuclear Terrorism (GICNT) in different areas, including the development of GICNT guidelines. Pakistan is also a member of UN Scientific Committee on the Effects of Atomic Radiation (UNSCEAR).

Future Aspirations: Pakistan has an elaborate programme for harnessing peaceful uses of nuclear energy. We operate power plants, research reactors, agriculture and biotechnology research centers, medical centers, and also employ industrial applications of nuclear technology. Pakistan is proud to have more than 42 years' experience in safe and secure operations of nuclear power plants under IAEA safeguards.

Pakistan believes that safe and sustainable civil nuclear energy is essential to advance its economic development plans. Our Energy Security Plan includes a Nuclear Power Programme 2050, to meet current energy shortfalls and future requirements of a growing population and economy. Towards this end, we envisage generation of nuclear energy of 40,000 MW. To realize this plan, Pakistan seeks international civil nuclear cooperation.

Pakistan is ready to assist interested states with experience and expertise gained in the areas of nuclear power generation, and other applications of nuclear technology, under the auspices of the IAEA.

As a country with advanced nuclear fuel cycle capability, Pakistan is in a position to provide nuclear fuel cycle services under IAEA safeguards, and to participate in any non-discriminatory nuclear fuel cycle assurance mechanisms.

Over the years, Pakistan has streamlined and strengthened its export control regime and enhanced its engagement with multilateral export control regimes. Pakistan has strong credentials to become a member of the Nuclear Suppliers Group and other multilateral export control regimes, on non-discriminatory basis.

Pakistan's participation in the entire NSS process reflects its seriousness and strong sense of responsibility. We remain alive to the need for sustained national efforts in the domain of nuclear security.

Pakistan's National Statement - NSS 2016

31 March - 1 April 2016

3. Adviser Sartaj Aziz's address at ISSI on Pakistan's Non-Proliferation Efforts & Strategic Export Controls

Ambassador Khalid Mahmood,
Ambassador Masood Khan,
Distinguished Guests, Ladies and Gentlemen

It's a great honor to have been invited by the Institute of Strategic Studies, Islamabad to deliver the inaugural speech at this Seminar on a topical issue "Pakistan's Non-proliferation Efforts and Strategic Export Controls." To begin with, I would like to commend the ISSI, for playing an important role in promoting debate and perspectives on subjects of national and international concern.

Pakistan is a peace loving country that was compelled to acquire nuclear deterrence in the face of grave threats to its security and integrity. Pakistan's reluctant entry into the nuclear club is well documented. As a responsible state, Pakistan remains fully committed to the objectives of non-proliferation and disarmament and shares the global concern that proliferation of Weapons of Mass Destruction (WMDs) poses serious threat to international peace and security. In 1974, when the first nuclear test was conducted in our neighborhood, we made several proposals for keeping South Asia free of nuclear weapons and their delivery systems including simultaneous accession to NPT, but none of the proposals met a favorable response. Subsequently, in the interest of maintaining peace and stability in the region, Pakistan proposed a "Strategic Restraint Regime," with three interlocking and mutually reinforcing elements i.e. conflict resolution, nuclear and missile restraint and conventional balance. This proposal remains on the table.

Ladies and Gentlemen

Pakistan has always endeavored to fulfill its international obligations. Pakistan is a state party various international instruments including CWC, BTWC, PTBT, CPPNM, IAEA Code of Conduct on Safety and Security of radioactive sources, and participates in the IAEA Incident and Trafficking Database (ITDB). Besides, we also actively participate in the Global Initiative to Combat Nuclear Terrorism (GICNT) and regularly submit reports to the UN Security Council 1540 Committee on the measures we take to exercise control over transfer of sensitive materials and technologies.

Pakistan is strongly committed to the objective of nuclear security and has been proactively engaged with the international community to promote nuclear safety and security.

Our nuclear security paradigm, evolved over the years, is effective and responsive against the entire range of possible threats. Nuclear security regime in Pakistan is dynamic and regularly reviewed and updated.

In line with the commitment made during the 2014 NSS, Pakistan has ratified the 2005 Amendment to the Convention on the Physical Protection of Nuclear Material (CPPNM). This is a reaffirmation of Pakistan's confidence in its national nuclear security regime, which is consistent with the contemporary international standards.

Pakistan's nuclear security regime is based on national legislative, regulatory and administrative framework. The elements of nuclear security in Pakistan include robust command and control system led by the National Command Authority (NCA), rigorous regulatory regime, comprehensive export

controls and international cooperation. We follow the principle of multi-layered defence to prevent and effectively respond to the entire spectrum of threats. The regulatory regime encompasses all matters related to nuclear safety and security, including physical protection of materials and facilities, material control and accounting, transport security, prevention of illicit trafficking, border controls, and plans to deal with possible radiological emergencies through an elaborate Nuclear Emergency Management System (NEMS). A state of the art Centre of Excellence on Nuclear Security (PCENS) has been established, which continues to grow into a regional and international hub, with support of the IAEA.

Over the years, Pakistan has streamlined and strengthened its export control regime and enhanced its engagement with multilateral export control regimes. Pakistan's export control regime is at par with the standards followed by the Nuclear Suppliers' Group (NSG), Missile Technology Control Regime (MTCR) and Australia Group.

Ladies and Gentlemen

Let me also draw your attention to South Asia's strategic stability, which has been negatively impacted by the policies that override the long established principles and norms and are guided by individual state's strategic and commercial considerations. A case in point is the Indo-US civil nuclear deal and the subsequent discriminatory waiver granted to India by the NSG. Eight years down the road one wonders what benefit the non-proliferation regime has secured from the deal? The recent reports by NTI (Nuclear Threat Initiative), ISIS (Institute of Security and International Studies) and assessment by other experts corroborate that the NSG waiver has allowed India to exponentially increase its fissile material stocks with grave implications for the strategic stability of the region. The introduction of nuclear submarines, development of ABM system and massive acquisition of conventional weapons, prompt offensive inclinations manifested in doctrines such as the "Cold Start" and "Proactive Operations" pose a serious threat to regional stability. As we seek to ensure our security, credible minimum deterrence remains our guiding principle and our conduct will continue to be defined by restraint and responsibility.

Ladies and Gentlemen

Pakistan is facing acute power shortage as it is a fossil fuel deficient country. In order to meet its enormously increasing energy needs and to support sustained economic growth and industrial development, reliance on civil nuclear energy is an imperative. The energy requirement is expected to grow by at least 7 over the next two decades. Therefore, our national energy strategy includes expansion in the nuclear energy capacity.

Focus on nuclear security should further enhance international cooperation in peaceful applications of nuclear technology. Confidence in safety and security of nuclear and radiological materials and associated facilities should facilitate collaboration in health, industry, agriculture and other sectors. Pakistan has strong credentials to become a member of the Nuclear Suppliers

Group and other multilateral export control regimes, on non-discriminatory basis. Pakistan is confident of its capabilities and cognizant of its international obligations. The policy of international community towards nuclear mainstreaming of any state should be based on uniform criteria rather than a country specific approach. After the objective of total nuclear disarmament was found difficult to achieve in the foreseeable future, the world has gradually evolved a new normative approach to non-proliferation. This new norm is now threatened by the so called selective approach to "outlier states", without a uniform criteria applicable to all non NPT states. This threat must be resolutely resisted.

In the end, I once again extend my gratitude to Ambassador (Retired) Masood Khan and his team, for arranging this seminar. I am confident it will enhance your understanding about Pakistan's efforts towards non-proliferation and strategic export controls.

3 May 2016. *Source:* www.mofa.gov.pk

G. SAUDIA ARABIA

1. Foreign Office Statement at the escalation of tensions between Saudi Arabia and Iran

Pakistan is concerned at the recent escalation of tensions between the Kingdom of Saudi Arabia and the Islamic Republic of Iran. The attack on the Saudi Embassy in Tehran, which is against international norms, is most unfortunate and deeply regrettable. It is the responsibility of states to provide full safety and security to all diplomatic Missions and their personnel.

Dark forces of extremism and terrorism can take advantage of any disunity in the Muslim Ummah. We call for resolution of differences through peaceful means in the larger interest of Muslim unity in these challenging times.

Islamabad, 4 January 2016

2. Foreign Office statement condemning of suicide terrorist attack in Saudi Arabia

Pakistan strongly condemns the suicide bombing during Friday prayers at a mosque in the eastern province of Saudi Arabia today, which resulted in loss of precious lives and injuries to others.

We extend our heartfelt condolences to the brotherly people and the Government of Saudi Arabia and pray for the recovery of those injured in this terrorist incident.

Islamabad, 29 January 2016. *Source:* www.mofa.gov.pk

H. TURKMENISTAN

1. **Statement by the Prime Minister of Pakistan at a joint press conference held with the President of Turkmenistan**

Your Excellency President Gurbanguly Berdimuhamedov,

Dear Media Persons,

I am delighted to cordially welcome my brother, H.E. Mr. Gurbanguly Berdimuhamedov,

President of Turkmenistan and his delegation to Pakistan.

We are meeting for the third time in about nine months. This, in itself, reflects the depth, warmth and cordiality of our relations with Turkmenistan.

We have had in-depth exchange of views on a wide range of bilateral, regional and international issues of mutual interest.

Pakistan and Turkmenistan have close fraternal ties that are deep rooted in shared history, culture and faith. These bonds of friendship are growing from strength to strength with the passage of time.

We have agreed to enhance our economic relations, particularly bilateral trade. The holding of Pakistan-Turkmenistan Business Forum on the sidelines of this visit, will facilitate bilateral trade and investment. Such B2B contacts should be held regularly for boosting our economic relations.

Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project is a mega energy cooperation project in the region. This will greatly help us in mitigating the shortage of natural gas in Pakistan. I was delighted to personally attend the extremely well managed and impressive ground breaking ceremony of TAPI at Mary in Turkmenistan in December last year. I am confident that, thanks to Turkmen gas, our energy starved industry will be running at its full potential.

We had signed an MoU with Turkmenistan and Afghanistan during my visit to Ashgabat in December 2015 for import of 1,000 MW of electricity from Turkmenistan to Pakistan through Afghanistan. This will help us in reducing the energy deficit in Pakistan. We have agreed that the work on this important project should be undertaken on a fast track.

These regional energy projects will facilitate regional connectivity and contribute to peace, stability and security by creating interdependence in the region.

Our deep seaports provide shortest route to the Arabian Sea to Turkmenistan and other Central Asian States. We would be happy to see our brothers in Central Asia use these facilities as well.

Regional connectivity is an important pillar of our Vision 2025, which provides for making Pakistan a hub of regional trade and commerce. We are closely working with Turkmenistan for improving infrastructure development for better regional connectivity. This will be conducive to the promotion of economic relations, people-to-people contacts and tourism.

We have signed today a Joint Communiqué and Agreements/MoUs covering a wide range of our bilateral relations. These will be helpful in further strengthening our friendly ties.

We share the concern that terrorism and extremism is the root cause of insecurity and instability in the region. This menace also undermines our endeavours for socio-economic development. We have to work collectively to eradicate the scourge of terrorism and extremism.

We are happy that our two countries have good coordination at international forums. We will continue to work together for regional and international peace and security.

I am happy to accept the invitation from my brother, President Berdimuhamedov, for a visit to Turkmenistan, on mutually convenient dates.

I would like to thank once again the President of Turkmenistan for accepting my invitation to visit Pakistan.

Thank you.

17 March 2016.

2. Pakistan – Turkmenistan Joint Communiqué issued after President of Turkmenistan, His Excellency Mr. Gurbanguly Berdimuhamedov's visit to Pakistan

The President of Turkmenistan, H.E. Mr. Gurbanguly Berdimuhamedov, paid an official visit to Pakistan at the invitation of the Prime Minister of the Islamic Republic of Pakistan, H.E. Mr. Muhammad Nawaz Sharif on 16-17 March 2016. He was accompanied by Ministers and senior officials of the Government of Turkmenistan as well as a group of leading businessmen.

The President of Turkmenistan His Excellency Mr. Gurbanguly Berdimuhamedov had a meeting with His Excellency, Mr. Mamnoon Hussain, President of Pakistan. He also held talks with Prime Minister Muhammad Nawaz Sharif.

The leaders noted that Pakistan and Turkmenistan enjoy cordial relations, which is characterized by bonds of historical, cultural and religious affinity and mutual respect. These are rooted deep in the hearts of the peoples. Both sides attach great importance to the friendship between their peoples and the need to further strengthen their cooperation.

The leaders recognized the importance of bilateral high-level political interaction that provides impetus to all areas of bilateral relations.

The two sides exchanged views on a wide range of bilateral, regional and international issues of mutual interest. The leaders noted with satisfaction significant progress made in recent years in the strengthening of bilateral relations and increase in the high-level exchanges between the two countries. The two sides emphasized the importance of timely meetings of established bilateral mechanisms for enhancing cooperation in agreed sectors. They

reaffirmed their commitment to sustain the momentum of upward trajectory of bilateral ties.

Pakistan and Turkmenistan agreed to enhance cooperation on international and regional issues of common interest, and continue coordination within international and regional mechanisms such as the UN, NAM, G-77, ECO, and OIC. The two leaders expressed their resolve to work together for promoting regional peace, development and prosperity.

The Prime Minister appreciated the visionary leadership and sagacity of President Gurbanguly Berdimuhamedov that have brought prosperity and socio-economic development to Turkmenistan. The Prime Minister of Pakistan once again congratulated Turkmenistan on the 20th anniversary of Turkmenistan's Declaration of Neutrality and reaffirmed Pakistan's full support for this initiative, which has contributed toward peace and stability in the region.

The two sides agreed that bilateral cooperation in all sectors holds great potential. They agreed to create conducive conditions and initiate important development projects in trade, economic, financial and other sectors for the promotion of infrastructure, agriculture, manufacturing, multi-media technology, banking, environment and energy sectors. Turkmenistan is endowed with huge hydro-carbon resources, which can provide energy to Pakistan to meet its shortage. Pakistan also supports Turkmenistan's initiative to establish trans-regional energy corridors.

The President and the Prime Minister underlined the significance of Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project and expressed satisfaction over ground breaking of the project in December 2015. The Prime Minister of Pakistan appreciated the initiative by the President of Turkmenistan for implementation of this important project. They also agreed to take measures for early completion of this important regional energy project.

Pakistan and Turkmenistan decided to commence work for making rapid progress on the Memorandum of Understanding between Turkmenistan, the Islamic Republic of Afghanistan and Islamic Republic of Pakistan signed in December 2015. This important energy project will facilitate Pakistan Government's efforts to mitigate the energy deficit at the earliest. The leaders directed all concerned to implement this project at the earliest.

The two countries agreed to enhance bilateral economic and trade relations. Both sides realize that the volume of trade figures do not match the goodwill that exists between the two countries. They agreed to take appropriate measures to enhance bilateral trade and explore possibilities for its increase and diversification.

The leaders welcomed the holding of Pakistan-Turkmenistan Business Forum on the sidelines of the visit. Both sides agreed that such sector based interaction between businessmen of the two countries should be a regular feature that will facilitate bilateral trade and investment.

Prime Minister Muhammad Nawaz Sharif appreciated the various initiatives taken by President Gurbanguly Berdimuhamedov for creation of transit transport corridors. Pakistan commends Turkmenistan's offer to hold the

First World Conference on Sustainable Transport in Ashgabat at the end of 2016.

The two sides decided to improve connectivity by establishing communication corridors. These will be conducive to tapping the potential of trade, economic interaction, people-to-people contacts and tourism. Given the special geo-economic and geo-political significance of both countries, Pakistan and Turkmenistan decided to pay special attention to establishing air, road and rail links on priority basis.

The Prime Minister of Pakistan congratulated the President of Turkmenistan on construction of a significant railway corridor in the region, connecting Kazakhstan-Turkmenistan-Iran and the ongoing project of Turkmenistan-Afghanistan-Tajikistan Railway line.

The Pakistan side has offered Turkmenistan use of Pakistani seaports for its trade with the other countries, they being the shortest route to sea to all Central Asian States.

The leaders agreed to keep close coordination for the successful conduct of the 5th Asian Indoor and Martial Arts Games in Ashgabat in 2017.

Turkmenistan highly appreciated the efforts being made by Pakistan to eradicate the menace of terrorism and extremism. Both sides decided to increase their cooperation in security, countering terrorism, and cooperation against illicit traffic of narcotics, transnational organized crime and other threats.

It was decided by the two leaders that bilateral cooperation in culture, science, art, tourism and sports should be further enhanced.

The following documents were signed during the visit:

Programme of Cooperation between the Ministry of Foreign Affairs of Turkmenistan and the Ministry of Foreign Affairs of the Islamic Republic of Pakistan for 2016-2017. Memorandum of Understanding between Ministry of Finance of Turkmenistan and Financial Monitoring Unit of Islamic Republic of Pakistan concerning cooperation in the exchange of financial intelligence related to money laundering and terrorist financing.

Memorandum of Understanding between the Ministry of Oil and Gas of Turkmenistan and the Ministry of Petroleum and Natural Resources of the Islamic Republic of Pakistan on further development of cooperation in the field of Fuel and Energy Sector.

Memorandum of Understanding between Turkmen State University named after Magtymguly (Turkmenistan) and National University of Modern Languages (Islamic Republic of Pakistan).

Memorandum of Understanding between the Centre for Policy Studies, COMSATS Institute of Information Technology (Islamic Republic of Pakistan) and the Institute of International Relations of the Ministry of Foreign Affairs of Turkmenistan.

Memorandum of Understanding between the Institute of International Relations of the Ministry of Foreign Affairs of Turkmenistan and the Institute of Peace and Diplomatic Studies of the Islamic Republic of Pakistan.

Memorandum of Understanding on cooperation between the International University for the Humanities and Development (Turkmenistan) and Institute of Peace and Diplomatic Studies (Islamic Republic of Pakistan).

Memorandum of Understanding between Turkmen State Institute of Economics and Management, (Turkmenistan) and COMSATS Institute of Information Technology (Islamic Republic of Pakistan).

The President of Turkmenistan, H.E. Mr. Gurbanguly Berdimuhamedov expressed his gratitude to the Prime Minister of the Islamic Republic of Pakistan, H.E. Mr. Muhammad Nawaz Sharif and the people of Pakistan for the warm welcome and generous hospitality, and invited the Prime Minister of Pakistan to pay an official visit to Turkmenistan at mutually convenient dates. The invitation was accepted with thanks by the Prime Minister of Pakistan.

Prime Minister of the Islamic Republic of Pakistan President of Turkmenistan Muhammad Nawaz Sharif Gurbanguly Berdimuhamedov.

17 March 2016. *Source:* www.mofa.gov.pk

I. UK

1. Opening Statement by the Adviser to the Prime Minister on Foreign Affairs, Mr. Sartaj Aziz, at the joint press conference with the British Secretary of State for Foreign and Commonwealth Affairs, Rt Hon Philip Hammond

I am truly delighted to welcome H.E. Philip Hammond to Pakistan.

This visit of Secretary of State provided a very useful opportunity to review our bilateral relations. We hope this review would help to further strengthen our ties with the UK.

Pakistan and UK enjoy excellent relations and both sides are committed to strengthen them further by expanding trade, promoting investment and providing opportunities for cultural cooperation.

Under the "Enhanced Strategic Dialogue" - we have five strand of cooperation: Trade and Business relations, Financial and Development cooperation, Education and Health, Consultations on Defence and Security and Cultural Cooperation. In 2014 we prepared roadmaps and targets for each strand of cooperation to provide guidance to the concerned Ministries and Organizations for implementation.

Today we reviewed the progress on various aspects of our cooperation including political, trade and investment, education, health, defense.

We are grateful for Britain's assistance and support in many of these areas but specially in the education and health sectors.

In addition, we also discussed regional issues including Afghanistan's peace process and Pakistan's relations with India. Since Mr. Hammond was in

Kabul yesterday, he briefed me about his discussions with the Afghan leadership.

I am glad to note that there was commonality of views on various regional and international issues.

I thank H.E. Hammond for his visit and look forward to working with him, in our common endeavour to further enhance our bilateral relations.

Thank you!

8 March 2016

2. Joint Statement issued following UK and Pakistan Enhanced Strategic Dialogue

Mr Sartaj Aziz, Adviser to the Prime Minister on Foreign Affairs, visited London on 18-20 April to take forward the UK-Pakistan Enhanced Strategic Dialogue (ESD). The dialogue is a valuable mechanism for Pakistan and the UK to reaffirm their commitment to a strong partnership to increase prosperity, development and security in both countries. This collaboration is underpinned by strong diaspora links, historical and cultural ties, and confidence in Pakistan continuing to develop as a prosperous, secure and stable friend of the UK.

Mr Aziz met Foreign Secretary Philip Hammond, Secretary of State for International Development Justine Greening, Minister of State for Trade and Investment Lord Mark Price, National Security Adviser Mark Lyall Grant and British Council Chief Executive Officer Ciaran Devane. The two sides reviewed progress made under the ESD on trade, development, culture and security. They agreed new roadmaps on trade and investment, culture and education, and security cooperation. Progress against the roadmaps would be reviewed by Ministers annually and next in 2017.

Trade and Investment

Both partners welcomed the steady increase in bilateral trade. Acknowledging the considerable potential for continued growth, both sides agreed to make further progress in meeting and exceeding the bilateral trade target of 3 billion. Highlights of the economic partnership included the opening of British Business Centres in Lahore and Karachi, annual UK-Pakistan business summits and the appointment of UK-Pakistan trade champions. To boost trade and investment, the two countries will work together to further improve the business climate, raise awareness of business opportunities, share expertise and enhance business-to-business contacts. Both sides agreed to establish a joint Pakistan-UK Business Council comprising leading businessmen to be nominated by their respective governments.

Development

The UK bilateral development programme for Pakistan works to support the

country in realising its potential and meeting the aspirations of its fast-growing population. Since 2011, UK support has helped more than 6.8 million primary school children get an education, ensured that nearly a million mothers had medical assistance during childbirth and supported 1.54 million people to establish small businesses.

Cultural and Education Cooperation

Under the cultural and education roadmap the UK and Pakistan will expand the opportunities for young British and Pakistani people to connect, collaborate and create a friendly understanding. Working with federal and provincial government partners across all of Pakistan, British Council will strengthen links and partnerships between the education systems of the two countries to support system reform and share best practice; continue to enable over 250,000 people to take UK qualifications in Pakistan each year, and train a third of a million Pakistani teachers and educators to improve the quality of teaching and use of English in the classroom by 2018. British Council will expand opportunities for collaboration in the arts, digital and research; developing partnerships between both countries to support heritage, museums and the creative industries. By 2017 100,000 young people will develop new skills through social enterprise initiatives, and 200,000 out of school young children will be supported to go to school. Ministers agreed the establishment of a new UK-Pakistan cultural forum.

Security

Faced with the common threat of terrorism, the UK and Pakistan will continue to cooperate to ensure the safety of citizens in both countries. They will work to counter extremism and learn from each other in this area. Cooperation to limit organized crime and illegal migration will also continue.

Over the past year, the ESD has continued to demonstrate the depth, breadth and strength of UK-Pakistan cooperation. It has played a valuable role in framing an ongoing, wide-ranging and candid conversation between the two countries on the issues that matter most. Throughout the visit, Mr Aziz and his hosts reiterated their commitment to a long-term partnership covering all areas of common interest.

Islamabad, 20 April 2016. *Source:* www.mofa.gov.pk

J. USA

1. Statement by Adviser on Foreign Affairs, Mr. Sartaj Aziz, in the Senate of Pakistan, on the sale of F-16s

Winding up the debate on the Adjournment Motion moved by Senator Mohsin Khan Leghari and other Senators on sale of F-16 Fighter Jets to Pakistan by the

United States Administration, the Adviser on Foreign Affairs made the following statement.

1. In October 2015 Pakistan had reached an understanding with the US to buy 8 x Block-52 F-16 Planes of worth US \$ 699 million. Under the deal Pakistan was required to pay about US \$ 270 million from its national funds, whereas; US was supposed to provide the rest i.e. 429 million from its Foreign Military Financing (FMF).
2. The proposed sale of 8 new F-16 aircraft to Pakistan has two main elements i.e. approval of the sale in principle and approval of the funding through Foreign Military Finance (FMF) of the US Government. While we have already achieved the approval for the sale, the funding issue is still being discussed as the US Congress has turned down the Administration's proposal for use of FMF facility on this count.
3. In view of the importance of the issue, Pakistan has been making all out efforts to finalize this deal as initially promised by the US Administration: -
 - i. The issue is under discussion with US Department of Defence and Department of State since last one year. US Govt. is cognizant of our requirement and acknowledges the effectiveness of these jets in our war against terrorists.
 - ii. Ministry of Defence has forcefully conveyed its standpoint at all levels. On 9th May 2016, Secretary Defence expressed concerns over the delay in the sale of F-16s to Commander US CENTCOM General Joseph L. Votel during his call.
 - iii. Pakistan's Ambassador to US Mr. Jalil Abbas Jilani has also intensified lobbying efforts on Capitol Hill to try and convince US Congress to release funds for purchase of F-16 Jets which are critical for the success of ongoing war against terrorism.
 - iv. On 19 April 2016, Minister for Defence has written a letter to Ashton Carter, US Secretary of Defence highlighting the role of PAF and importance of F-16s for Pakistan against war on terror and requested for early resolution of the issue in favour of Pakistan.
 - v. The issue of F-16s will be taken up with concerned US authorities during the Interim Progress Review meeting of 24th Pak-US DCG scheduled to be held from 30th May to 3rd June 2016 in Washington D. C.
4. While defending the US Administration's decision for the sale during the public Congressional hearing on 27 April 2016, the US Special Representative on Afghanistan and Pakistan (SRAP), Ambassador Richard Olson, made almost the same points as have been repeatedly advocated by Pakistan. The US State Department Spokesman has also labelled the objections raised by the Congress concerning use of FMF funds for the sale as "not helpful in the conduct of the US Foreign Policy in the region".
5. The Indian lobby has been making untiring efforts to reverse the US decision, and a strong attempt, through Senator Rand Paul's resolution, to block the sale itself. The move was however defeated proving the strong

merit of our arguments, and the effectiveness of our outreach to the US at various levels, particularly to the US Congressional leaders.

6. The fundamental objections raised by some US Congressmen, concerning use of FMF for the sale, are essentially political in nature. Even though U. S. State Department has been consistently underlining the importance of good relations with Pakistan, there are broader geo-political issues which must be kept in view. The Chairman in his remarks yesterday also expressed his reservations about the way USA was conducting its relationship with Pakistan. May I, therefore, make a more detailed statement on US-Pakistan relations.

US-Pakistan Relations:

7. Our relations with the United States constitute an important element of our foreign, defence and economic policies. This seven-decade old relationship, while robust and wide ranging, is characterised with occasional vicissitudes. Despite its inherent challenges, both sides have managed to keep a pragmatic, working relationship over the course of years.
8. The Pakistan-US relations had come to a near complete standstill during 2011-2012 due to the unfortunate incidents of wiki leaks, Raymond Davis, Abbotabad operation, Datta Khel and Salala. Since 2013, however, our relations with the United States have witnessed an upward trajectory.
9. Although the focus of this relationship has generally remained security-centric, both sides now agree to expand mutual cooperation to many other areas including Economic growth, Energy, Education, Science and Technology, climate change, regional integration, cultural ties and support for democratic principles.
10. The Prime Minister visited Washington twice- in October 2013 and again in October 2015. During the visit last year, the Prime Minister held detailed talks with President Obama who expressed his strong desire to raise bilateral relationship with Pakistan to a multi-dimensional level. The Joint Statement on the visit had also acknowledged the need for peaceful resolution of the Kashmir issue. Both sides also expressed a conviction that a resilient US-Pakistan partnership was vital to regional and global peace and security and reaffirmed their commitment to address evolving threats in South Asia.
11. Other important engagements that year, including visit of the Chief of Army Staff (COAS) to the US and Secretary of State Mr. John Kerry's visit to Islamabad, also helped in enhancing trust and in restoring an upbeat working environment between the two sides.
12. The Pakistan-US Strategic Dialogue mechanism occupies a centre piece in the relationship. Regular Ministerial reviews and meetings under its six Working Groups act as useful platform to enhance cooperation with US.
13. The 6th and latest Round of Strategic Dialogue was held in Washington on 29 February 2016. During my meeting with Secretary of State Mr. John Kerry, the discussions focused on reviewing the achievements made,

identifying hurdles and reconciling expectations and concerns on each side. Both sides expressed their resolve to continue cooperation for successful completion of the agreed initiatives and projects.

14. Salient outcomes of the meeting included agreement to enhance linkages between Universities of the two countries under the Pakistan-US Knowledge Corridor initiative; various proposals under US-Pakistan Clean Energy Partnership; US cooperation in Integrated Energy Planning and Climate Change programs; early completion of feasibility studies for the Diamer Bhasha dam project; continued efforts to provide greater market access to Pakistan in the US and appreciation of Pakistan's efforts to promote peace and reconciliation in Afghanistan.
15. The 24th meeting of the Defence Consultative Group (DCG), under the Strategic Dialogue, was held in December 2015. The 4th Pakistan-US Business Opportunities Conference is now scheduled to be held on 03 June 2016 in New York. The US side is also planning to host another business opportunities conference to attract potential US investors for the Diamer Bhasha Dam project, later this year in the US.
16. The US had also appreciated the agreement between Pakistan and India to resume Comprehensive Dialogue, in December 2015. It had also participated in the Heart of Asia ministerial meeting in Islamabad and the subsequent formation of the QCG group on Afghanistan. The US is working with Pakistan, China and Afghanistan to carry forward the reconciliation process in Afghanistan under the QCG.
17. In the past three months, however, this upward trajectory in the relationship has witnessed a downward slide, as reflected in the decision of the US Congress to block partial funding for 8 F-16 aircraft through the use of FMF. This may have been caused by the concerns raised by the US on the nuclear issue that were categorically rejected by Pakistan. We have also rejected the frequent demand, specially from the US Congress, for release of Mr. Shakil Afridi. The US officials, Congress, think-tanks and media, in tandem with our adversaries, have also been blaming Pakistan for supporting the Haqqani Network (HQN) without providing any concrete evidence to enable us take additional action against the HQN or other terrorist organizations.
18. The spring offensive launched by the Afghan Taliban, with the latest, massive terrorist attack in Kabul on 19 April 2016 has further aggravated the already bleak security situation in Afghanistan. The Afghan Government and the US media have started casting shadows on the QCG process. Pakistan has been impressing upon the US and Afghan side that the reconciliation process needs to be given a fair chance and more time. Irreconcilable elements can be targeted after concerted efforts of negotiations have failed. We hope to discuss these issues in detail during the upcoming round of the QCG in Islamabad on 18-19 May 2016.
19. The US Election fever, and the ongoing debates during the Presidential campaign by the leading candidates of the Republican and Democratic

- parties are putting considerable pressure on the tricky situation in our region. However the HQN issue remains the top US concern at the moment. The Indian lobby in the US has also been highly pro-active in adding fuel to the fire, specially after the Pathankot incident on 1 January 2016.
20. We have forcefully rejected Indian objections to the sale of 8 F-16 to Pakistan and drawn attention to the wide ranging defence deals concluded between India and USA during US Defence Secretary's recent visit to India. We have also emphasized the importance of maintaining strategic stability in South Asia.
 21. In order to assuage US concerns, the government has been making strides on multiple fronts to keep the US Administration and the Congress members engaged in a dialogue, highlighting Pakistan's committed efforts and huge sacrifices in confronting the menace of terrorism. In this regard, visits of two delegations of Senior Staff members of the Senate Armed Services Committee and the House Foreign Relations Committee proved helpful in the final approval for sale of new F-16s to Pakistan by the Congress.
 22. While the task at hand is challenging and our space to maneuver is limited due to our own national security objectives, we are confident that committed efforts by our valiant armed forces in disrupting and dismantling the terrorists, alongwith our forceful efforts at the Hill, the White House and the US Departments would enable us to overcome these concerns, and maintain the positive trend of the relationship.
 23. The Foreign Office welcomed the guidance provided by the Members of this August House during this debate. This guidance will enable us to pursue our efforts to strengthen our relations with the United States while protecting our vital national interests.

Islamabad, 12 May 2016

2. US-Pakistan Strategic Dialogue – Joint Statement 2016

Pakistan's Advisor to the Prime Minister on Foreign Affairs Sartaj Aziz and United States Secretary of State John Kerry met on February 29 in Washington to convene the sixth ministerial-level Pakistan-U.S. Strategic Dialogue. The last ministerial-level Strategic Dialogue was held in Islamabad on January 13, 2015. This session built on Prime Minister Nawaz Sharif's successful visit to Washington in October 2015, with the two sides reiterating their commitment to further strengthening the United States' and Pakistan's strong, multifaceted partnership across a range of critical issues, as exemplified by the framework of the Strategic Dialogue.

Both sides expressed their conviction that a robust, long-term bilateral relationship remains critical to regional and international security and prosperity. Both sides agreed that a strong, prosperous, and democratic Pakistan is an essential partner for the United States in advancing these shared goals. As

such, the United States and Pakistan have a shared and enduring interest in Pakistan's continued economic growth and prosperity, increased bilateral trade and investment, education and social development, respect for human rights and rule of law, regional stability, and ongoing collaboration on measures to counter violent extremism and combat terrorism.

The two reaffirmed the importance of the Strategic Dialogue, which provides vision and direction for this bilateral partnership, and reviewed progress made in its six working groups, which represent core areas of joint interest and cooperation: 1) Energy; 2) Security, Strategic Stability, and Nonproliferation; 3) the Defense Consultative Group; 4) Law Enforcement and Counterterrorism; 5) Economics and Finance; and 6) Education, Science, and Technology. They also acknowledged the importance of sustaining cooperation on shared interests through U.S. civilian assistance, in line with the intent of legislation known as the "Kerry-Lugar-Berman" act. Finally, they charged the Working Groups with continuing to meet according to a mutually determined schedule.

Expanding Trade and Accelerating Economic Growth

Secretary Kerry and Advisor Aziz reaffirmed their shared commitment to expand and deepen bilateral trade, investment and environmental cooperation. Secretary Kerry commended the steps Pakistan has taken to implement an economic reform agenda, which has advanced Pakistan's macroeconomic stability and improved growth, including the government's commitment to complete the set of home grown reforms that are being supported by the World Bank Group, the Asian Development Bank, the International Monetary Fund, and other multilateral financial institutions. Both sides affirmed that continued reforms will make Pakistan more economically competitive and attractive for foreign investment.

Taking into account the importance with which Prime Minister Muhammad Nawaz Sharif and President Barack Obama hold deepening bilateral trade and investment relations as the most effective, mutually beneficial, and durable form of bilateral economic partnership, the two sides agreed to intensify discussion on trade and investment related initiatives as a core area of joint interest.

Both sides agreed that the modernization of Pakistan's economy through better technology, improved business climate, entrepreneurship, enhanced worker rights, and opportunities for women will drive the country's economic growth. The recent visit of a U.S. Chamber of Commerce trade delegation to Pakistan reflected the great potential of their economic ties to benefit the private sectors of both countries. Secretary Kerry welcomed Pakistan's participation in the Global Connect Initiative, which aims to link an additional 1.5 billion people worldwide to the internet by 2020. The Pakistani delegation highlighted its "Smart Universities" public-private partnership with U.S. company CISCO, which will provide Wi-Fi broadband access to 100 Pakistani university campuses nationwide. Secretary Kerry highlighted the

success of the U.S.-Pakistan Women's Council, which harnesses the power of the private sector in both countries to foster women's economic advancement. Noting that the Council has brought on four corporate members committed to expand women's entrepreneurship, employment, and access to higher education in Pakistan, he underscored U.S. interest in continuing joint cooperation on women's economic empowerment.

The United States reiterated that it sees Pakistan's prosperity as both good for the region and good for the United States. Secretary Kerry and Advisor Aziz reflected with satisfaction on Secretary of Commerce Penny Pritzker's visit to Islamabad for U.S.-Pakistan Economic Partnership Week in 2015. They also looked forward to the fourth annual U.S.-Pakistan Business Opportunities Conference, the first to be held in the United States, which will bring scores of U.S. and Pakistani executives from across all sectors to New York City this year, and a meeting under the Trade and Investment Framework Agreement (TIFA) in 2016.

Education, Science, and Technology

Secretary Kerry and Advisor Aziz applauded the reinstitution of the Education, Science, and Technology Working Group in June 2015 in Islamabad as an important mechanism through which to facilitate and emphasize the already extensive U.S.-Pakistan cooperation in these vital fields. Under the rubric of a new "U.S.-Pakistan Knowledge Corridor" and Pakistan's Vision 2025 development plan, both sides committed to both expanding U.S.-Pakistan education cooperation and strengthening Pakistan's education system, which serve as engines of economic growth and prosperity. Advisor Aziz reiterated Prime Minister Sharif's commitment to double Pakistan's education expenditures from two to four percent of gross domestic product by 2018, including by expanding girls' access to education.

Secretary Kerry noted that the Education, Science and Technology Working Group met this week on the margins of the Strategic Dialogue Ministerial, and lauded the February 2016 Memorandum of Understanding between the Pakistan Higher Education Commission and the United States Educational Foundation in Pakistan, in which Pakistan will fund up to 125 additional Pakistani PhD scholars from Pakistan to study in the United States through the Fulbright program over five years. Complementing what is already the largest U.S. investment in the Fulbright program worldwide, Pakistan's commitment solidifies Fulbright and exchange programs as a step towards building a lasting U.S.-Pakistan Knowledge Corridor that already includes over 15,000 alumni of U.S. programs throughout Pakistan. Advisor Aziz praised the U.S. Merit and Need Based Scholarships Program for Bachelors and Masters level students studying at Pakistani universities, and highlighted Pakistan's urgent need to expand its faculty in its higher education system in order to provide quality education to its youth by training 10,000 PhDs by 2025 at U.S. universities.

The two sides agreed to explore initiatives to enhance the number of educational opportunities for Pakistani students in the United States at the tertiary level, including increased numbers of PhDs at U.S. institutions. The United States is committed to facilitating the legitimate travel of Pakistani students who want to study at American academic institutions. Both sides resolved to set up a sub-working group for following and monitoring implementation.

Both sides also acknowledged the 23 existing partnerships between U.S. and Pakistani universities, their critical contributions to cultural and intellectual exchange, and the importance of sustaining them long-term. Both sides also noted the June 2015 launching of the U.S.-Pakistan Centers for Advanced Studies, which established three cutting-edge partnerships in energy, water, and agriculture for academics, policymakers, and industry. The United States agreed to consider additional academic cooperation on Climate Change.

The Working Group also highlighted ongoing cooperation in critical science, technology, engineering, and mathematics (STEM) fields, including the February 2016 Memorandum of Understanding signed by U.S. Ambassador Hale and Higher Education Commission Chairman Mukhtar to double joint funding for joint research grants under the U.S.-Pakistan Science and Technology Cooperation Agreement. The Working Group also deliberated on other important matters including the proposed revival of ties between the Pakistan Science Foundation (PSF) and the U.S. National Science Foundation (NSF). Pakistan expressed interest in U.S. assistance in the areas of Intellectual Property Rights (IPR), commercialization of technologies, and technology transfers.

As the next chapter in bilateral cooperation, Advisor Aziz reiterated Prime Minister Sharif's commitment to expanding opportunities for girls, including under the Let Girls Learn initiative in Pakistan launched by First Lady Michelle Obama and First Daughter Maryam Sharif in October 2015. The Education, Science and Technology Working Group discussed the next steps toward achieving the initiative's goals and objectives.

In recognition of the transnational nature of global health issues, the United States and Pakistan will each undergo and publish an external evaluation in 2016 of capabilities in each country to achieve the core capacities required by the World Health Organization International Health Regulations, including the targets of the Global Health Security Agenda (GHSA). Pakistan is developing a mutually agreed five-year GHSA roadmap to achieve the Agenda's eleven targets.

Both sides recognized the importance of civil society to the fundamental health and stability of all democratic societies. They also reaffirmed that International Nongovernmental Organizations (INGOs) and civil society organizations can contribute to Pakistan's national development goals and complement the work of the government. Secretary Kerry noted that any policy guidelines governing INGOs should be transparent and consistent with international norms. Advisor Aziz reiterated Prime Minister Sharif's

commitment that these guidelines will be reviewed and implemented in consultation with all stakeholders.

Continued Cooperation on Energy

The two sides reviewed the progress of their energy cooperation and that of the Energy Working Group since it last met in Islamabad in April, 2015.

Secretary Kerry and Advisor Aziz recognized the new chapter in U.S.-Pakistan energy cooperation, building on substantial cooperation to date that has already helped Pakistan add over 1,750 megawatts to its electric grid, facilitate private investment in the sector, and begin imports of liquefied natural gas (LNG). The U.S.-Pakistan Clean Energy Partnership, launched by President Obama and Prime Minister Sharif in October 2015, will facilitate new private sector investment in clean energy in Pakistan - particularly in hydroelectric, natural gas, wind, solar, and biomass energy sectors. Through these investments in power generation, transmission, and distribution, the partnership aims to add 3,000 megawatts to Pakistan's electricity supply by 2020. Both countries agreed to prepare a roadmap for achieving this target in each of the aforementioned areas. Both sides acknowledged the success of the first initiative under the Partnership, the U.S.-Pakistan Clean Energy Conference, hosted in Washington in December 2015, and attended by leading energy firms and financiers.

Pakistan also thanked the United States for its support for facilitating U.S. private sector investment in energy projects through USAID and the Overseas Private Investment Corporation (OPIC). They appreciated OPIC's work with the Government of Pakistan and private investors to facilitate investment in Pakistan, through the financing of five wind power projects.

Following up on the last meeting of the Energy Working Group in April 2015, Advisor Aziz also noted the significance of the U.S. Department of Energy national laboratories visit to Islamabad in February 2016 to foster lasting technical collaboration, to help Pakistan design its own integrated energy plan, and to improve its grid and energy efficiency. This will be followed by an integrated energy planning conference in April 2016, co-sponsored by USAID, the National University of Sciences and Technology, Arizona State University, and the University of Engineering and Technology - Peshawar.

The two delegations expressed appreciation for the fact that, by partnering on cleaner energy technologies, the United States and Pakistan are also partnering to curb greenhouse gas emissions. Both countries recognized the importance of following up on the Paris climate commitment, including their Intended Nationally Determined Commitments (INDCs). Further, the two sides reaffirmed their respective countries' commitments to work together to amend the Montreal Protocol this year to curb the production and consumption of hydro fluorocarbons, acknowledging that the impact on Pakistan's economy and industry would be taken into account. They welcomed the next meeting of the Energy Working Group in March 2016, which will highlight new areas for U.S. clean energy investment in Pakistan and provide strategic direction to the two countries' energy partnership for the coming years.

Fostering Strategic Stability

The delegations reaffirmed the great importance that both countries attach to preventing the proliferation of Weapons of Mass Destruction (WMD) and their means of delivery to states as well as non-state actors. The United States and Pakistan resolved to continue to work together to achieve the objectives of United Nations Security Council (UNSC) Resolution 1540, and noted that both have supported and implemented relevant UNSC Resolutions.

Both countries highlighted the constructive discussion at the 2015 meeting of the Security, Strategic Stability and Nonproliferation (SSS&NP) working group. The United States acknowledged Pakistan's ongoing efforts to harmonize its strategic trade controls with those of the multilateral export control regimes. The United States noted appreciation for Pakistan's proactive engagement with the international community, including through its hosting of IAEA training activities at its Nuclear Security Center of Excellence and its active participation in the Nuclear Security Summits. The United States looked forward to Prime Minister Nawaz Sharif's participation in the 2016 Nuclear Security Summit and appreciated Pakistan's commitment, in principle, to ratify the 2005 Amendment to the Convention on the Physical Protection of Nuclear Material.

Pakistan affirmed that it remains committed to pursuing measures aimed at building confidence and lessening the risk of armed conflict. Both sides recognized the shared interest in strategic stability in South Asia and in pursuing increased transparency. The two sides look forward to the upcoming Security, Strategic Stability, and Nonproliferation (SSS&NP) working group meeting in May 2016.

Continued Cooperation on Law Enforcement and Countering Terrorism

The two countries agreed on the need for effective action against all violent extremists, specifically underscoring that no country's territory should be used to destabilize other countries. The United States expressed appreciation for the sacrifices of Pakistan's security personnel and civilians in the fight against terrorism and violent extremism. Both countries reaffirmed their commitment to countering terrorism including by targeting all terrorists without discrimination. Advisor Aziz affirmed the Government of Pakistan's resolve to take effective action against United Nations-designated terrorist individuals and entities, including al-Qa'ida, the Haqqani Network, and Lashkar-e-Tayyiba and its affiliates, as per its international commitments and obligations under United Nations Security Council resolutions and the Financial Action Task Force. The United States and Pakistan committed to continue promoting peace, stability, and transparency in the region and to eliminate the threats posed by violent extremism and terrorism.

The two sides looked forward to the upcoming Law Enforcement and Counterterrorism working group meeting where the United States and Pakistan will work together to further bolster the capacity of Pakistan's judicial and law enforcement authorities to enforce the rule of law and combat terrorism,

including the financing of terrorism. The two sides agreed to further enhance cooperation between their respective counter terrorism authorities. Additionally, both states emphasized the importance of efforts to enhance bilateral cooperation and information-sharing between Afghanistan and Pakistan, including through joint training, to better interdict the flow of illicit materials and narcotics. The two sides also agreed to continue efforts to encourage the recruitment, retention, and advancement of policewomen. The two sides also emphasized the importance of strengthening Pakistan's capabilities to more effectively counter the use of improvised explosive devices (IEDs). The United States expressed appreciation for Pakistani efforts in this regard.

The United States expressed its concern regarding U.S. citizens being held hostage by terrorist groups in the region and Pakistan agreed it would assist in every way possible with the safe return of American and other hostages.

Defense and Security Cooperation

Both sides noted the importance of U.S. - Pakistan defense cooperation, which supports shared strategic objectives relating to counterterrorism and regional stability. Both the United States and Pakistani delegations expressed their desire for the U.S.-Pakistan bilateral security relationship to continue on a mutually beneficial and sustainable trajectory. The United States reiterated its continuing support for the Armed Forces of Pakistan in their ongoing counterinsurgency operations in the Federally Administered Tribal Areas (FATA) and disruption of militant networks. The United States also expressed appreciation for the sacrifices made by Pakistani security forces and civilians in these efforts. The Pakistani delegation expressed its appreciation for U.S. support in bolstering Pakistan's counterterrorism and counterinsurgency capacity. Both sides underscored the importance of bilateral defense cooperation as serving their mutual interest and noted their willingness to explore new avenues to refine defense collaboration. Both sides noted the challenges of enabling the return of internally displaced persons to the FATA in the wake of operations. Pakistan expressed its appreciation for the pledge of \$250 million announced by Secretary Kerry in 2015 for the relief, recovery and rehabilitation of Internally Displaced Persons from the FATA. The United States continues to partner with Pakistan to reconstruct schools, hospitals, and infrastructure to restore communities in the FATA and assist in the return of people to their homes.

Both sides underscored the need for effective action against all violent extremists that threaten regional security. The United States expressed appreciation for the role Pakistan has played in helping to degrade al-Qa'ida and its affiliates. Pakistan reaffirmed its commitment to taking action, in line with the country's National Action Plan, to ensure that the Taliban are unable to operate from Pakistani soil. Acknowledging the emerging terrorist threat posed by ISIL/Da'esh in the region, the U.S. and Pakistani delegations agreed that their countries should work closely together to counter this threat of mutual concern, and affirmed their commitment to combat the extremist ideology that fuels such groups. Pakistan reiterated its firm resolve not to allow ISIL/Da'esh to develop a

foothold in its territory, and the United States expressed its appreciation for Pakistan's efforts in this regard.

Regional Cooperation

The United States commended Pakistan's role in hosting the successful 2015 Heart of Asia Conference, designed to bolster regional cooperation. Secretary Kerry welcomed Pakistan's commitment to facilitating an Afghan-led and Afghan-owned peace and reconciliation process. The two sides underscored the imperative of quickly catalyzing direct peace talks between the Afghan government and Taliban to end the bloodshed and preserve Afghanistan's unity, sovereignty, and territorial integrity. Secretary Kerry welcomed Pakistan's calls on the Taliban to seek a negotiated settlement to end the Afghan conflict and its constructive role in establishing and hosting the Quadrilateral Coordination Group (QCG), an important regional initiative that brings together representatives from Afghanistan, Pakistan, China, and the United States to achieve the shared objective of initiating peace negotiations between the Afghan government and Taliban. It was agreed that all members of the QCG will intensify their efforts to forge broader regional consensus in support of the Afghan-led reconciliation process as the best way to bring peace and stability to the region.

The United States and Pakistan emphasized the importance of meaningful dialogue in support of peaceful resolution of outstanding issues, including Kashmir. The delegations underscored that all parties in the region should continuously act with maximum restraint and work collaboratively toward reducing tensions. Noting the steps taken by Pakistan to date, including the detention of Jaish-e-Mohammad (JeM) leader Maulana Masood Azhar, the United States appreciated PM Sharif's stated commitment to take prompt and decisive action on this investigation and to bring the perpetrators of the January 2, 2016 attack on the Pathankot air base to justice.

The United States commended Pakistan's exemplary generosity in hosting one of the largest, longest lasting refugee populations and reaffirmed the U.S. commitment to humanitarian assistance for Afghan refugees, returnees, and displaced persons in the region. The two sides reiterated their commitment to facilitate the orderly return and reintegration of Afghan refugees to Afghanistan.

Secretary Kerry and Advisor Aziz further commended the substantial progress made by Pakistan, Afghanistan, Kyrgyzstan, and Tajikistan on the CASA-1000 electricity project. The four countries are now working together for implementation of the project by 2018. They welcomed the inaugural ceremony of the CASA-1000 project, to be hosted by Tajikistan in Dushanbe in May 2016.

Secretary Kerry and Advisor Aziz also commended the progress being made on the TAPI (Turkmenistan, Afghanistan, Pakistan and India) gas pipeline project. They noted with appreciation the groundbreaking ceremony of the TAPI project at Mary, Turkmenistan in December 2015, which was also attended by Prime Minister Muhammad Nawaz Sharif, among other leaders. Such regional projects would greatly facilitate regional integration and cooperation.

Recognizing the opportunities and challenges presented by information and communications technologies, both countries agreed that international cooperation is essential to make cyberspace secure and stable, and look forward to continued engagement on cyber issues.

Looking Ahead

Secretary Kerry and Advisor Aziz committed to further strengthening the long-term partnership between the United States and Pakistan, built on robust cooperation across a wide range of issues and reflecting shared interests and common values. The two sides reiterated their commitment to democracy, human rights, economic growth, and respect for international law as essential for long-term regional peace and prosperity, and agreed that the two governments would meet for the next Ministerial-Level Strategic Dialogue in 2017.

3. Joint Statement issued after the eight round of Pakistan-United States talks on security, strategic stability, and nonproliferation issues

Foreign Secretary Aizaz Ahmad Chaudhry and Under Secretary of State for Arms Control and International Security Rose Gottemoeller co-chaired the eighth round of the Pakistan-U.S. Security, Strategic Stability, and Nonproliferation (SSS&NP) Working Group in Islamabad on May 17, 2016.

The delegations had a productive exchange of views on issues of mutual importance, including strategic export control regimes, nonproliferation, and regional stability and security, while building on the progress of the 7th Round of SSS&NP meeting held at Washington D.C. on 2nd June 2015.

The US delegation recognized Pakistan's significant efforts to harmonize its strategic trade controls with those of the Nuclear Suppliers Group (NSG) and other multilateral export control regimes. Both sides agreed on the value of Pakistan's continued engagement, outreach and integration into the international non-proliferation regime. The Pakistan delegation expressed its confidence regarding Pakistan's credentials to become full member of the export control regimes, particularly the Nuclear Suppliers Group (NSG) and the Missile Technology Control Regime (MTCR). Both sides committed to continue cooperation related to export control capacity-building under the U.S. Export Control and Related Border Security (EXBS) program.

Pakistan stressed the need for access to peaceful uses of nuclear technology as a socio-economic imperative. Pakistan also indicated its interest in cooperation with the US on peaceful applications of Nuclear Science in areas such as Health, Agriculture and Water. The US expressed its interest in exploring such nuclear science cooperation with Pakistan.

The delegations reaffirmed the high importance that both countries attach to preventing the proliferation of Weapons of Mass Destruction (WMD) and their means of delivery to states as well as non-state actors. In this regard they, *inter alia*, noted that both have consistently supported and implemented

United Nations Security Council Resolution 1540. Both delegations agreed to remain engaged in discussions on an objective Comprehensive Review of the UN Security Council Resolution 1540, scheduled later this year.

The United States underscored its continued efforts to realize the agenda set forth in President Obama's 2009 Prague speech. Both sides noted the high priority that arms control has for the international community. The United States outlined its nuclear stockpile reductions, explained its efforts to seek congressional approval to ratify the Comprehensive Nuclear-Test-Ban Treaty (CTBT) and reaffirmed its commitment not to conduct further nuclear test explosions. Pakistan reaffirmed its consistent stance that it will not be the first in its region to resume nuclear testing and expressed its support for the objectives of CTBT which it has manifested through support for CTBT-related resolutions in the United Nations General Assembly.

The United States underscored the need to commence negotiations on a treaty dealing with fissile materials for use in nuclear weapons. Pakistan underlined its preference for a broader Fissile Material Treaty (FMT) that addresses the asymmetries in existing stocks and highlighted that its position will be determined by its national security interests and the objectives of strategic stability in South Asia.

Both sides recognized their interest in strategic stability and discussed their respective concerns over nuclear and missile developments in South Asia. In that context, Pakistan also expressed concerns on the growing conventional imbalance and reiterated its longstanding proposal for Strategic Restraint Regime (SRR) in South Asia and its readiness to pursue measures in the region aimed at building confidence and avoidance of arms race. Both sides emphasized the importance of meaningful dialogue and progress in this area and expressed the hope for lasting peace in South Asia and the resolution of outstanding disputes through peaceful means.

The delegations expressed satisfaction on the successful culmination of the Nuclear Security Summit process which has resulted in further strengthening of the international nuclear security architecture. Both countries welcomed their respective ratification of the Amendment to the Convention on the Physical Protection of Nuclear Material and its entry into force earlier this month. Both sides underscored the importance of preventing the risk of global nuclear terrorism and reaffirm their participation in the Global Initiative to Combat Nuclear Terrorism (GICNT). Both parties affirmed intentions to implement the voluntary political commitments made at the Nuclear Security Summit with a view to enhance national nuclear security practices.

Both sides noted the Annual Meeting of International Network for Nuclear Security Training and Support Centre hosted by Pakistan in March and establishment of physical protection exterior laboratory at Pakistan's Centre of Excellence as reflective of Pakistan's ongoing successful collaboration with the IAEA.

The delegations also discussed issues related to the Chemical Weapons Convention (CWC) and the Biological Weapons Convention (BWC) and

committed to continue such consultations. The delegations also emphasized their shared desire for a successful BWC Review Conference in November and agreed to continue working together to that end.

The delegations reaffirmed that the Working Group remains an invaluable forum for discussing issues of critical mutual importance and stated that they looked forward to future sessions.

The SSS&NP is a working group under the U.S.-Pakistan Strategic Dialogue.

Islamabad, 17 May 2016. Source: www.mofa.gov.pk

II: Economy

Excerpts from ‘Highlights’ of *Pakistan Economic Survey 2015-16*

Growth and Investment

- The outgoing year witnessed slow global recovery as the world economy started picking up at slow pace and the global outlook also indicates some signs of weak demand.
- In South Asia economic performance of Pakistan is improving quantitatively and qualitatively as growth is inclusive and sustainable and is the highest achievement since 2008-09.
- Major achievements of the outgoing fiscal year includes: picking up economic growth, price stability, improvement in tax collection, reduction in fiscal deficit, worker remittances touch new height, and foreign exchange reserves remained high.
- The GDP growth accelerates to 4.71 percent in 2015-16 against the growth of 4.04 percent in the last year. The growth momentum is broad based, as commodity producing and services sectors have supported economic growth.
- The agriculture sector accounts for 19.82 percent of GDP and 42.3 percent of employment with strong backward and forward linkages. It has four sub-sectors including: crops, livestock, fisheries and forestry.
- Agriculture sector recorded a negative growth of -0.19 percent against the growth of 2.53 percent last year. The decline in growth was due to drop in the production of cotton, rice, maize and other minor crops due to extreme weather.
- Important crops account for 23.55 percent of agricultural value addition. This sub-sector has recorded a negative growth of -7.18 percent compared to a growth of -0.52 percent last year. The important crops includes all major crops like wheat, maize, rice, sugarcane and cotton which registered growth at 1.58 percent, -0.35 percent, -2.74 percent, 4.22 percent and -27.83 percent respectively.

- Other crops have share of 11.36 percent to value addition in overall agriculture sector. This sub-sector has witnessed growth of -0.31 percent against the growth of 3.09 percent last year.
- Cotton Ginning has witnessed growth of -21.26 percent against the growth of 7.24 percent in the previous year.
- Livestock contributes 58.55 percent of agriculture value addition. Livestock consist of cattle, buffalos, sheep, goat, camel, horses, asses, mules and poultry and their products. It has registered a growth of 3.63 percent against 3.99 percent last year.
- Growth of the forestry sub-sector is witnessed at 8.84 percent as compared to the growth of -10.43 percent last year.
- Fisheries sub-sector has 2.17 percent contribution in agriculture and registered a growth of 3.25 percent compared to the growth of 5.75 percent last year.
- The industrial sector contributes 21.02 percent in GDP; it is also a major source of tax revenues for the government and also contributes significantly in the provision of job opportunities to the labour force.
- Government planned and implemented comprehensive policy measures on fast track to revive the economy. As a result industrial sector started revival and recorded remarkable growth at 6.80 percent as compared to 4.81 percent last year.
- The manufacturing is the most important sub-sector of the industrial sector containing 64.71 percent share in the overall industrial sector. Growth of manufacturing is registered at 5.00 percent compared to 3.90 percent last year.
- Manufacturing has three components; Large-Scale Manufacturing (LSM) with the share of 80.11 percent, Small Scale Manufacturing with the share of 13.12 percent and Slaughtering having share of 6.77 percent.
- Small scale manufacturing witnessed growth at 8.21 percent against the growth of 8.22 percent last year and slaughtering growth is recorded at 3.63 percent as compared to 3.35 percent last year.
- LSM has registered an improved growth of 4.61 percent as compared to 3.29 percent last year.
- The share of construction in industrial sector is 12.29 percent and is one of the potential components of industries. The construction sector has registered a growth of 13.10 percent against the growth of 6.24 percent of last year.
- Mining and quarrying sub-sector contains 14.19 percent share of the industrial sector. This sub-sector witnessed a growth of 6.80 percent as compared to 4.81 percent last year.
- Electricity generation & distribution and Gas Distribution is the most essential component of industrial sector. This sub-sector has registered growth at 12.18 percent as compared to 11.98 percent last year.
- The share of the services sector in GDP has reached to 59.16 percent in FY 2016. Services sector contains six sub-sectors including: Transport, Storage

and Communication; Wholesale and Retail Trade; Finance and Insurance; Housing Services (Ownership of Dwellings); General Government Services (Public Administration and Defense); and Other Private Services (Social Services).

- The Services sector has witnessed a growth of 5.71 percent as compared to 4.31 percent last year. The growth performance in services sector is broad based, all components contributed positively, Finance and Insurance at 7.84 percent, General Government Services at 11.13 percent, Housing Services at 3.99 percent, Other Private Services at 6.64 percent, Transport, Storage and Communication at 4.06 percent and Wholesale and Retail Trade at 4.57 percent.
- Three main drivers of economic growth are consumption and investment. Pakistani society like other developing countries is a consumption oriented society, having high marginal propensity to consume.
- The private consumption expenditure in nominal terms reached to 80.1 percent of GDP, whereas public consumption expenditures are 11.8 percent of GDP.
- Per capita income in dollar terms recorded a growth of 2.9 percent in FY 2016 as compared to 9.2 percent last year. The per capita income in dollar terms has reached to 1560.7.
- Total investment recorded the growth of 5.78 percent in FY 2016. Investment to GDP ratio has reached to 15.21 percent in FY 2016. Fix investment is registered at 13.61 percent of GDP. Private investment witnessed at 9.79 percent of GDP.
- Public investment recorded an impressive growth rate at 10.63 percent and as percentage of GDP it has increased from 3.72 percent to 3.82 percent in FY 2016.
- Total investment which was recorded at Rs.4256 billion in FY 2015 increased to Rs.4502 billion for FY 2016.
- During July-6th May FY 2016 credit to private sector flows increased to Rs.311.7 billion against the expansion of Rs.171.2 billion in comparable period last year.
- National savings are 14.6 percent of GDP in FY 2016 compared to 14.5 percent in FY 2015. Domestic savings is witnessed at 8.3 percent of GDP in FY 2016 as compared to 8.4 percent of GDP last year.
- Present government has launched comprehensive plan for investment friendly environment and to attract foreign investors in the country. Expansionary Monetary Policy alongwith infrastructure development drive of the government are positive signals for restoring the investor's confidence.
- Pakistan's policy trends have been consistent, with liberalization, de-regulation, privatization, and facilitation being its foremost cornerstones. BOI under the Prime Minister's office making efforts to provide friendly environment to investors.

- During July-April FY 2016 net foreign direct investment crossed US\$ 1 billion with growth of 5.4 percent. The major inflow of FDI is from US, Hong Kong, UK, Switzerland and UAE. Oil & gas exploration, financial business, power, communications and Chemicals remained major sectors for foreign investors.
- The government is also aiming to explore new markets to export its manpower as well as incentives for the remittances to further enhance its growth. During July-April 2014-15 remittances stood at \$16,034.4 million compared to \$15,235 million during the corresponding period last year.
- Pakistan remained focused and committed to implement CPEC which is a mega project of US\$46 billion, it will provide major support for development of infrastructure in coming years.

Agriculture

- The agriculture sector showed a negative growth of 0.19 percent during July-March, FY 2016 as compared to a growth of 2.53 percent during the last year.
- During FY2016, cotton production stood at 10.074 million bales as compared to 13.960 million bales in FY2015 and registered a drastic decline of 27.8 percent.
- Wheat production increased to 25,482 thousand tonnes in FY2016 as compared to 25,086 thousand tonnes in FY2015 showing an increase of 1.6 percent.
- Rice production has decreased to 6,811 thousand tonnes in FY2016 as compared to 7,003 thousand tonnes in FY2015 showing a decrease of 2.7 percent.
- Sugarcane production has increased to 65,475 thousand tonnes in FY2016, as compared to 62,826 thousand tonnes last year showing an increase of 4.2 percent.
- Maize production had decreased to 4,920 thousand tonnes in FY2016, as compared to 4,937 thousand tonnes in FY2015 recorded a decrease of 0.3 percent.
- Other crops that contributed 11.4 percent in value addition agriculture witnessed a negative growth of 0.31 percent in FY2016, against positive growth of 3.09 percent during the same period last year.
- Gram production has decreased to 312 thousand tonnes in FY2016 as compared to 379 thousand tonnes in FY2015, showing a decrease of 17.7 percent.
- During FY2016, the production of Potatoes, Chillies and Onions grew positively witnessing growth of 3.4 percent, 2.1 percent and 0.2 percent, respectively, comparing to production of same period last year. The reason for increase in production is increase in area cultivated. However, the production of pulses Mash, Masoor (Lentil) and Moong decreased by 15.6 percent 4.4 percent and 0.8 percent respectively.

- During July-March FY2016 about 455.05 thousand tonnes of improved seeds of various Kharif/Rabi crops were procured.
- During July-March FY2016, the banks have disbursed agriculture credit of Rs 385.5 billion which is 64.3 percent of the overall annual target of Rs 600 billion and 18.3 percent higher than disbursement of Rs 326.0 billion made during the corresponding period last year.
- During FY2016, the availability of water for Kharif 2015 stood at 65.5 million acre feet (MAF) showing a decrease of 5.5 percent over Kharif 2014 and 2.4 percent less than the normal supplies of 67.1 MAF. During Rabi season FY2016, the water availability remained at 32.9 MAF, which is 0.6 percent less than Rabi 2014-15 and 9.6 percent less than the normal availability of 36.4 MAF.
- The domestic production of fertilizers during FY2016 (July-March) increased significantly by 14.4 percent over the same period of previous fiscal year. The imported supplies of fertilizer decreased by 3.9 percent. However, the total availability of fertilizer surged by 9.7 percent during current fiscal year. Total off take of fertilizer nutrients witnessed decrease by 10.1 percent. Nitrogen off take decreased by 14 percent while phosphate increased by 2.9 percent. Potash off take recorded a significant decrease of 35.9 percent during FY 2016 (July-March).
- Price of all phosphatic fertilizers decreased during current fiscal year as a result of announcement of subsidy by the government from 15th October, 2015 at the rate of Rs.500 per bag of Diammonium Phosphate.

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Inflation

- The inflation rate measured by the changes in CPI, averaged at 2.8 percent during July-April, FY2016 against 4.8 percent in the comparable period last year.
- The food inflation on average basis in July-April, FY2016, is estimated at 2.1 percent and nonfood 3.3 percent, as against 3.6 percent and 5.7 percent in the corresponding period last year.
- CPI food items have declining trend in prices of Rice, Onion, Cooking Oil, Eggs and Vegetable Ghee.
- Core inflation on average basis during July-April, FY2016, stood at 4.1 percent against 6.9 percent last year.
- WPI during July-April, FY2016, on annual average basis has recorded a decrease of 1.29 percent against increase of 0.03 percent last year.
- The wholesale prices of non-food items, whose prices increased from previous year are matches, woolen carpets, pesticides, woven fabrics and timber.
- SPI recorded an increase of 1.8 percent during July-April, FY2016 against 2.1 percent last year.

- Inflation has been contained during current fiscal year due to better supply position of essential items, and regular monitoring of prices and supply chain by the National Price Monitoring Committee.
- National Price Monitoring Committee chair by Federal Finance Minister, monitor prices of essential commodities in consultation with provincial governments and concerned Federal Ministries/Divisions and organization.

Trade and Payments

- During July – March FY2016, the exports reached to US\$15.6 billion dollars as compared to US\$ 17.9 billion of the same period last year, showing a decline of 12.9 percent. Analysis of group-wise exports suggests that Food group registered a decline of 11.6 percent during July – March FY2016 compared to the same period last year.
- Like other developing countries, Pakistan also benefitted by the falling global oil and commodity prices. This steep fall of oil prices is clearly reflected in Pakistan's overall import bill which resulted in US \$ 3.3 billion saving, from import of petroleum products, Pakistan's overall import remained 4.3 percent less during July-March FY2016 compared to the same period last year.
- Imports target was set at \$43.2billion (an increase of 6 percent) during FY2016. In July-March FY2016, import remained 4.3 percent down compared to same period last year.
- The overall trade deficit posted an increase of 2.1 percent during July-April FY2016. During July-April FY 2016 exports declined by 9.5 percent and stood at US\$ 18.2 billion as compared to US\$ 20.1 billion in July-April FY2015. The imports declined by 4.6 percent. In the meantime non-oil imports, particularly of machinery and metal surged significantly.
- During the period under review services exports declined by 14.5 percent, overall exports of services were US\$ 4.4 billion in July –April FY2016 against US\$ 5.1 billion in the corresponding period of FY 2015, depicting a decline of US\$ 748 million. Moreover, services import fell by 15.1 percent or US\$ 1.01 billion to US\$ 6.2 billion in July –April FY2016 compared to US \$ 7.3 billion in the same period last year.
- The start of FY2016 has witnessed growth of 5.25 percent in Worker's remittances over last year, during July-April FY2016, the remittances reached to US\$ 16.034 billion as compared to 15.236 billion last year.
- The current account balance shrunk by 17.7 percent during July-April FY2016 as compared to last year (US\$ 1.519 billion in FY2016 against US\$ 1.846 billion). As a percentage of GDP it stood at -0.6 percent compared to -0.8 percent of the comparing period last year.
- The capital account stood at US\$ 296 million during July-April FY2016 compared to US\$ 353 million during the corresponding period last year. Financial account on the other hand reached at US \$ 2629 million in July-April FY2016 compared to US\$ 3320 million during same period last year. Improved financial inflows contribute for growth in financial account.

- Thus net foreign investment recorded US\$ 615.5 million during July-April FY2016 compared to US\$ 2737.5 million in the same period last year. The foreign direct investment during July-April FY2016 crossed US \$ 1 billion. During the period the FDI received were US\$ 1016.3 million compared to US\$ 963.8 million in the same period last year.
- The country's total foreign exchange reserves reached to highest level to US\$ 21.4 billion by May18, 2016, compared to US\$ 18.6 billion end June 2015. The rise was mainly due to, loans from ADB and World Bank, CSF as well as disbursement of loans under EFF by IMF and higher investment inflows.
- Exchange rate remained at Rs.104.75 per US\$ in May FY2016, compared to Rs 101.78 per US\$ at end June 2015. The Pak Rupee's depreciation was around 2.9 percent during July-May FY2016.

Public Debt

- Public debt was recorded at Rs.19,168 billion as at end March 2016 registering an increase of Rs.1,787 billion during first nine month of current fiscal year.
- Out of total increase in public debt, increase in domestic debt was Rs.1,200 billion while government borrowing from domestic sources for financing of fiscal deficit was Rs.786 billion. This differential is mainly attributed to increase in government credit balances with State Bank of Pakistan/commercial banks.
- Increase in external debt contributed Rs.588 billion to public debt. Apart from fresh external inflows, revaluation loss on account of depreciation of US Dollar against other international currencies as well as depreciation of Pak Rupee against US Dollar contributed to this increase.
- An improvement was observed in most of the public debt risks indicators during last two fiscal years in-line with the objectives set forth in Medium Term Debt Management Strategy of Pakistan:
 - The refinancing risk of the domestic debt reduced at the end of 2014-15 as percentage of domestic debt maturing in one year reduced to 47 percent compared with 64 percent at the end of 2012-13;
 - Exposure to interest rate risk reduced as percentage of debt re-fixing in one year decreased to 40 percent at the end of 2014-15 as compared with 52 percent at the end of 2012-13;
 - Share of external loans maturing within one year was equal to around 28 percent of official liquid reserves at the end of 2014-15 as compared with around 69 percent at the end of 2012-13 indicating improvement in foreign exchange stability and repayment capacity.
- The conducive economic environment coupled with supportive monetary policy provided opportunity for the government to reduce the interest rates on its wholesales debt instruments along with aligning the rates on retail debt instruments with the market yields. As a result, the cost of domestic

borrowing is expected to reduce in the coming years on account of new debt issuance/rollover of existing debt.

- Government's vision is to further reduce the statutory debt limit from existing 60 percent to 50 percent of GDP in 15 years, starting from 2018-19 and to limit statutorily the federal fiscal deficit to 4 percent through introduction of an amendment bill in the Parliament for necessary changes in the Fiscal Responsibility and Debt Limitation Act;
- During July-March (2015-16), public debt servicing was recorded at Rs.1,371 billion against the annual budgeted estimate of Rs.1,686 billion. Public debt servicing consumed nearly 46 percent of total revenues during first nine months of current fiscal year against a ratio of 45 percent during the same period last year.
- External Debt and Liabilities (EDL) stock was recorded at US\$ 69.6 billion as at end March 2016 out of which external public debt was US\$ 55.1 billion.
- As at end March 2016, EDL was dominated by Public and Publically Guaranteed (PPG) debt having share of around 73 percent. These loans were mainly obtained from multilateral and bilateral donors. Borrowing from IMF contributed 8 percent in EDL stock while debt obligations of the private sector was fairly limited and have been a minor proportion (4 percent) of EDL.
- Servicing of public external debt increased by US\$ 188 million in first nine months of 2015-16 compared to the same period last year and recorded at US\$ 3,560 million.

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Transport and Communications

- Pakistan's total road network is around 263,356 Kms which carries over 96 percent of inland freight and 92 percent of passenger traffic.
- Length of NHA road network is around 12,131 kms comprises of 39 national highways, motorways, expressway and strategic roads.
- During 2015-16, NHA executed 26 development projects costing Rs. 393.4 billion. Government of Pakistan has allocated Rs. 159.600 billion in the Federal PSDP 2015-16 for NHAs development projects.
- The network of Pakistan Railway comprises of 7,791 route kilometres, 455 Locomotives, 1,732 passenger coaches and 15,164 freight wagons.
- The government is taking new initiatives to improve the performance of Pakistan Railways by repairing/purchasing of locomotives, up gradation of main lines MI, M-II and M-III.
- During financial year 2015-16, 90 Kms of track has been rehabilitated besides doubling of 5 kms
- track.
- During 2015-16, Pakistan Railways will rehabilitate 400 coaches, procure 500 high capacity bogie wagons and special repair of 150 De locomotives.

- During 2015, PIA management embarked upon a mission of “Revival of PIA” under new initiatives/steps to improve the performance of PIA by contracts re-negotiation, route rationalization, re-deploying aircrafts on more profitable domestic and international routes. Due to these steps PIA expenditure decreased and its operating revenue increased remarkably.
- During the year 2015, the aviation industry experienced a growth of 5.5 percent in the passenger business.
- Pakistan National Shipping Corporation (PNSC) provides transportation services for crude oil requirements of the country comprises of nine vessels of various types/size with a total deadweight capacity of 681,806 tonnes.
- During July-March, FY2016, PNSC companies earned revenue of Rs.2,917 million as against Rs. 2,126 million over the corresponding period of last year.
- During July-March 2015-16, Port Qasim Authority handled 23.782 million TEUs (Twenty Equal Units) of container traffic which is 10 percent higher over the corresponding period of last year.
- At Gwadar Port, 5.366 million tons Urea import was handled during July-March 2015-16.
- During July-March FY 2016, the total cargo handled at Gwadar Port stood at 6.329 million tons against 6.279 million tons over the corresponding period of last year showing a growth of 8.9 percent.
- Telecom revenues during Jul-March 2015-16, amounted to Rs. 333.2 billion which made this sector very attractive for further investment.
- Teledensity has been improved and facilities have reached to 70.4 percent of population.
- During July-March FY 2016, Telecom sector contributed 744.6 billion to the national exchequer in terms of taxes etc.
- Cellular Mobile subscribers reached to 131.4 million at the end of March, 2016.
- During the period July-March FY 2016, an amount of Rs. 149.243 billion has been collected through National saving Schemes and Pakistan post has earned commission amounting to Rs. 746.215 million.

Energy

- With concrete and sincere efforts of the government, almost 12 percent growth has been observed in real value addition of electricity generation & distribution and Gas distribution during FY 2015 and FY 2016 which in turn helped the real GDP growth of 4.7 percent during FY 2016.
- During July-April FY2016, foreign direct investment in oil and gas exploration remained US \$ 234.8 million compared to US \$ 230.1 million in corresponding period last year thus posting a growth of 2 percent.
- Government of Pakistan is also pursuing to enhance gas production in order to meet the increasing demand of energy in the country. One of the milestone is import of LNG. In this regard a license for construction of LNG terminal was granted to M/s EngroElengy Terminal Limited (EETL)

with a construction validity period of two years. During July to Feb FY 2016, 175 mmcf volume of Re-gasified liquid natural gas (RLNG) was imported. The government has planned to establish 2nd LNG terminal which shall be built at Port Qasim Karachi, to be operational by around mid-2017. Another company naming Bahria Foundation has also applied to OGRA for grant of LNG Terminal construction License

- Three hydel plants Tarbela-4th extension, Chashma, Neelum-Jhelum and few other small dams are expected to provide additional generation within next two years.
- 1000MW under Central Asia-South Asia-1000 (CASA-1000) power project is also included in the plan. Power sector has been given priority in terms of allocation of gas for power generation.
- Further special attention is being given to Diamir Basha dam project.
- The government is also determined to complete the 969 MW Naleum Jelum Hydropower project at the earliest. The other measures include earmarking of almost 80 percent of CPEC estimated outlay for electricity sector, import of LNG, extended cooperation with USA and other bilateral agencies to build capacity in the energy sector and improvement in the efficacy of regulatory regime.
- Renewable potentials like wind and solar are under implementation

Pakistan Energy Sources:

Oil:

- During July-March FY 2015, this share increased by 50 percent for transport and 42 percent for power while during July-March FY 2016, the share of transport and power in oil consumption remained 55 percent and 35 percent, respectively.
- During July-April FY 2016, 4.98 million metric tons was imported compared to 4.81 million tons of the corresponding period last year showing a growth of 3.5 percent, while in values US \$ 1.95 billion was imported compared to US \$ 3.59 billion during period under discussion thus showing a decline of 47 percent.

Natural Gas:

- The average natural gas consumption was about 3,387 million cubic feet per day (mmcf) including 175 mmcf volume of re-gasified liquid natural gas (RLNG) during July 2015 to February 2016.
- During July 2015 to February 2016, the two gas utility companies (SNGPL & SSGCL) have laid 116 km gas transmission network, 1,848 km distribution and 679 km services lines and connected 203 villages/towns to gas network.
- During this period, the gas utility companies have invested Rs.9,959 million on transmission projects, Rs.8,705 million on distribution projects and Rs.13,225 million on other projects bringing total investment to about Rs.31,919 million.

- During this period 254,870 additional gas connections including 254,648 domestic, 202 commercial and 20 industrial were provided across the country.

Electricity:

- During July-March FY 2016, the installed capacity in the PEPCO system remained 23,101 MW compared to 23,212 MW during the corresponding period last year with hydro 7,027 MW, thermal 15,324 MW, and nuclear 750 MW.
- During this period, electricity generation through thermal remained 45, 252 Gwh compared to 43, 611 Gwh last year posting a growth of 4 percent while electricity generation through hydel remained 24, 544 Gwh compared to 23, 478 Gwh last year posting a growth of 5 percent. Thus in total there was an increase of 2 percent in electricity generation.

Renewable Energy:

- The following progress has been achieved on development of renewable energy based projects during the 2015-16 so far:
- One solar project of 100 MW capacity (M/s QA Solar Pvt. Ltd) become operational. Three solar power projects of 100 MW capacity each achieved Financial Closing and are under construction with completion expected in June, 2016.
- Two bagasse co-generation projects with a cumulative capacity of 92.4 MW became operational.

Source: www.finance.gov.pk