

Documents

July-December 2006

I. Political Developments

1. Text of President Pervez Musharraf's address to the nation

My dear Pakistani brothers and sisters: Assalam o Alaikum!

A crisis is developing around us and in the world as well and there are some internal elements who are trying to create a chaos in the country. It can have a negative impact on Pakistan. We have to guard and strengthen our security. So I thought I should address my brothers and sisters and present realities before you.

First of all I would like to talk about the international situation and I will focus only on the situation in Lebanon. Israel earlier had hostilities with Hamas and Hizbullah but it has now openly attacked Lebanon. The conflict has been escalated; the bigger fear is that it can also engulf Syria and Iran, which can also have spill over effects on Pakistan. I will talk about two main points. Firstly, we have to ensure our own security through internal cohesion. Secondly, I appeal to the world to end this crisis, move towards a ceasefire and resolve the crisis through dialogue. The Palestine dispute should be resolved which is at the heart of this conflict. This issue has a far reaching impact on the world, so I appeal to the world to resolve this crisis.

Now, I want to talk about the regional situation. Firstly, I want to talk about Mumbai bomb blasts in India. Pakistan, the entire nation, the government and myself strongly condemn these blasts. We are all opposed to terrorism and extremism and Pakistan itself is fighting against terrorism. And God willing Pakistan will succeed in this regard. I assure you that Pakistan would continue its fight against extremism and terrorism. I want to address to the people of Mumbai and say to them that we are shocked over the loss of lives in the terrorist attack. I condole with the families who lost their dear ones. Pakistan itself is a victim of terrorism and is fighting against it. And we stand by you in fight against it. But I also want to say something on this occasion. The attitude of the Indian government after this incident was somewhat regrettable. To say that the dialogue process should be postponed or halted, in my view, is a victory for terrorists. Terrorists want to stop the peace process and the normalization process and I am sure that Indian government would not like them (terrorists) to win. We all oppose terrorism. Pakistan is part of the international coalition in the fight against terrorism. If we put blame on each other it will be a defeatist attitude. So I would suggest that we should carefully think before giving any comments. No one should give unsubstantiated comments. We are all together against terrorism. I assure that Pakistan will fully help India to identify terrorists or their organization if we are provided with specific information and evidence.

We stand by you against those who undertook such terrorist attacks making you suffer so much.

Secondly, I would talk about Afghanistan. The situation has changed somewhat in Afghanistan. We tackled al-Qaeda and made offensives against its operatives in cities and mountains as well as in North and South Waziristan and its operatives are on the run. They now hide in mountains in small groups. We have broken their network. I think, the situation has transformed (the focus has shifted) from al-Qaeda to Taliban. Its centre is southern Afghanistan, Kandahar region where Mullah Omar is still controlling Taliban and this is negatively impacting Pakistan. Some elements are also in Pakistan's FATA area, who are involved in cross border activities. We are strongly taking action against them. We have designed a new strategy against Taliban and I would give its details later. I want to say that we are together against terrorism and cooperating with the coalition forces. Pakistan will not accept any allegations in this respect. I have already mentioned in the case of India that blame game is a sign of defeat and weakness and they should stop. We can respond strongly but I think it is inappropriate. We have to fight together against terrorism. I would say on this occasion that foreign interference into Pakistan from Afghanistan must stop.

Now, we look at the internal situation. The opposition is making hue and cry over poverty. Unemployment and price hike. They found no negative element in the budget and I think it was the best budget which was pro-poor and development oriented budget. The total budget outlay in 1999 was Rs.642 billion which now stands at Rs.1.3 trillion which means it is now more than double. The funds allocated for public sector development programme in 1999 were between Rs.75 and 80 billions. But this year it is 415 billion rupees. The basic reason I want to mention is that our revenue generation has increased from 304 billion to 710 billion rupees, showing an increase of 400 billion rupees. Thus, the allocation for PSDP has increased from 80 to 415 billion rupees indicating an increase of 320 or 330 billion rupees. Now a total of 330 or 340 billion rupees have been spent on the development. It is pertinent to note that the government is utilizing all the revenue collection on development. Firstly, I would talk about price hike. It is true that it has increased. But we must think what is the reason behind this price-hike and we must understand it. The main reason of price hike is an upsurge in national economy.

The economy is fast growing and there is a lot of money with the people. Our per capita income has doubled and now stands at 840 dollar. Now Pakistan has been included in the middle income category. The people having money are spending a lot. In economic terms when people spend more it creates a demand-supply gap, which in turn gives rise to price hike. But I am not trying to justify it. In my opinion it should be fully controlled. The government must take all possible steps to restrict inflation and bring down price hike. I am glad to say that the government has taken measures in this regard. The inflation which at one point had increased to double figure now stands at 8 percent. The inflation has been reduced but it is not at the desired level as more steps are still needed. I have collected the figures, the prices of pulses and sugar have come down. But it is also not enough and we have to take more steps. We have

decided to provide essential items such as pulses, sugar, ghee, flour and tea etc. These items will be sold at controlled prices to the poor people through utility stores. The government will set up thousands of static and mobile utility stores at tehsil level and at thousands of union council level. The subsidized items will also be sold at controlled prices at the mobile utility stores. Our effort will not end here. We will ensure it that all the commodities are sold at controlled prices. The prices will be made public on television and newspapers. And any one who has any complaint regarding violation of controlled prices can contact on phone numbers and action will be taken against violators. These utility stores will be outsourced. There will be thousand of utility stores which will sell items on controlled prices. It is also a matter of satisfaction that the government has appointed Price Magistrates to keep vigil over the prices which are sometimes increased without any reason. I also make it clear here.

Some say that the government should provide subsidy. My dear brother and sisters I want to tell you how much subsidy is being given by the government. You should note it. The government is providing subsidy of Rs. 56 billion on power sector otherwise the charges would have been increased. I have always mentioned it that it unfortunately was done through an agreement between the government and independent power producers in 1994. The per unit cost fixed for fourteen oil based thermal units was also high due to which we suffer; we are improving the situation gradually. But subsidy of 56 billion rupees is being given in power sector. Also a subsidy of 10 billion rupees is being provided on petrol and diesel, Otherwise prices would have further increased. You see the oil prices are increasing in the world. But they are being controlled here. The government is providing subsidy of 15 billion rupees on sugar and pulses and 13 billion rupees subsidy on fertilizers used by farmers. An amount of 10 billion rupees is distributed among poor through Bait ul Mall. The total subsidy provided by the national exchequer amounts to 104 billion rupees. You can explore prices anywhere in the world. The prices of essential commodities are comparatively lower in Pakistan than anywhere in the region but I assure my Pakistan brothers and sisters that myself and the government will not only control the prices but also bring them down, besides providing subsidized items to facilitate the people.

Now I want to touch the issue of poverty and unemployment. Earlier, poverty was around 34%. It means among every three persons, one was living below the poverty line. Thanks God! During the last five years, it has now been reduced by 10%. Now it is around 24%. It is true that the present situation of poverty is not good. Poverty still persists though it has come down from 34% to 24%. It means one out of four persons lives below poverty line. This situation is very bad. I would not say that poverty and unemployment has been eliminated. I do not have any magical wand to bring it to an end. But we will reduce its intensity progressively every year. But I want to state it clearly that these figures should not be doubted by anybody. Let me say it clearly that these figures stand verified by the World Bank, ADB, DFID and UNDP and poverty centre Pakistan which is sub-organization of UN, it is UK based. These are their figures. Poverty centre Pakistan hired the services of experts from Brazil. They

thoroughly scrutinized these figures and checked them. These figures tally with the government's figures. So! Do believe these figures which are really true. You better look at the facts. It's not fair to sit in drawing rooms and claim that poverty and unemployment is increasing without basing their claim on any genuine data.

I want to tell you about some ground realities. Let us take.... In the industry, first, I gladly inform you that hundreds of industries have sprung up, 'green field' is another name of new industries. Currently all these industries are running in Pakistan at 100% capacity. Many of these new industries are operating in two or three shifts. Resultantly, production has increased. One can ask are these industries being run by the angles? It is obvious that new industries have been installed and instead of one shift there are now three shifts so it has generated employment for Pakistanis. In support of my argument, I give you some figures. Time and again, I have told you that number of motorcycles has increased from 85,000 to 800,000. I am told that in every village motorcycles have replaced cycles, even in some cases cars have replaced cycles. Cars manufacturing has increased from 33,000 to more than 200,000. Formerly TV manufacturing was 120,000 now their production is more than one million. Formerly refrigerator production was 200,000, now it's one million which is five times more. Air conditioners (I will discuss electricity latter) now please note these figures. During 1999-2000 AC manufacturing was around 500,000, currently 700,000 ACs are being produced and sold annually like hot cakes. This is fourteen times increase. Now who is manufacturing them, naturally, it is the Pakistan labor. So labor is getting jobs. If production increases by five to ten times, as a consequence the quantum of labor force will also increase and who is the buyer? It's not the people coming from America to buy Pakistani goods. They are Pakistanis. They have enough money to purchase it. This proves my point that poverty and unemployment has decreased. I forgot to mention the sale of tractors. Formerly, its production was about 20,000. Currently 50,000 tractors are being produced and sold. An industrialist told me about the labor pay. Earlier, we used to hire the labor at Rs. 90 per day. Actually they were paid only 60 to 70 rupees. And a large number of persons were seeking jobs. Today it is said that labor is not available even at the rate of 130 to 140 per day. So these were the issues covering poverty and money. Poverty has been certainly reduced. Telecommunication is another example. Three years back mobile phone users, which I have mentioned many times, were only 6 lakhs. Today there are 34 million mobile phone users in Pakistan. If 34 million mobile phones have been sold in Pakistan and one mobile phone's average price is roughly 10,000 rupees then I estimated that 340 billion rupees have been spent on mobile phone purchase in Pakistan. It is the common man who purchased it. Today everybody is carrying a mobile phone, so, it shows that they have had the money to purchase these mobile phones. I also thought in terms of job opportunities.

Telecommunication has enabled the people to open thousands of franchises, 15 to 20 persons are employed on every franchise. Obviously, there were sufficient resources to purchase millions of mobile phones and open its franchise as outlets recruiting 15 to 20 people. More towers have been erected.

Every company is erecting its towers in Pakistan. I have been told that 70,000 towers are such that are the source of income for those in whose land, these have been erected. Many people are involved in this sector. They are getting approximately 50,000 rupees per month as its rent. Thus people are making money. No telecommunication engineer is available in the market. All are enjoying good jobs, and are getting handsome salaries. In the convocation of Bahria University, I was told that 90 to 95% of students have been offered jobs even before they completed their studies. Almost 150,000 people are employed in information technology sector. If we look at construction sector, no skilled manpower is available at the moment. A huge number of people are employed in this sector. You can judge the situation from the fact that production of cement has increased from 9 million to 17 million tons. It will soon double. It shows that a large number of people are working in this sector. Look at the mega projects. The work is underway on Mangla dam, Meerani dam, Kachi canal, Raini canal, RBOD Thal canal, Subkzai dam and a number of others. The rough estimate shows that there are 800,000 direct and 160,00,00 indirect jobs which have been provided to the people in these projects.

Take the case of television channels, dozens of TV channels are operating in the country, and thousands of people are employed there. Whether you talk about musicians, those who conduct talk shows, news readers or religious programmers, where religious scholars are participating. Let us talk about police force. More than 100,000 people have been inducted in the police force. Similarly more than 100,000 teachers have been inducted in new schools in the four provinces. I want to inform you that the level of poverty, joblessness and unemployment has decreased. The wages of salaried class have been increased by 50% in the last 3 to 4 years. The government's efforts in this regard do not end here. We have launched self employment programme. Almost 190,00,00 people will benefit from this scheme. There are many more schemes in next 4 to 5 years. Special credit will be provided to people on low interest rates to enable them to create their own means of income. NADRA has given one of the major indicators that show that the level of unemployment has decreased. They issued 24.6 million national identity cards by 2002. Out of them 5.2 million were unemployed. That constitutes 22%. The people themselves had filled up these forms. They (NADRA) say they have issued 25 million cards from 2003 to 2006 out of which 2.8 million people were unemployed, which is 12% of the total showing a sharp decline in unemployment.

My dear countrymen!

Now talk about power sector. I want to clarify the situation. There is certainly a power shortage and people are suffering. I am watching television and I am also listening to news in this regard and I apologize for this. Poor people are no doubt suffering so much but I want to say that we should examine the reasons behind the power shortage. Is it government's failure? No, I will explain. This has direct relationship with the economic development. I have told you that the sale of air conditioners has gone up 14 folds. Several hundred new factories have come up. Thirdly, our factories were not producing to their full capacities, now they are

running in three shifts. They all need energy, they all need electricity. This demand has created a shortfall in electricity. It is due to increased demand that created the problem. This is a development related problem. Look at the traffic problem, which as I told you is due to large scale sales of cars and motorcycles. You look at traffic problem in Karachi, Lahore and Islamabad. Islamabad's roads are quite wide and of good quality but still there is traffic problem. This again is development related problem. On the one hand, this should be a cause of happiness for us that we are making progress but at the same time we should also realize that when consumption of energy increases, it is due to development activity. This is a matter to rejoice over. On the other hand, the government is bound to manage the shortfall occurring in the energy availability. The problem should be addressed under a comprehensive strategy. Now I explain the strategy in brief. We have prepared a strategy keeping in view the shortfall and further energy needs, related to our growth. It is a three pronged strategy namely, short term, mid term and long term. Under the short term strategy we will overcome shortfall by December next year. In about eight to nine months, two plants of 300 MW each would be operational. We are trying to set up a third one also, which will produce 100 MW. DHA Karachi is installing destination plant. Its capacity is 80 MW. This project will be operational by March next year. Barge mounted plant of KESC will produce 45 MW. Four gas turbine units will be completed by next year. They will produce 550 MW. There is a wind power project to produce 50 MW. The project will be operational next year during April-August period. Then there is a Lakhra power project which has a capacity of 150 MW but now produces only 30 MW. It is a WAPDA project. Its production capacity is being raised to 100 MW in a few months time. Taken together, all these projects will produce about 8,100 MW of electricity by mid 2007. I want to tell you about gas turbines, and wind power projects also. We are trying to complete all hydro-electric projects now in hand. We want to complete them as soon as possible. They are in all 45 projects and they will produce 8,600 MW of electricity.

In mid term we will produce 8,600 MW, in 2008-2010 period. Then we have the long term projects covering period of 2011 to 2016. All these 31 projects will be undertaken during this period. They are mainly hydro-electric power projects. They will produce 19150 MW of electricity, InshAllah. What I want to tell you is that shortfall in electricity also affects our development. It also hurts you. But I appeal to you to bear with this discomfort for some time. I have explained and you will realize that it is not due to any government slackness. This has happened due to increased development activities. I appeal to the people to please bear with this situation. I would like to direct the government and WAPDA to resort to load shedding, only when needed and in an organized way. People should know before hand about the load shedding programme in their areas.

My dear countrymen!

Security emanates from power, not from weakness. A weak country cannot guarantee its security. Power provides guarantee for security. Look at Lebanon.

What is happening there? This becomes the fate of a weak country. If you have power, nobody can dare harm you. God forbids Pakistan do not face such a situation. Those who talk of reducing strength of our forces, and weak defence of the country, do they want Lebanon like situation for Pakistan? InshAllah, this will never happen in case of Pakistan, because the armed forces of Pakistan will be made stronger. What is spent on the defense sector is actually GDP related. Now as our GDP has increased from 63 billion dollars to 135 billion dollars, so our defense expenditure has already been halved. Try to understand this as well. Let me say that the defense of Pakistan would be made stronger; the needs and requirements of army, navy and air force will be fulfilled without affecting the economy and it would be minimal, because firstly we are spending on defense procurement quite rationally. Secondly, we will buy them on the basis of long term credit. Therefore, we would make it certain that our defense growth does not affect our economic growth.

My dear countrymen!

Now let me talk on some domestic developments. The issues are mainly two i.e. Fata and Balochistan. And I can proudly give happy tidings to the nation that our strategy in all the areas is going towards success, and InshAllah the situation will take a happy turn in the days to come. So, let me start with FATA. There we launched an action against terrorism. We eliminated about 600 to 700 of the terrorists in the settled areas. We launched an action against them in the mountains, and we were successful. The armed forces of Pakistan initiated this campaign and they were braced with success. But now the focus has shifted. As I told you earlier, there is an increase in the activities of Taliban. Now the focus is on Taliban. Their base is in Afghanistan, in fact southern Afghanistan and Kandahar. There are some elements in Pakistan who cross the border and take part in these activities.

Thirdly, an attempt is being made to carry a backward culture to the settled areas; this is being done in FATA as well. This is a culture in which people are forced not to watch television. TV sets are smashed; music listening is prohibited. People are forced to grow beard; action is taken against those barbers who make shaves. This is a negative activity. It is backward culture and it is forcibly imposed. That is what Talibanization is. That is what we are to take action against. Now, we have evolved a new strategy to cope with the situation which is being implemented. It is not all about the military action – military action is taken against terrorists and that will continue. The new action we have thought out is to strengthen the hitherto dormant institution of the political agent. The best officer will be posted there, and they will be provided the best of facilities. They must have a force of frontier constabulary and levies at their disposal. These forces were virtually non-existent, we would reinforce them, and would make new recruitments. Then, we have reorganized the FATA secretariat which controls all the related activities, and operates under the governor, so that it becomes more effective. And then the tribal maliks' who were earlier the centre of gravity, have been obliterated and suppressed and their writ curtailed by the al-Qaeda and Taliban. We want that these maliks re-emerge and re-

establish their control in Fata. Therefore, tribal maliks would be elevated so that, together with political agents, they contribute in the development and establishment of peace in FATA.

We have established FATA Development Authority that operates from FATA secretariat. All the development project that have been visualized and planned by us, and the minimum of Rs. 10 billion that will be spent on these development projects annually, will be utilized and supervised by the FATA development authority. Besides, the provision of jobs to the local people, economic activities, health, education and social sector development will also be carried out through this authority. The new governor has been given complete authority in this regard, and he will get this strategy implemented. I am happy that he has taken good steps and initiative as a result of which a grand jirga has been formed and would decide on resolving all the conflicts. However, let me give a bottom-line i.e. No foreigner (terrorist) would be allowed to remain on the soil of Pakistan. Either he should leave this place, or surrender and live peacefully there, otherwise he would be killed. Secondly, no person would go to Afghanistan from Pakistan to take part in war and conflict there. Thirdly, this Talibanization, which I called as a backward culture should not be imposed on others. This is the bottom-line. I extend my full support to the Grand Jirga to the NWFP governor, tribal maliks and all those involved in bringing about peace and harmony in the frontier (region). The civil institutions and particularly the political agents should play their role so that strength of the army is gradually reduced, and ultimately withdrawn from the area.

My dear countrymen!

Now I would like to talk about Balochistan in some detail. There is a need to look at the past environment in order to understand the true nature of the situation there. There was a sense of deprivation and there was no development in the province. There appears to be If we look at the period prior to 1999, there appears to be no project that was undertaken in Balochistan. That is why the province and this area remained backward. So the sense of deprivation there was justified. Ninety-five per cent area of Balochistan is called as 'b' area, 5 per cent of the area is 'a'. 'B' area is that part of the province where the writ of the government was not fully exercised. Policing is carried out in 'a' areas i.e. only 5 per cent of the total area of the province. Balochistan has a total of 77 sardars' some of them are in the government as well. The chief minister himself is a sardar. Only three out of them are anti-development and anti-democracy; they do not want democracy, rather they want to exercise their complete dictatorship and control in their areas. They are against development. They want to keep their people backward. I would even say that they are not only antigovernment, but are actually anti-Pakistan. Look at the period of 1970 onwards, for the last 35 years, they have been displaying same attitude. I remember when I was major their in 1975, we were trying to construct a road in Kohlu, but it could not be done. Now we are constructing it. Sardars don't want this. They don't want that their tribesmen travel to other areas and get exposure and be able to realize what atrocities they going through. Three sardars want to blackmail the government

and keep their people under control by subjecting them to subjugation to keep their authority intact. They kill their people and this is the way they were maintaining their control in the area. Where they are getting funds from? Who is supplying them arms? There are some external sources. Their arms come from Afghanistan. It is their source of money. As far as Bugti is concerned, they were minting hundreds of thousands of rupees from PPL. Marri sardars occupied the coal mines. They used to collect 'jagga tax' from their people. Every person was bound to pay 'jagga tax' to sardars. This was a cruel act. Sardars purchased weapons through this money which included missiles, rockets and rocket launchers. They had every kind of weapon. Had this situation continued, these sardars would have purchased even tanks, guns and fighter planes as the warlords have in Afghanistan. They maintained their own militias to control tribesmen and paid 5,000 to 6,000 thousands rupees as a salary to their militants to maintain their full authority. They want to blackmail the government and impose their authority over the people through their army and keep the people under tyrannical control. I also want to tell you that when the whole nation celebrates on 23rd of march, they used to hoist black flags. This is the way they acted in Dera Bugti in the past.

The second point is the situation prevailing there. What are our efforts in the last five years. What do I want to do for Balochistan? First take all the development projects – the government is undertaking development projects worth 133 billion rupees. The development budget for Balochistan is bigger than that of any other province. I will not go into details. The Gwadar port is being developed. The work on coastal highway, subakzai dam and mirani dam is underway. Dozens of roads, not small roads but having length of hundreds of kilometers, are being constructed. Rs. 8 billion rupees are being spent on water supply schemes and brick lining in Balochistan. They used to complain that the gas was extracted from their area but was not supplied to them. I think this complaint carries weight. That is why I inaugurated extension projects of piped gas. But I tell you that many people are under misperception that gas only comes from Balochistan. This is not true. Gas also comes from Sindh and Frontier. Only 18% of total gas comes from sui, not more than that and people should know it. Kachi canal is also being constructed there. I am proud to tell you that allocation for PSDP for Balochistan in 1999 was 2.1 billion rupees but now it has been increased to 30.6 billion rupees. We are spending this amount on development. Besides this, we have planned to transform whole province into 'a' area. I am happy that the Balochistan government has turned 13 out of 18 districts into 'a' area. As far as the job opportunities are concerned. I want to give you a rough estimate that how many jobs are being provided to people in police department (in Balochistan). In police their strength has surged from 20,000 to 29,000. Within three years, this strength will go up to 44,000. This means that we are adding 24,000 people to police force and they are all balochs, who are being recruited. Like police, in Balochistan Constabulary, we have added 6,000 personnel to existing 4,000. We are setting up 12th wing of the Frontier Corps and thousands of people are joining it. Similarly, army has 14,700 balochs in its ranks. There are 450 baloch officers in army now. This is what we are

doing for Balochistan now. Similarly, in all development projects, we are giving priority to baloch people. Baloch rural people will be given training as skilled workers to enable them to seek employment. There are nearly 37,000 people employed in Balochistan. Now I want to discuss special development package for Balochistan. We have announced 1.5 billion rupee package for roads and other infrastructure. We have given each district of Balochistan 10 crore rupees. This raises the amount to 2.8 billion rupees. So this amount, we have earmarked 3 billion rupees for Balochistan development. This money can be spent in any area, whether in Murri or bugti areas. We are planning to establish 6 cadet colleges in Balochistan. Saindak project was revived after my request to the Chinese government. In addition, in rakodarek (chaghi) we are working on a similar project.

My dear brothers and sisters!

This is a huge copper and gold mining project, where the world's biggest firm of copper mining has come from Chile and another world's biggest gold mining firm from Canada. Both these companies are jointly engaged in mining in rakodarek. Pakistan will soon be included among the leading gold and copper mining countries. These steps are all being carried out for Balochistan. I would also like to say that we are establishing new cantonment in Sui, Kohlu and Gwadar. This is essential to provide security in these areas for attracting foreign investment. I have told you the environment prevailing in Balochistan and what we are going to do for Balochistan, for Balochs and Pushtoons living there and for their progress. Now I want to tell you about the reaction of three sardars to our development schemes. First of all these sardars, and one of these sardars vowed in an interview that we don't want imposed development. During their rule, there was no development at all, but now when we are developing Balochistan, which is essentially required, they are rejecting it and calling it an imposed development. They are engaged in rocket attack, bomb blast, killing our foreign friends, sabotaged - blowing gas pipelines, railway tracks and electricity on a daily basis. Quetta was under rocket attack every second or third day from within the city and mountains. What is more, they blew up the main plant in Sui. These disgruntled people then occupied coal mines in Saryab area near Quetta city. They put their own army in the camps which are known as 'ferrari' camps. Approximately, 40 such camps were established by these sardars in Balochistan. I want you to understand why these camps are known as ferrari camps. These camps were established by Bugti, Murri or their sons. Whenever or wherever they wanted to carry out sabotage, they sent their hired people from these ferrari camps. These three sardars chalked out a strategy and where they blew up a railway track, it was definitely an act of sabotage carried out from these camps. These hired people then were given arms and 6,000 rupees as salary. They were ordered to kill Chinese, blow electricity polls, gaslines. So, these camps served as a base to carry out armed saboteur activity to stir commotion and disturbance in a particular area. These 40 odd camps were used for this purpose. Now the question arises, should we bow down, as we were bowing down for 30 to 40 years in the past, to these people? Likewise,

appointing them as chief minister, governor and giving them utmost authority. This authority has enabled them to evict their own people forcibly from their lands. Kalpars, Masooris, Raygars are all the sub tribes of Bugti tribe. These Bugti sub-tribes are forced to live in abject conditions in Sindh and Punjab. What should we do in such a situation?

Some people advise that we should go for a political dialogue. Should we go for such a dialogue that we were doing in the past? This dialogue has resulted in such a grave situation. Should we stop development by having dialogue with them and spending this money in another province? Is this an answer to our problem? Certainly not, we have to go for an operation to change this situation. We have to establish the writ of the government, and end the writ of sardars. All government installations will be safeguarded. Whether it is in Sui or Gwadar or any other area, where security is paramount to our development schemes, because we want the development process to move ahead. Whether it is roads construction, water schemes gas pipelines, all these projects need to move forward. This needs a security apparatus and to achieve this end, we are establishing cantonments and using force whenever necessary. Now, I want you to know that army is not being utilized. Pak army's strength in Balochistan is 1,000 thousand and the army is called only when required. Frontier corps, FC Balochistan are being utilized. I want to pay tributes to intelligence agencies, frontier corps and the army jawans for their successful campaign which has totally changed the situation. And God willing, the law and order situation will be completely restored. About 16,000 Kalpar, Masoori, Raygar, who were uprooted by the so-called Nawab Bugti are now back in their hometown. We have given ten goats to each family and tractors to groups so that they can lead a peaceful life as good Pakistani citizens. We want their progress and raise their living standards. Now, I am glad to say that nearly 5,000 people are back in Dera Bugti, out of a total population of 9,000. Ahmed Bugti, cousin of Akbar Bugti himself has come back to Dera Bugti and he is calling his own people to return to Dera Bugti. All commanders of Bugti have now surrendered, some have abandoned him, several hundreds of them have laid down their arms. These include surface to air missile, multi barrel rocket launchers. Some missiles were found hidden under the ground. The incharge of Ferrari camps used to get from people 1 million to 1.5 million rupees, in cash for payment of salaries. One person disclosed he had two boxes of cash which he had taken to a mountain cave in a helicopter, when the box was opened 50 million rupees were found.

Now there is an overall peaceful situation in Balochistan from Dera Bugti to Quetta. There are no rocket attacks and railway tracks blowing. I always had a firm faith that these sabotage activists, in reality are house of cards. Basically, the perpetrators are backed by a few people and if these few people are nabbed every thing will be alright. These people have carried out the bomb blasts in Lahore, Karachi and Quetta. By the grace of Allah, this successful operation has led to improvement in the situation and this situation will keep on improving day by day. This is what they did. The operations have been successful and things are improving a lot. Take Bugti-Marri area and see what is the ratio of their population in the total population of Balochistan. Area-wise,

the area is less than one-tenth of the area of the province. The population of this area is 4.5 percent of the total population of the province. The two tribes are quite large ones. Daiga is the sub tribe of the Bugtis while Zehri is the sub tribe of the marris. These two sub tribes have problems, the rest have no problem and they support the government. Those making trouble are only one percent of the total population of the province. And I tell you many of their own people are not with them, like Gaznis or Daigas. Look at Ahmed Bugti, who is Akbar Bugti's cousin. He has now moved to Dera Bugti along with 1,000 people. I was explaining that those who gossip in their drawing rooms that whole of Balochistan is on fire, they should know the figures and then make observations. I want to clear certain misconceptions. I regret to say that there is one well-known foreign magazine, leave aside its name, it is also suffering from the same misconception regarding the two tribes. The magazine took them for the whole of Balochistan. No sir this is absolutely wrong. The trouble was only in marri-bugti area and this very much part of the province. There is no trouble elsewhere in the province. They talk of human rights too. Many media networks, foreign media, talk of human rights violations. You talk about human rights violations when we have taken action against a man who is committing atrocities, killing his own people, torturing people of his own tribe, keeping families, children and women and make them live in poor conditions in Punjab and Sindh. Where is the human rights violations at that time, why don't they talk about that, why don't you go and see the 15,000 people who have come back to their own areas and now settled. Where is the human rights violation and where is human right record. We are giving them rights, giving comforts to thousands of people, their own people, bugti and marri people. So, that is the human rights which need to be seen in the correct perception.

My dear countrymen!

I have gone into details. Now in conclusion, I would like to touch upon a point which is very important. It is extremism, which has to be eliminated from our society. This is eating into our social fabric like a white ant. If we failed to curb extremism, we would not be able to sustain progress, we are making now. We have to promote tolerance in our society. We have to eschew intolerance. If you look at this issue in the international perspectives, watch world media, you will come to realize that Pakistani society is being seen as intolerant one. This is very dangerous development. I have also realized this when I go around touring foreign countries. This is detrimental to our dignity and our honour. When we go abroad we face this problem. Millions of Pakistanis live. They also face the problem. They are looked down upon by others and dubbed as extremists. They are kept at a bay. Our economy suffers because of this image. We are trying to improve our image abroad and have achieved some success. We tell them that Pakistanis are moderate people, majority of them are moderate. Extremists are only a few. If the world comes to believe that our society is extremist, it would be tragic.

What to talk of other religions, we are not showing tolerance among ourselves. If we kill each other, if we carry out blasts, what would be the world's

reaction? How would we be counted among the developed countries? How would we ensure our progress? I earnestly appeal to you, my brother and sisters, give up extremism and adopt the path of moderation. Islam should be a unifying force, it should not be a divisive force. We are scattering and are scattered. Our strength is turning into weakness. The real power of Islam is its unifying force. We believe in moderation. This is the way to progress. We have to take this path. In this regard I would stress on public reforms. I would urge Prime Minister and all Provincial Chief Ministers to ensure implementation of these reforms. Police must improve their attitude. Police have to take action against car snatchings, firings, theft and decoities. These crimes are prevalent, and the police have to react, but their main focus should be on curbing extremism. You can overcome this menace when you stop misuse of loudspeakers in the mosques. They indulge in abusive language against their adversaries. They call names. They incite people against others. Muslims are pitted against Muslims. They preach hate against the whole world. There is hate material in the shape of books, magazines and other things. Such hate material must not be circulated. I don't think this is unachievable. What I want is that the prime minister, and chief minister should look at the problem and take it seriously. They should bring about changes in the attitude of police. All intelligence agencies must play their role in curbing extremism. This is how we can move forcefully against extremists.

My brothers and sisters!

With your cooperation, we will be able to eliminate extremism from our society. Pakistan would be known as a moderate country and this is the path to progress.

In conclusion, I pray to Almighty Allah that He may enable us to take the right path. May Allah protect Pakistan and guide us so that we take Pakistan towards progress and the people of Pakistan towards prosperity.

Pakistan Pindabad.

Source: www.presidentofpakistan.com, 20 July 2007.

2. Excerpts from *State of Human Rights in 2006*

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(i) IV. DEMOCRATIC DEVELOPMENT

Political participation

... the state shall exercise its powers and authority through the chosen representatives of the people ...

Constitution of Pakistan

Preamble

...the principles of democracy, freedom, equality, tolerance and social justice, as enunciated by Islam, shall be fully observed ...

Preamble

...fundamental rights [shall be guaranteed] subject to law and public morality....

Preamble

The state shall encourage local government institutions composed of elected representatives of the areas concerned and within such institutions special representation will be given to peasants, workers and women.

Article 32

‘...it is essential, if man is not to be compelled to have recourse, as a last resort, to rebellion against tyranny and oppression, that human rights should be protected by the rule of law ...

Universal Declaration of Human Rights

Preamble

All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.

Article 1

The increased secrecy of State and the ruthless actions taken to crush dissent in Balochistan and other parts of the country marked the pattern of governance during the reporting period.

The actions taken against political activists on various occasions during the year proved there was no improvement in the situation regarding basic democratic freedoms, including the right to assembly.

Strife within the State

The conflict that had continued for the past three years in Balochistan assumed more ominous proportions in December 2005, as the Pakistan military stepped up its attacks on civilian settlements and carried out bombardments in which civilians were killed.

HRCP sent two fact-finding missions to the war-torn areas of Balochistan in December 2005 and January 2006. They found widespread human rights abuses. 85 percent of the people of Dera Bugti had fled the area at the time of the HRCP team’s visit.

Lists of civilians, including many women and children, killed in the fighting in Balochistan were compiled by HRCP. Details of people who had ‘disappeared’ and of summary executions were also collected. These have been presented in detail in HRCP’s report ‘Conflict in Balochistan’ released in January 2006.

The killing of Nawab Akbar Bugti in a military operation in August 2006 aggravated the political situation in Balochistan. HRCP described the action as a targetted killing. Protests flared up across Balochistan and Sindh after the incident. Rallies were also staged in the Punjab, including one organized by HRCP and other civil society groups.

It was feared the action in Balochistan would have long-term consequences, with people of the province denied their right to voice their concerns. The ban placed on Baloch nationalist websites and the harassment of thousands of activists, students and journalists across the province were some of the measures that prevented the people of Balochistan from even making their grievances known.

In April 2006, the house of former Balochistan chief minister, Akhtar Mengal, was surrounded by Rangers and placed under siege. HRCP members visited Mengal to inquire after his welfare. The Baloch leader stated the action to cordon off his house had come after his security guards apprehended a man who they believed was attempting to kidnap the leader's children. The man, who Mengal said could be a member of an intelligence agency, was handed over to authorities.

In direct contrast to the situation in Balochistan, a compromise agreement was reached in August 2006 with pro-militant tribal leaders in the North Waziristan area, which had also seen heavy fighting over the past several years. Under the agreement reached after the holding of a 'grand jirga' of tribal elders, the Pakistan military began a pull-out from the area. Intensified fighting in Waziristan had in March 2006 caused a large number of civilian casualties as the town of Miranshah was bombed. Thousands others had fled the area.

A similar agreement reached in South Waziristan collapsed after a building, described by the Pakistan government as a seminary, was aerial bombed in Bajaur in October 2006. At least 82 persons, a number amongst them believed to be teenaged boys, were killed. While the Pakistan military claimed it had carried out the strike, eye-witnesses stated unmanned US drones had been involved. Amnesty International said the incident was possibly a case of extra-judicial killing. [See also Chapter on Law and order].

The use of brute force to crush dissent prevented people from exercising their right to participation in their own destiny and denied them their democratic rights to assembly or expression.

Disrespect for people's opinions

Even when armed action was not carried out against people their opinions and views seemed to have no significance for authorities.

The local government system was used to expand authoritarianism and the will expressed by people was blatantly disregarded. This was visible in the pattern seen during polls conducted in 2005 and the tenure of the first district governments, from 2001 to 2005.

In the Punjab, in 2001, of the 34 district nazims elected at least 14 won with the backing of the PPP and nine with the support of the PML-N. Another nazim was backed by the PML-Junjo and one by the JI. The nine remaining nazims were affiliated with pro-government groups. By the end of their term, 33 nazims expressed loyalties to the ruling PML-Q.

Not satisfied by this, the ruling party took in seven PML-N and four PPP turncoats ahead of the 2005 polls. Unsurprisingly, as the final results were announced at the end of September 2005, the PML-Q had won 29 out of 35 seats in the Punjab for district nazims. ARO-backed candidates won four and a PML-N-supported nazim one.

In other provinces, not quite as many opposition party nazims switched loyalties. But in Sindh, where the PPP had won 10 out of 15 districts in 2001, it retained only two districts this time round. The other 20 districts were won by pro-government nazims. Changes in constituency demarcations, threats to

opposition candidates and manipulations on polling day itself were partly responsible for this, according to observations by HRCP teams.

There was less evidence of a tendency to switch over to the PML-Q camp ahead of the 2005 polls. (Herald, November 2005)

HRCP noted that such blatant disregard for people's will and democratic values augured ill for the general poll, scheduled for 2007.

In its annual report on human rights practices for 2006 released in March, the US State Department noted that during contests for reserved women and minority seats on district and tehsil councils, held in October 2005, international observers found that all political parties had been engaged in attempted intimidation, coercion and vote-buying.

Elections to the Senate

The election to 50 vacant Senate seats early in 2006 were marred by allegations of 'horse-trading or the buying over of loyalties, most notably in the NWFP.

Awami National Party (ANP) leader Ilyas Ahmed Bilour accused the PML-Q and its ally, the PPP-S of interior minister Aftab Sherpao, of 'buying' votes under a package deal. The provincial chief minister; Akram Khan Durrani backed these allegations, and said MMA candidates who had 'sold out' would face disciplinary action.

During voting itself, Malik Imran of the PML-N, a member of the provincial assembly, was prevented from casting his vote by PML-Q members. Malik Imran's assembly membership had been suspended by the PHC on the basis that he held a fake degree, but this ruling was overturned by the Supreme Court (SC) on the day of the Senate elections.

There were also allegations of corruption in Balochistan Dr Azizullah Stanakzai of the MMA lost his seat after one MMA MPA voted for an independent candidate. It was alleged money had changed hands.

Opposition members accused the military of interfering and ensuring the victory of candidate. they favoured, including Mir Mohabat Khan Marri and Mir Israrullah Zahri Marri was a former provincial minister while Zahri headed the pro-establishment faction of the BNP.

According to press reports, JWP MPA Salim Khoso was picked up by an intelligence agency and pressurized to vote for Marri He was released after opposition parties organized a press conference and demanded he be produced, Marri alleged he had been offered Rs 20 million to vote for Marri.

The PPP, which lost two of its nine Senate seats in the polls, also alleged votes had been bought in the NWFP.

Overall, the PML-Q increased its majority in the Upper House by three seats, and held 58 of the Senate's 100 seats The MMA and nationalist parties both made a strong showing.

Bars on women voters

Across the NWFP and also in other parts of the country, women were barred from exercising their right to ballot as a result of agreements reached between feudal chiefs, orthodox elements and other influential people.

The restrictions prevented women in some areas from contesting in or balloting for district government polls in 2005. [See Chapter on Women].

Early in September 2006, the Assistant Election Commissioner of Khyber Agency, Mohammad Farid, reported difficulties in registering women voters for inclusion on new lists being prepared by the Election Commission. He said many women were reluctant to even disclose their names and had no identity cards.

NGOs monitoring the exercise, including the Islamabad-based 'Pat tan', stated that the lack of female enumeration staff compounded the problem.

Lack of transparency and militarization

The increasingly secretive manner in which the State went about its business meant that ordinary people were largely excluded from all processes of governance and decision-making.

There was also a visible decrease in tolerance for dissent expressed within official ranks. Senior officials who disagreed with official policies were penalized in various ways.

People were provided extremely limited information about the military operation that continued in the North and South Waziristan agencies during 2006 or the fighting in Balochistan. Bars on allowing media personnel to enter areas of conflict meant in many cases there was no independent account of events unfolding in these parts of the country.

Journalists throughout the reporting period complained of new hurdles in the way of accessing even routine information. [See Chapter on Freedom of expression].

In September 2006, the Paris-based Reporters Sans Frontieres (RSF), in a strongly worded statement, criticized the failure of the Pakistan government to make public the results of a commission of inquiry headed by a PHC judge into the death of journalist Hayatullah Khan. Hayatullah's body had been found in June 2006, six months after he 'disappeared'. Hayatullah's teenaged brother, Shabqir Ahmed, was shot dead on his way to school in Mirali in September 2006, apparently to dissuade the family from continuing to pursue the matter. [See Chapter on Freedom of expression].

Problems associated with the lack of transparency cropped up repeatedly in the aftermath of the October 8, 2005 earthquake in northern parts of Pakistan and Azad Kashmir. HRCP noted that the failure to include people in decision-making and the lack of transparency over the distribution of relief had led to great mistrust among survivors over official policies in the quake zone. The fact that NAB reported in August 2006 that there had been large-scale corruption and mismanagement in the handling of quake funds went to underscore the dangers inherent in the lack of accountability and transparency measures when dealing with large amounts of goods and money.

The growing lack of transparency was linked to increasing militarization. Much of the post-earthquake relief and rebuilding work, continuing well after immediate rescue operations, was conducted by the Pakistan military.

In this environment, according to complaints received by HRCP, some television news channels were asked to 'tone down' coverage of the faltering relief efforts after the quake, in the interests of 'national security'.

Retired and serving military men held thousands of jobs in the civil sector, including key positions in the education and health sectors.

In May 2006, the PML-N called for an end to the militarization of civil institutions. The party's information secretary, Ahsan Iqbal, told the Press there were 600 serving or retired military men holding posts in the federal government. The party released a list of these persons. The prime minister's secretariat, civil service training institutions, the ministry of interior and the Federal Public Services Commission (FPSC) had more serving or retired generals than ever before.

There were at least eight former armed forces personnel serving as the head of Pakistani missions in other countries. The lack of transparency in all spheres of public life promoted corruption. According to the Berlin-based anti-corruption organization, Transparency International (TI), 67.3 percent of respondents in Pakistan perceived the Musharraf-led government that had ruled the country since 2002 to be corrupt. This figure was higher than for any previous government.

Unusual attempts by the local office of TI to 'clarify' the findings led to suspicions they had been pressurized by official circles.

In December 2006, TI stated that Pakistan had been ranked at 142nd place on its Corruption Perceptions Index for 2006. Most South Asian countries fared better than Pakistan, with Bhutan at 32nd place, India at 70th place and Sri Lanka at 84th place. Bangladesh finished behind Pakistan at 156th place. Nigeria, Rwanda and Burundi were placed higher than Pakistan, while Sudan and Haiti finished behind it.

President Pervez Musharraf and his allies meanwhile continued to indicate he would seek re-election by the present national assembly and retain his post as Chief of Army Staff (COAS). Apart from a violation of pledges made in the past, this also meant that constitutional provisions could continue to be bypassed. These provisions included Article 43 which categorically provided that the president shall not hold any office of profit in the service of Pakistan or occupy any other position carrying remuneration for the rendering of services; Article 41(2) which provided that a person shall not be eligible for election as president unless he is qualified to be elected as a member of the, National Assembly and Article 63 (1)(d) which disqualified a person from being elected as a member of the National Assembly if he holds an office of profit in the service of Pakistan other than an office declared by law not to disqualify its holder.

Preparation for 2007 polls

The Election Commission of Pakistan began preparing new voting lists in the middle of 2006. The new rolls were scheduled to be published in January 2007.

There was considerable confusion over the exercise, with the EC initially indicating NADRA would be involved in computerizing the lists,

However, in September 2006, the EC announced the task would be entrusted to a private company, with experience in a similar field. The decision to permit voting on both old and new ID cards was seen as a step that could lead to confusion. However, in its defence, the EC pointed out many citizens did not possess new, computerized cards.

In Sindh, PPP leader Syed Qaim Ali Shah in September called on the EC to prevent the provincial government from manipulating the process of voter registration. He alleged that an ally of the Sindh government had forcibly taken over the task of enumeration from EC staff.

Qaim Ali Shah and other opposition leaders also raised questions about the computerization process, arguing that this amounted to creating a new list, in violation of The Electoral Rolls Act of 1974.

At the end of August, Prime Minister Shaukat Aziz survived a no-trust motion, brought by the opposition which listed 30 charges of financial wrongdoing. The opposition parties gained 136 votes against the required number of 172 in a house of 342 members.

PML-Q President, Chaudhry Shujaat Husain, and other party office-bearers, meanwhile continued to indicate the polls could be delayed, while other ministers and PML-Q office bearers stated they would be held on schedule.

President Musharraf's 'confession' in his book, 'In the Line of Fire', released in September 2006, that he had helped establish the PML-Q -in violation of his constitutional role as President and COAS -went only to reinforce prevailing beliefs about the party. The wide expectation that the party would win the next election, regardless of public opinion, indicated most people believed the election results would be tampered with, as had happened more and more blatantly in polling exercises held since 1999.

In October, the ARD alleged that 'official patronage' for ruling party candidate Naveed Ashiq Dyal had played a part in his win in the by-poll for a Punjab provincial assembly seat. The seat had fallen vacant after the PML-N MNA elected in 2002 was disqualified for lack of educational qualifications.

The MMA government in the NWFP passed the controversial Hasba Bill in November 2006. In a statement, HRCF warned that through the law, the MMA government had in effect put in place a powerful network that would play a crucial role in aiding the success of the religious parties' alliance in future, elections. In the middle of December 2006, the SC stopped the NWFP government from enacting the Hasba Bill and issued a stay order on a presidential reference challenging the Hasba law as unconstitutional.

Intervention in political parties

Less and less effort was made to disguise the fact that the ruling PML-Q continued to be controlled by President Musharraf and his team.

Despite strong opposition from forward blocs within the party, Chaudhry Shujaat Hus'sain and Mushaid Hussain were re-elected president and secretary-general respectively in August, when internal party elections were held. The fact that the two leaders drew strong support from the presidency was a major factor in their success. Former prime minister Mir Zafarullah Jamali,

who had decided to contest the election for secretary-general, was persuaded to withdraw his papers a day before the polls, after a meeting at the Prime Minister's house.

The polling process and the lack of democracy within the party came in for strong criticism. From within the party, there were complaints of voting lists being kept secret and army involvement in the process. Similar undemocratic measures had marred party polls in the Punjab and NWFP. In the NWFP, the party split with a new 'constitutional group' of the PML-Q formed under Ulas Khan Khalil. Amir Muqam, the federal minister of state for political affairs and a former MMA member, who had been strongly supported by President Musharraf was elected president of the official PML-Q.

In Sindh, the feud between Sindh chief minister Arbab qhulam Rahim and former provincial minister Imtiaz Sheikh, who had been sacked in February 2006, continued to simmer. Both had levelled corruption charges, against each other, President Musharraf's support for the Sindh chief minister strengthened his hand, despite PML-Q president Shujaat Hussain's initial support for the dismissed minister.

Changes in the federal cabinet, announced in April 2006, also came about only after prolonged discussions between Chaudhry Shujaat, Prime Minister Shaukat Aziz and President Musharraf.

Opposition parties, particularly the PPP and the PML-N, continued to face pressure with activists arrested and cases brought against leaders. *[See also section on threats to political opponents].*

The leaders of the two parties, Benazir Bhutto and Nawaz Sharif, after a meeting in London, signed a 'Charter of Democracy' in May, setting out the route to be followed for a return to democracy and the exit of the army.

Reports and rumours of 'backdoor' deals between President Musharraf and the PPP continued, with people having no role to play in the forging of secret deals.

Northern Areas Legislative Council elections

The ruling PML-Q swept the elections for the 12 reserved seats to the Northern Areas Legislative Council (NALC) held in March, winning all six seats for technocrats and four out of six seats for women.

The total strength of the NALC was increased to 36 after this election. The electoral college for the election to the 12 seats was the 24-member NALC, elected by direct vote in 2004. The PML-Q, with 15 seats, dominated the council.

The six seats for technocrats had been created in 2004, and had been challenged by the PPP and the PML-N on the grounds that they were an unnecessary burden on the exchequer. Instead, the opposition parties called for an increase in general seats to be filled through a direct vote. The petition was dismissed on March 22, the day of polling.

The NALC was first formed in 1970, when it was termed the Advisory Council. Increase in its seats has been a regular feature.

However, the fact that the NALC had no legislative powers was a source of acute grievance for the people of the Northern Areas. HRCP, which undertook a mission to the Northern Areas in August 2005 and released its report in September 2006, found that to resolve the problems of the Northern Areas, it was vital that people be given a guarantee of fundamental rights and a say over their own destiny. HRCP also found most people wished the Northern Areas to be merged into Pakistan as its fifth province, for greater autonomy and for an end to the ambiguity over their constitutional status.

The impotency of the existing NALC was evident in the fact that of the 18 resolutions it passed from 1999 to 2004, and then submitted to the Kashmir Affairs and Northern Areas (KANA) Ministry for implementation, none was executed.

HRCP strongly recommended in its report that the chief executive of the Northern Areas be an elected member of the NALC. It also detailed its findings on the lack of development in the area and the humanitarian situation emerging due to growing sectarian violence.

Threats to political opponents

In its September 2005 report on 'Authoritarianism and Political Party Reform in Pakistan', the Brussels-based International Crisis Group (ICG) noted that under Pakistan's military government, mainstream parties had been marginalized and their activists were subjected to coercion, most recently during local government election.

A new and alarming manifestation of the scale of the threat posed to political opponents from official quarters came in the thousands of disappearances reported during the year. As dissent in Balochistan grew after intensified military action in Dera Bugti and Kohlu after December 2005, the number of people 'picked up' by agencies in the province rose dramatically. According to data collected by the HRCP Quetta office in September 2006, at least 600 people had 'disappeared' in Balochistan.

HRCP gathered credible evidence during the year of the 'picking up' of dozens of Baloch nationalists by intelligence agencies. In a statement in July 2006, HRCP expressed outrage that members of prominent Balochi families were being targetted, despite the fact that they had no links with militancy.

Sindhi nationalists were also among the 'disappeared', with a growing number coming in for such action during the period under review. [*See Chapter on Jails and Prisoners*].

Hundreds of political activists linked to the MMA, the PPP, the PML-N and other opposition parties were arrested while attempting to stage rallies or other gatherings. In some cases, these persons were detained for prolonged periods of time.

In February 2006, the MMA stated over 100 of its activists had been arrested ahead of planned protests on the issue of cartoons published in a Danish newspaper, which were perceived by most Muslims as blasphemous. Leaders of the coalition of religious parties, including Qazi Hussain Ahmed and Maulana

Fazlur Rehman, were placed under house arrest. [See also *Chapter on Freedom of Assembly*].

The PPP and the PML-N both complained of coercion, threats to activists and pressure exerted on members to switch loyalties ahead of local government elections in 2005.

The PML-N's laved Hashmi remained in jail. The PPP's Yusuf Raza Gillani, serving a ten-year sentence; was released in August on bail after five years in jail. PML-N MNA Khwaja Sa ad Rafique was declared a proclaimed offender by a court in Lahore in October 2006, after he failed to appear in one of several cases pending against him. [See also *Chapter on Jails and Prisoners*].

The National Accountability Bureau (NAB) was widely seen as a tool for harassment and intimidation. In November 2006, a woman, Nasim Kausar, collapsed in the Sindh High Court (SHC). She had moved a complaint against a midnight raid on her home and harassment by NAB; which was apparently attempting to arrest her husband. The family stated they had been badly affected physically and mentally, and complained that Khalid Javed, a businessman, was being targetted because of his affiliation with religious organizations.

Recommendations

1. *A fair social contract needs to be established between the people and the State. The people's representatives have to participate in governance at the lowest level of the administration.*
2. *Full and fair elections are essential.*
3. *There must be independent authorization to monitor and enforce human rights, especially of women and children.*
4. *An independent tribunal should be established to check corruption at all levels.*
5. *Millions of new jobs should be created through proper changes in economic, policies.*

Reproduced from *State of Human Rights in 2006*. Human Rights Commission of Pakistan, Lahore, pp.183-94. www.hrcp-web.org.

(ii) I. RULE OF LAW

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Administration of justice

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Significant Cases

Steel mills

In one of the most significant verdicts handed down by the Supreme Court, and the one that caused high shockwaves, the sale of the Pakistan Steel Mills (PSM) was declared invalid. (June 2006)

PSM, the country's largest steel producer (capacity 1.1 million tons yearly) and its largest industrial unit, was incorporated as a cent per cent state enterprise in 1968—after a decade-long wrangle in the cabinet on whether Pakistan at all needed a steel mills—and started functioning in the early eighties.

In 1997 the government decided to privatize the mills and got this decision approved by the Council of Common Interests. However, the idea was dropped in 1998. An overall restructuring of the mills was started in May 2000. As a result, its performance showed dramatic improvement, especially when compared with its poor record in the early years of its life. Profit after deducting tax rose from Rs.1,024 million in 2002-3 to Rs.4, 852 million in 2003-4 and Rs. 6,734 million in 2004-05.

The process of privatization was restarted in March 2005. Out of the 19 parties that expressed interest in purchasing the mills, nine prospective bidders were approved after statements of qualifications. At the end of the bidding process, a consortium of three parties (Arif Habib group of Pakistan, Al-Tuwairqi group of Saudi Arabia and Magnitogorsk Iron and Steel Works of Russia) was declared the successful bidder and the letter of acceptance was promptly issued.

The SC heard arguments on three petitions— and the lawyers belonged to the top professional echelon— and decided them by a short order which comprised the following points—:

- The Council of Common Interests (CCI) must be made functional within six weeks.
- It would be in order if the matter of PSM privatization is referred to the CCI for consideration.
- The Privatisation Commission Ordinance No L11 of 2000 is not ultra vires of the Constitution.
- The process of privatization of Pakistan Steel Mills Corporation stands vitiated by acts of omission and commission on the part of certain state functionaries, reflecting violation of mandatory provisions of law and the rules framed thereunder, which adversely affected the decisions qua prequalification of a member of the successful consortium (Mr. Arif Habib), valuation of the project, and the final terms offered to the successful consortium, which were not in accord with the initial public offering given through advertisement.
- For the foregoing reasons, the Letter of Acceptance (LOA) dated 31 March 2006 and Share Purchase Agreement dated 24 April 2006 are declared as void and of no legal effect.

Before the matter came up in the SC the Sindh High Court had briefly examined petitions by PSM Workers' Union and others in which privatization of the unit had been challenged. The court held that before a federal undertaking was privatized, approval by the CCI was mandatory. However, the court decided not to intervene because the provincial government had consented to PSM privatization, and the petitions were dismissed in limine.

The SC verdict generated a heated public debate. Most of the people took the view the government had been found responsible for selling off national assets cheaply and that it had been indicted for incompetence and favouritism both. Demands for the government's resignation were made in several quarters.

The government decided to set up the CCI and prepare a new plan for PSM privatization. It also filed a review petition and so did Mr. Arif Habib.

An unexplained development was the replacement of the PSM chief executive who had increased the company's profits.

Disappearances

A most significant feature of administration of justice during the period under review was the state agencies' success in frustrating the superior courts' efforts to ensure justice in cases of involuntary disappearance. Not all of the hundreds of disappearances reported till the end of 2006 (the figures ranged between 400 cases processed by HRCP and 600 cases claimed by other parties) were brought before the courts but even the few in which relief from the judiciary was solicited were sufficient to highlight the judiciary's helplessness in imposing its writ on certain sections of the administration, generally described as intelligence agencies.

A petition in the LHC (Rawalpindi bench) stated that one Imran, belonging to Islamabad, had gone to see an officer of the Inter-Services Intelligence (ISI) at the latter's request and had been missing since. The court asked the state counsel to inquire from the ISI if Imran was in their custody. The question was answered in the negative.

Another petition to the LHC (Rawalpindi bench) related to the disappearance of nuclear scientist Attiqur Rahman, who was alleged to have been picked up in 2004.

Under the habeas corpus law, petitioners seeking recovery of illegally detained persons are required to inform the court of the authority holding a detainee and the place of detention. If the authority so named denies responsibility and if the person supposed to be detained cannot be found at the place mentioned by the petitioner the petition fails. Eventually, the superior courts had to address this problem in 2006, as will be seen later.

Petitioner Ameena came to the Peshawar High Court to seek the recovery of her husband, Ibn Amin, who, she alleged, had been picked up by an intelligence agency two years earlier. A question was directed towards the ISI and was denied.

The fruitless pursuit of cases of enforced disappearances was best illustrated by proceedings in the Sindh High Court that had to deal with the cases of about 10 alleged detainees in 2006.

- Affan Laghari, an IBA student, was said to have been picked up in October, 2004. After a couple of hearings, the court asked the federal defence secretary to file an affidavit about Affan's whereabouts after verification from the agencies concerned.
- The court asked the federal government to trace the whereabouts of Dr. Safdar Sarki, who was alleged to have been picked up by an intelligence agency. After several hearings the defence ministry declared neither ISI nor any other agency was holding Dr. Sarki.
- The court received similar answers to queries about Ali Mohammad (held in May 2004) and M. Ramzan (picked up in 2003).

- In June 2006, the SHC had before it, several cases in addition to the cases of Affan Leghari and Dr Sarki. Munir Mengal, executive designate of a new TV channel project, was picked up on 4 April 2006 on his arrival in Karachi from Dubai.
- Two Jamhoori Watan Party leaders, Abdur Rauf Sasoli and Saeed Brohi, were believed to be in the custody of intelligence agencies, and the court was trying to persuade the Ministries of Interior and Defence to trace their whereabouts.
- Petitions had been moved for the recovery of Liaqat Husain Nayyar and Nisar Haider, belonging to a Shia group.
- On 29 June 2006 the SHC took up 10 disappearance petitions together and gave the state a last chance to escape censure by disclosing the whereabouts of the detainees on the next date of hearing (11 July 2006)

On 11 July 2006 the court was told that Liaqat Husain Nayyar and Nisar Haider had been released and had returned home but the court directive about the other detainees had not been complied with.

Finally, on 19 July 2006 an affidavit by the secretary-general, ministry of defence, was filed to the effect that Munir Mengal had not been arrested/held by the ISI or MI, nor was he wanted by the agencies. It was made clear in the affidavit that the ministry of defence exercised only administrative control over the ISI and MI. It did not have any operational control over these secret services or jurisdiction to enforce the courts' directives to them. However, the ministry could communicate the courts' directives to the agencies and present (to the court) their responses. Identical statements were made in respect of other similar petitions before the court. The counsel for the petitioners assailed the submission of proforma statements in several cases of disappearance. The court then tried to break the impasse by holding the government responsible for tracing all involuntarily disappeared persons regardless of the next of kin's ignorance of the place of confinement or denials of the administration regarding their custody.

The court declared the provincial and federal governments could not wash their hands off by saying that the whereabouts of missing persons were not known or that they might have been detained by an agency not working under the control of a particular ministry.

Saying that the government was responsible for tracing the whereabouts of any citizen or other person who disappeared in the country, the court asked for information from the state about the authority that controlled the various agencies and who was to be held responsible if a person disappeared. Further, the government's counsel was asked to give details of the government's efforts to trace each of the missing persons by July 31.

A similar observation was made some time earlier by the Lahore High Court in the case of Ataur Rehman, who had been picked up from his Model Town house in Lahore in May 2006. The court said it was the obligation of the federal government to submit a report if a citizen was held by the agencies. In case this was not done, the court directed the Secretary, Ministry of Interior, to

appear, otherwise he would be deemed to have obstructed the court's proceedings.

Eventually, the matter came up before the Supreme Court in appeals by Mrs Masood Janjua and others relating to 41 involuntarily disappeared people. The state counsel submitted that the government had already traced nine missing person and the Ministry of Interior had prepared a comprehensive report on the subject. He could not submit the report in the court because it was yet to be signed by the secretary to the ministry.

The CJ observed it was the responsibility of the government to trace the people reported missing and decided to resume hearing on 10 November 2006.

On November 10, the apex court told the government to furnish by December 1, 2006, details of the whereabouts of about 40 missing people whose families had reason to believe they were being held by intelligence agencies. At hearings during November-December the court was told 14 more missing people had been found. The case was carried into 2007.

The bleak fact that stood out after all the calls on the judiciary regarding people detained by state agencies without acknowledgement was that, while some of the disappeared-detainees were released by their captors after being warned against opening their mouths, no prominent detainee was released by the intelligence agencies on any court's orders.

The possibility that an intelligence agency could ensure the detention of a person and yet deny his being in its custody was brought out in the case of Nazir Ahmad who was kept in a police lock-up for two years. [*See also Chapter on Jails, prisoners and 'disappearances'*].

A tell-tale case

The case of Nazir Ahmad, who had been held for his alleged involvement in an attempt on Gen. Musharraf's life, also came up before the Supreme Court.

A habeas corpus petition, alleging that Nazir Ahmad had been detained by the police for two years without an FIR, was moved in the LHC (Rawalpindi bench). The court appointed a bailiff to recover the detainee.

The bailiff found the detainee at the lock-up of P.S. Civil Lines, Rawalpindi, but there was no mention of his arrest in the daily diary. He took the diary into his possession but when he tried to take the detainee with him he was prevented from doing so and even the diary was snatched from his hand. He was told by a police official that as Nazir Ahmad was involved in a high profile case he could not be surrendered to the bailiff.

The court issued notice to the police officers named by the bailiff. However, before the date of hearing the judge who was seized with the case was transferred to the main bench at Lahore. The judge who then heard the case asked the DIG concerned to hold an inquiry.

When the SC was moved by an advocate, it expressed its annoyance over the fact that instead of producing the detainee before the LHC the police had implicated him in a terrorist case— while he had been in prison for two years.

The Punjab police chief submitted before the SC that a case had been

registered against the SP and SHO concerned for wrongfully confining Nazir Ahmad and obstructing a high court bailiff. Besides, Nazir Ahmad had been charged under the ATA for possessing weapons and explosives and maps of sensitive installations, and an AT court had remanded him to the police custody. He prayed that the case be disposed of. The court did not agree and asked him to reinvestigate the case.

Before the SC took up the matter again the case took a dramatic turn. On a request by the police the Anti-terrorism Court No.1, Rawalpindi, acquitted Nazir Ahmad of all charges levelled against him.

At the same time, the federal government ordered his detention (for three months) under sec 3 of the Security of Pakistan Act, 1952.

Informed of Nazir Ahmad's latest status the SC ordered the habeas corpus petition disposed of.

Two years in detention

The matter of the disappearance of Umar Rahman, of village Biakand in Swat district (Frontier), was raised before the Peshawar High Court by his wife through a habeas corpus petition in August 2006.

The petitioner stated that Umar Rahman was picked up by an intelligence agency from his village on 29 August 2004, along with his father, Mohammad Rahim, and another man named Abdul Qayyum. Mohammad Rahim and Abdul Qayyum were released after one day and 22 days, respectively, but Umar Rahman had not been freed. About two years had passed since he was arrested but no case had been registered against him, nor had he been produced before any court.

At the next hearing the court issued notice to seven parties including the DG, ISI.

The detainee returned home in November 2006.

- In two other cases of missing persons, the SC expressed a strong disapproval of the police administration's lack of respect for the court's directives.

The court had turned into a petition a letter from Mrs. Maimoona Bashir complaining of non-recovery of her husband, a Sialkot trader. After the Sialkot DPO had reported failure to recover the trader on four hearings the court directed the provincial police chief to replace him with some other officer. Delay in transferring the DPO resulted in a message to the IG that retaining the officer in his position amounted to defiance of the court.

Similar was the court reaction when an SP who had been assigned the task of recovering a girl (who had been abducted) was transferred from his post. The IG was told that for this transfer he owed the court an explanation.

From Guantanamo to

The Peshawar High Court was moved (October 2006) for relief in the case of Abdur Rahim Muslim Dost, who had spent about three years in Guantanamo Bay and had now been arrested in Peshawar.

Abdur Rahim Muslim Dost and his younger brother, Badruzzaman,

were arrested in Peshawar in Nov 2001, on allegations made by an Afghan religious organization that were apparently false. They were handed over to the US authorities in February 2002.

After being detained in Afghanistan for some weeks they reached Guantanamo Bay detention centre on May 1, 2002. Both were eventually released— Badruzzaman in September 2004 and Muslim Dost in April 2005.

On 29 September 2006 Muslim Dost was arrested in Peshawar by a team comprising officials belonging to the local police and an intelligence agency.

A petition filed in the PHC said the detainee was not produced in any court and no case had been registered against him. The court was requested to order the detainee's production before it and set aside the order of his detention. The court was also urged to direct the respondents not to transfer the detainee outside its jurisdiction.

The petition described the detainee as a poet, magazine editor, and author of 37 books. Perhaps a serious offence by him and his brother was the publication of an account of their ordeal at Guantanamo and at the hands of law-enforcing agencies in Pakistan.

A year of suo motu cases

Another feature of the judiciary's performance during the period under review was the large number of cases taken up by the Supreme Court in the exercise of its suo motu powers. Taken together these cases constituted a stunning indictment of public administration for its incapacity, even under judicial goading, to catch wrongdoers and to guarantee redress to the aggrieved.

The issues dealt with in these cases ranged from police failure to recover abducted women and children and defiance of court orders by the various branches of the executive to non-implementation of laws and public welfare measures. Authority betrayed no sign of contrition or even embarrassment at the apex court's strictures on its acts of commission and omission, week after week, but conscious citizens had good reason to feel appalled. If matters that should have been settled at the lowest rung of the administration had to be taken up by the country's highest court, then there was a great deal rotten in the state apparatus. From top to bottom.

The suo motu cases consumed a considerable part of the Supreme Court's precious time. Most of the cases were heard by full benches headed by the chief justice himself. Many of the matters were quickly resolved but quite a few remained on the cause list for months on end. A question naturally arose: could extensive encroachment on the Supreme Court's resources be justified? Especially in view of the fact that a good part of public opinion would like to see the SC workload reduced by ensuring adequate functioning of the lower tiers of the judicial system.

The relief made available to a sizeable section of society attracted highly appreciative notices in the media. It also encouraged the tendency to treat the Supreme Court as a redress forum of the first resort. An impression gained ground that the court should, or could, take up each and every matter of public

concern. One of the demands raised in the media was that the Supreme Court should decide the Kalabagh Dam issue. When Nawab Akbar Bugti was killed quite a few groups, including some politicians and lawyers, requested the court to take suo motu notice. The danger of public expectations growing to a point beyond the mandate and resources of the judicial system was perhaps obvious. Some thought was also needed to be given to the frustration caused to the people if the judiciary's writ was not respected, or not respected promptly, by an obdurate and arrogant executive. If a patient has to be repeatedly given regular doses of a standard medicine over an inordinately long time, questions do arise—and not all of them about the seriousness of the patient's affliction.

The cases taken up suo motu by the Supreme Court included:

- The New Murree Project
- Surrender of girls under 'vani' custom
- Violation of bar to wedding feasts
- Sonia Naz vs the police
- Medical colleges entry test
- Abduction and sale of a Frontier girl
- Condition of aliens in Adiala Jail
- Complaint against a former Naib Nazim of Okara
- Non-recovery of Munno Bheel's children
- A girl raped
- Death of 50 people in bus fire
- Plight of a woman—husband killed, child burnt
- Police failure to recover an abducted girl
- A case of 'vani' from Arifwala
- Mistakes in law books and journals
- Arrest of 3 children for petty theft
- A judge's murder in tribal areas
- Couple in prison for 5 years—for love marriage
- Construction of shops on Chakwal college land
- Sale of expired drugs
- Death of old teacher (denied pension)
- Denial of bail to petty offenders
- Electrocuting of 3 boys in Mirpurkhas
- Occupation of an orchard plot by a high official
- Large –scale sale of kidneys
- Journalist Hayatullah's murder
- Acquittal of youth (for high connections)
- Police officials' private torture cells
- Cutting down of trees in Lahore
- Vani/swara cases: Jacobabad, Layyah
- Boy loses arms: touched electric wires
- Sale of kidneys, Sheikhpura
- Flaw in education system

- Murder of a woman's son
- Non-recovery of a minor girl
- Deaths caused by polluted water
- A death in custody
- Non-recovery of a child abductee
- Bonded labour
- In prison for baseless charge
- Harassment of a woman teacher
- An enforced disappearance
- Felling of trees
- Death in custody
- A case of missing children
- Non-implementation of the law on smoking
- False case against a newsman
- Dangerous buildings in Murree
- Sale of spurious drugs
- Death in a Lahore jail
- Death by doctor's negligence
- Death of three children in Chakwal (negligence)
- Self-immolation bid outside the court
- Seizure of primary school
- Girls at brick- kiln freed
- Harassment of a rape victim by Tehsil Nazim
- Karo Kari in Sukkur
- Housing society irregularities—Karachi
- Housing society irregularities—in Lahore
- Bonded labour — twice
- Extra-legal killing in Islamabad
- Fee structure in primary schools
- Firing by a District Nazim's son

The list is not exhaustive. Does anyone need more information to learn about the lot of the ordinary citizen in Pakistan?

However, quite a few cases affecting the under-privileged could not receive the SC's attention under suo motu procedure. For instance the petitions pending for years regarding the grievance of State Bank employees and the plight of the D.G. Khan population affected by radiation.

Serious concern was expressed by senior lawyers regarding the selectivity of the Supreme Court on its suo motu jurisdiction. They feared that the effectiveness and impartiality of the apex court might be undermined if suo motu jurisdiction was used as often as hitherto. They suggest that it should be used in exceptional circumstances and matters disposed of expeditiously. Clear rules for invoking this jurisdiction must be laid down by the Supreme Court.

Reproduced from *State of Human Rights in 2006*. Human Rights Commission of Pakistan, Lahore, pp.45-54. www.hrcp-web.org.

3. Excerpts from International Crisis Group's Policy Report

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IV. BALOCH GRIEVANCES AND DEMANDS

A. Political Autonomy

"When we're deprived of democratic governance, of our resources, and our culture, you can understand the confrontation with the state. The 1973 constitution gave some autonomy to the provinces but even that limited autonomy has not been practised." – Baloch Opposition Leader.¹

If Islamabad's exploitation of Balochistan's resources and neglect of the province's development are responsible for Baloch alienation, the military government's refusal to negotiate the demands for provincial autonomy is primarily responsible for the conflict. Since Pakistan is a "multicultural, multi-regional state", said an opposition politician, "it should be run as a federation. The powers of the federation should be decided by the federating units", and the federal government "should be subservient to parliament".² But, as mentioned, Musharraf's devolution scheme has consolidated the centre's control over local levels of government, and his constitutional manipulations have made the national parliament subservient to the president, the nominal head of state in Pakistan's federal, parliamentary system.³

Under Musharraf's political dispensation, Balochistan's provincial government is, for all practical purposes, a subsidiary arm of the centre, working at its behest and following its directives. "The provincial government", said Dr Baloch, "is the tool of the federal establishment". There is no "provincial purview (over) political and economic decisions. All our decisions are made for us" by Islamabad.⁴ The provincial legislature's sessions, for instance, have been repeatedly cancelled under central pressure to prevent the opposition from discussing the directions and impact of the conflict.⁵ Even administrative appointments and transfers are made in Islamabad.

Inter-provincial tensions have also contributed to Baloch alienation. An ethnically skewed military and civil bureaucracy have reinforced perceptions that the centre represents Punjabi interests at the cost of the smaller federating units, including Balochistan. "The Baloch have tried their utmost to develop friendly relations with the Punjab-dominated establishment but they have backed us against the wall", said BNP leader and former Balochistan chief minister Ataullah Mengal,

¹ Crisis Group interview, Islamabad, January 2006.

² Crisis Group interview, leader of the National Party, Dr Abdul Hayee Baloch, Karachi, April 2006.

³ See Crisis Asia Reports, *Pakistan: Transition to Democracy?*, op.cit; and *Devolution in Pakistan*, op.cit.

⁴ Crisis Group interview, leader of the National Party, Dr Abdul Hayee Baloch, Karachi, April 2006.

⁵ The opposition in the Balochistan Assembly unsuccessfully asked for the Assembly to be convened from 15 December 2005, when the military action began, but no sessions were held until 27 March 2006.

adding, “The Punjabi establishment will never back the idea of giving full autonomy to the other provinces”.⁶ Resentment is particularly high against the army. Asserting that the military operation in Balochistan was not just against the sardars but “against all Baloch, all Balochistan”, a Baloch political activist said, “this is not a national army but an army of the Punjab”.⁷

Since ruling PML-Q politicians lack a domestic constituency and depend on the centre for their own political survival, Musharraf has had, per force, to rely on the Pashtun Islamist parties to offset the Baloch opposition. In return, the military government has refrained from intruding on the mullahs’ turf.⁸ At the same time, it has turned a blind eye to the provincial government’s corruption.⁹

B. Socio-Economic Concerns

In the absence of democratic institutions, Baloch anger over central control and exploitation of the province’s economic resources and its development schemes, with little or no input from the province, has reached new heights. “It is totally a wrong concept that we oppose development. The basic question is about the nature and modalities of development. That is why the basic demand of Balochistan’s political parties is that provinces must be given maximum autonomy. Trust them and give them the authority to undertake development projects”, said a Baloch opposition leader.¹⁰

1. Gwadar

In 1992, when the Nawaz Sharif government decided to build a deep sea port at Gwadar on Balochistan’s Makran coast, 624 nautical miles from the Straits of Hormuz, the locals had welcomed it. Now, the situation has drastically changed. President Musharraf insists that the Gwadar project demonstrates his government’s commitment to developing Balochistan.¹¹ Since the Baloch are not stakeholders or beneficiaries, they strongly oppose it, perceiving the project as yet another central government scheme to exploit Balochistan’s resources, while also altering the province’s demographic composition to their disadvantage.

Conceived as a regional hub for transit and transshipment of goods for Afghanistan, Central Asia and the Middle East, the port has been a priority for the

⁶ Interview with Ataullah Mengal, *Friday Times*, 7-13 July 2006.

⁷ Crisis Group interview, Gwadar, December 2005.

⁸ This includes official inaction on madrasa reform since JUI-F, the senior partner in the MMA alliance, runs most madrasas in Balochistan. See Crisis Group Report, *The State of Sectarianism in Pakistan*, op. cit.

⁹ Perceptions of MMA corruption are widespread in Balochistan. Crisis Group interviews, Quetta, Pishin and Chaman, November 2004, February 2005.

¹⁰ Shamim-ur-Rehman’s interview with National Party leader Hasil Bizenjo, *Dawn*, 12 February 2006.

¹¹ Just two days before the military launched a full-fledged operation, Musharraf said: “We will run Gwadar as a modern port – it will not only bring massive economic development to the province and the country but also serve as a trade corridor for Central Asia, Afghanistan and the Gulf region”. “Saboteurs can’t deter progress”, *The Nation*, 15 December 2005.

Musharraf government. Due to be completed in 2010, the government also intends to make Gwadar a focus for investment, encouraging the establishment of export-oriented petrochemical and other industries.¹² The port would serve the proposed Iran-Pakistan-India and Turkmenistan-Afghanistan-Pakistan-India gas pipelines, should they be built. It is also expected to bolster Pakistan's strategic defensives by providing an alternative port to Karachi, which was blockaded by the Indian navy in previous wars.¹³

Gwadar port is run by the federal government, with no provincial control. For instance, Islamabad will not have to consult the provincial government when it hands over development of the second phase of the port to the private sector.¹⁴ It will also retain the revenues when it transfers the port's operating rights to the private sector.¹⁵ Because the Gwadar project provides little in terms of employment and development to the locals, there is immense resistance. Gwadar still has only one intermediate college and not a single technical school. No steps have been taken to improve the poor health facilities or to even provide access to safe drinking water to Gwadar and other parts of Makran division.¹⁶

But the central government, including the military and civil bureaucracies, has appropriated thousands of acres of prime coastal lands. Said a Gwadar Port Authority (GPA) official, "Gwadar's lands have been seized by state agencies, the coast guards, the navy, the paramilitaries. Every general has a plot in Gwadar. They say these plots were given because this is a federal project. But this is a land grab".¹⁷ More than 80 per cent of locals rely on fishing for a livelihood. They have lost their prime fishing grounds, located along the East Bay where the port was constructed.¹⁸ While they now barely make a subsistence living, security agencies restrict their movement on land and at sea. "When the fisherman goes home without fish, how does he feed his children? What is his crime?" asked a member of the local fishermen's organisation.

¹² See "Gwadar", Board of Investment, Government of Pakistan, available at http://www.pakboi.gov.pk?News_Event/Gawadar.html.

¹³ Lieutenant Commander Ammad Hussain, Pakistan Navy, "Pakistan's Gwadar Port – Prospects of Economic Revival", thesis, Naval Postgraduate School, Monterey California, June 1995, p.19.

¹⁴ Work on Gwadar port began in March 2002; the first phase was completed in 2005, with China providing \$198 million of the \$248 million for its construction and employing 450 Chinese engineers and workers. "Gwadar", Board of Investment, op.cit.

¹⁵ A number of companies, including Dubai World Port, Hutchinson Port Holdings of Hongkong and Singapore-based PSA International are in the running for the contract to operate Gwadar port. Muzaffar Rizvi, "DPW faces Hutchinson in race for Gwadar", *Khaleej Times*, 3 August 2006; Ihtasham-ul-Haque, "Three global firms competing to run Gwadar port", *Dawn*, 2 July 2006.

¹⁶ Background paper, Rural Community Development Council, Gwadar.

¹⁷ Crisis Group interview, Gwadar, December 2005.

¹⁸ "As the port became operational, the fishermen would also be deprived of the fish harbour, while harsh security restrictions were already undermining their trade". Deprived of their livelihood, they could be forced to leave Gwadar, assessed a local official. "Impact of development on fisheries sector in Gwadar". Paper provided to Crisis Group by an official of the Balochistan Coastal Development Authority.

He added, “We don’t oppose development projects but we can’t make a living, and the doors to employment are closed to our children and our brothers”.¹⁹

The locals could also lose their homes if Gwadar’s master plan, which was prepared with no local consultation, is implemented since they would be relocated some fifteen to twenty kilometres from the port area. “The location where the port is built is the richest fishing ground, but [when] the decision was taken to build it, the fishermen were not consulted”, and when the master plan was announced, again with no local consultation, “people found that the whole city would be dislocated. There was a huge uproar”, said a local NGO activist.²⁰ And the locals have yet to be compensated for their loss by jobs. There are no plans to employ them at the port.

The Baloch are equally concerned about the demographic impact of the influx of non-Baloch workers to man and run the port if and when it becomes functional. Non-Baloch have been given preferential access to contracts, jobs and land in Gwadar. The private sector has also been encouraged to embark on massive housing projects in the port city, covering thousands of acres of prime land, that have the potential of altering the demographic balance of the district and even the province.²¹

In the absence of economic opportunities in Balochistan, which lacks industries, the means of livelihood remain fishing, subsistence agriculture and horticulture and animal husbandry. As a result, there is constant out-migration, with only 56 per cent of Pakistan’s total Baloch population residing within the province. The influx of millions of Afghans during the Afghan civil war has also already strained the delicate demographic balance between the Baloch and Pashtuns. The Baloch are well aware of the history of Karachi, Sindh’s capital. With a Sindhi population of 0.5 million at Pakistan’s independence, it now has more than 14 million people. Almost 90 per cent of them are non-Sindhis, rendering the Sindhis a minority in their capital city.

The Baloch opposition insists that Gwadar port should be placed under the control of the provincial government. The provincial cabinet should have a major say in this and other regional projects. They are also adamant that economic migrants and workers should not have voting rights in Gwadar.²² Provincial parliamentarians from the ruling party have supported many of these demands, with the minister for Gwadar development authority, Syed Sher Jan Baloch, for instance, warning that Islamabad’s policy of issuing licenses to domestic and international trawlers harmed the interests of local fishermen, and the fisheries minister, Mir Ashgar Rind, criticising the management of the Gwadar Port Authority for transferring the assets of Gwadar port to Karachi, without informing the provincial government.²³

¹⁹ Crisis Group interview, local fishermen, Gwadar, December 2005.

²⁰ Crisis Group interview, Gwadar, December 2005.

²¹ “Gwadar city” wrote a naval officer, “is being contemplated as a replica of Dubai” and, in accordance with the master plan, “development work is already underway to ensure that necessary facilities are made available to establish businesses and requisite housing needs”. Lieutenant Commander Ammad Hussain, *op.cit.*, p. 33. But with corruption and fraud marring many property development schemes, real estate prices have fallen drastically, pushed down also because of political unrest.

²² Crisis Group interviews, Gwadar and Quetta, December-March 2006.

²³ Warning that the provincial government would not accept any policy of the federal

To prevent the government from completing the project and to deter investors until their demands are met, Baloch militants have attacked government installations and personnel in Gwadar. Chinese engineers have also been attacked since China is a major investor in the project.²⁴ “We are determined we will not let the government implement any plan that goes against our interest, not any longer”, said a local political activist. Another added, “the choice for the people here is either to die or to take up the gun”.²⁵

A senior GPA official warned, “Unless social indicators are raised, unless locals see tangible benefits, there will be no (local) buy-in”. He added that the project would not take off “unless the infrastructure is in place and unless security issues are addressed”.²⁶ In the present climate, when none of these preconditions have been met, the federal government will likely face an uphill task in ensuring that the port project meets its economic potential.

2. Energy resources

Natural gas is a very important source of energy in Pakistan, supplying 49 per cent of Pakistan’s energy needs according to the Ministry of Petroleum and Natural Resources. Disputes over sharing the revenues from Sui gas field, the largest gas field in Pakistan, have long soured relations between the Baloch and the centre. Pakistan Petroleum Limited (PPL) operates Sui (PPL’s largest producing field) and five other gas fields in Balochistan and Sindh, with the federal government holding 78 per cent of PPL’s stake.²⁷ With new gas discoveries and higher prices charged and earned for natural gas, Balochistan’s natural gas fields are a major revenue earner for the federal government. But the Baloch benefit little from the natural gas or its revenues.

According to the constitution: “The Province in which a well head of natural gas is situated shall have precedence over other parts of Pakistan in meeting the requirements from that well head”.²⁸ Balochistan is responsible for 36 per cent of Pakistan’s total gas production, but it consumes only 17 per cent of its own production, with 83 per cent of its natural gas provided to the rest of the country for industrial and household use.²⁹ Piped gas is available to only four of Balochistan’s 28 districts.³⁰

government or Gwadar Port Authority that was made without consulting it, the fisheries minister pointed out that while the management of the port claimed to have shifted its offices to Gwadar from Karachi – one recommendation of the Hussain subcommittee – tenders relating to the port were still being issued in Karachi. “Balochistan seeks IPI gas pipeline royalty”, *Dawn*, 10 June 2006.

²⁴ In May 2004, militants killed three Chinese engineers and wounded another nine. Since 2005, there have been several attacks in Gwadar.

²⁵ Crisis Group interviews, Gwadar, December 2005.

²⁶ “What is essential” he said “was good governance, an efficient (port) operator, services, law and order and security of personnel”. Crisis Group interview, Karachi, December 2005.

²⁷ Gas was first discovered at Sui in 1952.

²⁸ Article 158.

²⁹ Grare, op. cit., p.5.

³⁰ Ibid, p.3. While most of Punjab has access to it, even Balochistan’s provincial capital

Balochistan receives a 12.4 per cent royalty from its natural gas revenues but that royalty is based on a well head price that is far lower than that of other provinces.³¹ Obtaining their due share of the profits is particularly important for the Baloch since the province lacks arable land, and its wealth is mainly mineral-based.³² Despite the income it derives from Sui and other gas fields, the centre gives back little to the locals in terms of infrastructure development, hospitals, schools or technical training. Operating and senior staff of energy production and distribution facilities are employed from outside the province; the installations mainly employ Baloch as day labourers. With the centre refusing to accede to Baloch demands that the province obtain its rightful share of its natural resources and have a say in their distribution and exploitation, Baloch militants and moderates alike are adamant that this exploitation has to stop. Even the ruling party in Balochistan agrees that the province must get its fair share.³³

For the militants, the answer lies in forcibly preventing the centre's exploration and extraction in regions that are resource-rich, such as the Bugti and Marri homelands.³⁴ Because the country so heavily depends on the supply of gas from Balochistan, the gas fields and Balochistan's distribution grids have become bargaining chips in the conflict. "The forces can't protect the gas facilities until the people support the state", said a political party activist.³⁵ With periodic attacks on pipelines and installations disrupting gas supplies, the Baloch are determined to increase the cost of the conflict for Islamabad. "We might not defeat the Pakistani army but we will drain out the Pakistani economy" said one Baloch politician.³⁶

The Baloch reject Islamabad's accusations that tribal chiefs such as Nawab Bugti had resorted to militancy in an attempt to blackmail the state for their

Quetta was supplied natural gas only as late as 1980, and then, in Baloch perceptions, because it houses a large military cantonment. Crisis Group interviews, Quetta, May 2006.

³¹ In Balochistan, the well head price for natural gas is \$0.38 per thousand cubic feet; some sites in Punjab and Sindh get \$3 and \$2 respectively. Syed Fazl-e-Haider, "Gas subsidised at Balochistan's expense", *Dawn*, 21 August 2006. See also "Conflict in Balochistan – A report of the fact-finding missions: December 2005-January 2006", Human Rights Commission of Pakistan, Lahore, 2006.

³² According to Article 161 (i) of the constitution, "the net proceeds of the Federal duty of excise on natural gas levied at well head and collected by the federal government, and the royalty collected by the Federal Government, shall not form part of the Federal Consolidated Fund and shall be paid to the Province in which the well head of natural gas is situated".

³³ Balochistan Chief Minister Jam Mohammad Yousaf has asked for the province's just share in gas development surcharge and gas royalty, in the absence of which, he said, the province faced a serious problem in balancing its budget and initiating development programmes. "Balochistan faces financial crisis: Jam", *Dawn*, 12 June 2006.

³⁴ Explaining why the Marri opposed oil exploration in their lands, Nawab Khair Bakhsh Marri said: "We saw what happened in the Bugti area, where they have 'developed' the Sui gas, 80 per cent of which goes out of Balochistan to make others rich". Harrison, *In Afghanistan's Shadow*, op. cit., p.47.

³⁵ Crisis Group interview, Mastung, February 2005.

³⁶ Crisis Group interview, BNP leader Sardar Ataullah Mengal, Karachi, April 2006.

own personal gains, hoping to increase the income they obtained from the extraction of gas from their tribal lands.³⁷ Although Nawab Bugti did earn rent from the use of his tribal lands, it was the centre, not the sardars or the province that benefited most from the income. Balochistan receives \$100 million³⁸ in provincial royalties on natural gas; the central government earns \$1.416 billion annually in revenue.³⁹

Baloch nationalist leaders insist they are not opposed to development but are against the exploitation of natural resources that do not benefit local communities. They also insist that the province, not the sardars or the centre, should be the main beneficiary of the income from Balochistan's natural gas and other mineral resources. If Balochistan had control over its resources, said one leader, "we ourselves can focus on social development such as education and healthcare".⁴⁰ Another stressed, "economic and political rights need to be achieved in tandem; one cannot be achieved without the other".⁴¹

Because Pakistan's currently exploited gas resources will likely be depleted by 2012, the government is keen on developing Balochistan's unexplored oil and gas reserves. By some estimates, Balochistan has 19 trillion cubic feet of natural gas reserves and 6 trillion barrels of off-shore and on-shore oil reserves.⁴² But prospective deals with oil and gas companies have been negotiated by Islamabad without consulting Baloch stakeholders. Six new exploration concessions were signed with Pakistani and foreign companies, but with no input from the province.⁴³ The government also plans to sell 51 per cent of shares in PPL, Sui Northern Gas Pipelines Limited and Sui Southern Gas Company Limited, but again without consulting Baloch stakeholders.⁴⁴ With Nawab Bugti's death and the prospects of the conflict escalating further, more disruptions to energy supplies are inevitable and could deter investors.⁴⁵

³⁷ PPL and the state-owned Oil and Gas Development Company (OGDC) operate the gas fields in the Bugti lands.

³⁸ Figures denoted in dollars (\$) in this report refer to U.S. dollars.

³⁹ Syed Fazle Haider, "Higher poverty in Balochistan", *Dawn*, 6 February 2006.

⁴⁰ Crisis Group interview, JWP Secretary-General Senator Agha Shahid Bugti, Quetta, March 2006.

⁴¹ Crisis Group interview, BNP president, Sardar Akhtar Mengal, Quetta, March 2006.

⁴² Grare, op. cit., p.4.

⁴³ See "Balochistan", Board of Investment, Government of Pakistan, available at <http://www.pakboi.gov.pk/Bfacts/balochistan.html>.

⁴⁴ In the energy sector, the Privatisation Commission intends to sell 51 per cent of shares, along with management control, of PPL, OGDC Limited, Pirkoh Gas Company, Pakistan State Oil, Sui Southern Gas Company Limited and Sui Northern Gas Pipeline Company Limited. See "List of Privatisation Transactions currently included in the Privatisation Program of the Privatisation Commission", 3 May 2006, available at <http://www.privitisation.gov.pk/about/List%20pf%Privitisation%Prog.htm>. See also Khaleeq Kiani, "Emerging gas market, privatisation and the CCI", *Dawn*, 17 July 2006.

⁴⁵ Foreign companies operating in Balochistan include the U.S.-owned Petronas Carigali, Hycarbex, Nativus, and Eni and the Polish-owned Polish Oil and Gas. In July 2004, a U.S.

3. Distribution of resources

As mentioned above, the National Finance Commission (NFC), the mechanism used by the centre to distribute federal grants to the provinces, is contentious because it is controlled by the federal government, and in the Balochistan context, because the main criterion for NFC awards is population.⁴⁶ The NFC has only been constituted seven times and has only finalised its recommendations on three occasions, in 1974, 1990 and 1996. In 1979 and 1985, the NFC did not finalise its recommendations because of provincial disagreements over the allocation of funds. Under President Musharraf, too, the NFC failed to make recommendations in 2000 and 2005, thereby delaying the transfer of payments to the provinces. The award should be determined through consensus among the provinces and on an equitable basis, so President Musharraf's decision to announce it unilaterally is resented by the Baloch and the other smaller federal units.⁴⁷

The centre's failure to change the formula is as strongly opposed by the ruling party in Balochistan as it is by the Baloch opposition. "We want a new formula for the distribution of national resources, something which takes into account multiple factors and not just population", demanded Balochistan Chief Minister Jam Yousaf.⁴⁸ By revising the criteria to account for backwardness, level of development, geographic size and revenue levels of the provinces, the centre would remove at least one major bone of contention.

C. Security

The government plans on constructing a \$1.67 billion road network, which it says would link Balochistan to the rest of the country and make Gwadar Port the hub of regional trade with China and Central Asia.⁴⁹ Baloch nationalists, however, believe this road-building project is aimed at easier extraction of Balochistan's natural resources and to enable the Pakistan army and security agencies to expand their control over the province.⁵⁰

It is this distrust of the centre that lies at the heart of Baloch opposition to Islamabad's plans to change the policing structure of the province. Districts in

company stopped offshore drilling operations in Gwadar district. In January 2005, an attack by militants on the U.S.-UK-owned Uch capacity power plant in Sindh raised concerns about the security of foreign investments and assets in Pakistan. John C.K. Daly, "The Baloch insurgency and its threat to Pakistan's energy sector", the Jamestown Foundation, 21 March 2006.

⁴⁶ The NFC would "examine and review the resource distribution pattern, needs of the federation and its federating units and recommend methodology for distribution of resources generated by the Federal Government in a judicious and equitable manner". "A presentation on inter-governmental fiscal relations", ministry of finance, Government of Pakistan, Islamabad, May 2006.

⁴⁷ Crisis Group interview, PPP's Raza Rabbani, leader of the opposition in the Senate, April 2006.

⁴⁸ Malik Siraj Akbar, "Balochistan treasury embarrasses Islamabad", *Friday Times*, 23-29 June 2006.

⁴⁹ "Rs.100 Billion for Balochistan road network, says Musharraf", *Daily Times*, 4 April 2005.

⁵⁰ "Conflict in Balochistan – A report of the fact finding missions", op. cit., p.12.

Balochistan are divided into two categories, “A” and “B”. A police force operates in the districts that constitute the “A” areas. In the “B” areas, some 96 per cent of the territory, the Balochistan Levies, a force recruited mainly from locals, is responsible for enforcing law and order. The government is now in the process of merging the two, replacing the Levies with the police.⁵¹ Although the Levies are not well trained or equipped, and separate administrative arrangements undermine the rule of law, Baloch and Pashtun regional parties oppose the merger. They believe that a corrupt and undisciplined police, composed mainly of non-Baloch, would compound problems instead of redressing threats to law and order. “Had there been rule of law, then the merger would have worked but there is none”, said National Party leader Tahir Bizenjo. “Replacing Levies with the police is no answer” said a PKMAP leader, “The police are at the heart of all evil. Instead the Levies should be trained professionally and better equipped”.⁵²

The Baloch have good reason to distrust the security agencies in their province. The Frontier Corps’ checkposts, a para-military force that operates under central government command, have become a major source of insecurity for locals – Baloch and Pashtuns alike.⁵³ Complaints of abuse at the hundreds of FC checkposts include “extortion, humiliation, threats and outright use of lethal force without any provocation”.⁵⁴ “The FC is here to kill us, not to protect us”, said a political party activist.⁵⁵ The security presence in the sparsely populated province is undeniably overwhelming, and most security personnel are not locals.⁵⁶

In a province that already has an excessive security presence, the government’s decision to establish new military cantonments has reinforced local perceptions of the Pakistani army as a colonising force.⁵⁷ “We’re not asking for

⁵¹ Said Musharraf, “95 per cent of Balochistan area was B area and only 5 per cent was A area”. Now “overall fourteen out of 28 districts have been declared A area”. President Musharraf’s media interaction, Islamabad, 3 February 2006, available at <http://www.presidentofpakistan.gov.pk?FilesPressRoom/Interviews/2620062122Ammedia%>.

⁵² Crisis Group interviews, Quetta and Pishin, February 2006.

⁵³ The FC is mainly composed of Pashtuns from the NWFP.

⁵⁴ According to the HRCF, the FC, which numbers around 36,000, mans 493 check posts in Balochistan. Senator Sanauallah Baloch told the parliamentary committee on Balochistan that the Coast Guards had set up another 91 check posts. “Conflict in Balochistan – A report of fact-finding missions”, op.cit. p. 41; “Report of the Parliamentary Committee on Balochistan”, op.cit. p. 12. See also Carlotta Gall, “In remote Pakistan, a civil war festers”, *The New York Times*, 2 April 2006.

⁵⁵ Crisis Group interview, February 2005.

⁵⁶ Zahid Hussain, “Gathering storm”, *Newsline*, February 2005. Federal Minister for States and Frontier Regions Sardar Yar Mohammad Rind claimed that steps were being taken to redress the imbalance; 14,500 Baloch, including 450 officers, would be inducted into the army; 9,000 locals had been recruited in the police while 10,000 were being employed in the Balochistan Constabulary. “Balochistan situation”, *The Nation*, April 10 2005; “Balochistan talks doors open: government”, *Dawn*, 23 July 2006.

⁵⁷ Aside from the four cantonments at Quetta, Sibbi, Loralai and Khuzdar, BNP’s Senator Sanauallah Baloch listed 59 paramilitary facilities, three naval bases, four

heaven on earth, we're asking for education, jobs, health, water. Why can't Musharraf give us those instead? If more cantonments are built, we'll believe we're a colony of Pakistan", said a Baloch political leader.⁵⁸ Another asked, "Are cantonments considered the basis of development or destruction? The struggle in Balochistan is for economic development. But what is a cantonment? It is an instrument of colonisation".⁵⁹

The Baloch opposition has called for the removal of the FC and its checkpoints, an end to military operations, the return of the army to the barracks, the withdrawal of politically motivated cases and the release of political prisoners if peace is to be restored.⁶⁰ Many Baloch ruling provincial parliamentarians also support local ownership of development projects and agree with the opposition that military force will not solve the conflict but they are the products of and hence dependent on Musharraf's political order.⁶¹ Nevertheless, a bipartisan consensus is emerging on many of these demands. On 27 March 2006, for instance, a joint adjournment motion was admitted in the Balochistan Assembly to debate the implications of the military action in Dera Bugti and Kohlu.⁶²

Source: 'Pakistan: The Worsening Conflict in Balochistan', Asia Report No.119, pp.13-18. *Policy Report*, International Crisis Group, www.crisisgroup.org. 14 September 2006.

II. Foreign Policy

A. PAKISTAN & OIC

Statement by Mr. Shaukat Aziz, Prime Minister of Pakistan, at the extraordinary summit of the executive committee of the OIC, Kuala Lumpur

Mr. Chairman, Excellencies,

I thank the Prime Minister and the Government of Malaysia for convening this important meeting of the OIC at a time when the international community is facing a grave human tragedy and the Ummah is confronting a major challenge in its history. Lebanon is burning. It is being once again ravaged by blatant aggression. The massacre of innocent people in Qana last week epitomizes the tragedy and the outrage in Lebanon. We all agree that the slaughter of Lebanese men, women and children is taking place for no fault of theirs. The Israelis have relentlessly targeted the lives of thousands of people and their homes and

missile-testing sites and two nuclear development sites. "Nationalists justify extreme actions by angry Baloch", *Daily Times*, 4 February 2006.

⁵⁸ Crisis Group interview, Kalat, February 2005.

⁵⁹ Crisis Group interview, Islamabad, January 2006.

⁶⁰ The Balochistan provincial assembly has passed numerous resolutions calling for the FC's operations to be curtailed, while Baloch nationalist parties have demanded the withdrawal of the paramilitary force.

⁶¹ "Dialogue urged on Balochistan crisis: Bhootani criticises military action", *Dawn*, 7 June 2006.

⁶² "Motion on army action admitted for debate", *Dawn*, 28 March 2006.

property worth billions over an issue that could have been resolved through dialogue. Yet the carnage continues, as the world looks on helplessly. Even UN Peacekeepers have not been spared. These attacks constitute a flagrant breach of the Geneva Conventions and International Humanitarian Law.

In these circumstances, international norms and morality and the credibility of international institutions responsible for peace and security are being put to a severe test. Within the OIC we have an equally great challenge to adopt an effective response to help Lebanon. There is also the responsibility to respond to the deteriorating situation in the occupied Palestinian territories especially in Gaza, where incursions and air strikes are destroying homes, schools and hospitals and taking a heavy toll in innocent lives including women and children. As this outrage continues unchecked, those responsible for ensuring peace and upholding international norms, sit in conference rooms debating why this should not happen.

The failure of the international community, especially the United Nations and the major powers to halt this outrage, is adding to popular anger in the region and around the world. The Security Council has failed to enforce a ceasefire despite repeated appeals by the UN Secretary General. This paralysis is dangerous and can have incalculable consequences for long-term peace and security in the sensitive Middle East region and in the world. It will also serve a severe blow to the international campaign against terrorism.

Mr. Chairman,

People in the Muslim world have great expectations from the OIC. We are also bound by a solemn commitment made at the Makkah al Mukkaramah Summit and the OIC Charter to demonstrate solidarity with and support a member state under threat. We need to engage the West and the United Nations at the highest level for bringing the Israeli aggression in Lebanon to an immediate end and to revive endeavors for a just settlement of the Palestinian issue before the spiraling violence engulfs the entire region and kills the hope for a durable and just peace in the Middle East.

Mr. Chairman, Excellencies,

I propose for consideration the following elements for our response to the grave challenge before us:

- The UN Security Council should be pressed to ensure an immediate ceasefire in Lebanon so that more human suffering and further casualties can be spared, and relief assistance can be sent to the affected people. All sides must honour the ceasefire.
- The Security Council should also call for an Israeli withdrawal from Gaza , and an end to the physical and economic blockade, with a simultaneous end to any armed action on the part of either side.
- Simultaneously, all prisoners, Lebanese, Palestinian and Israeli, should be returned. The ICRC can provide a neutral mechanism to achieve this.
- There should be no impunity from violations of international humanitarian law.

- To ensure that the ceasefire holds in Lebanon , a UN force should be mandated, with the consent of all parties concerned.
- OIC countries should consider contributing to a UN force which has the approval of the concerned parties.
- The Quartet must re-engage itself in the Middle East process more actively than before, to ensure that a solution is reached for the Middle East problem. The establishment of a Palestinian state, living in peace side by side with Israel, would constitute the only guarantee for durable peace in the region and against a recurrence of crises such as we witness today.
- There should be an OIC effort to provide the desperately needed humanitarian and other assistance to Lebanon and Palestine.

Mr. Chairman, Excellencies,

The continuing tragedy of Palestine and the present crisis in Lebanon raises deeper issues obliging us to reflect once again on the predicament of the Ummah. The crises that afflict the Muslim polity reveal a failure to respond to the challenges of the 21st century that demands unity within our ranks, reform for development, modernization and building our intrinsic strength.

At this critical juncture, it is imperative for us to hold together in condemning aggression against our member states and to provide them humanitarian relief. I am confident that this important meeting of the leaders of the Islamic world will take decisions that would demonstrate strong solidarity with Lebanon and Palestine, mobilize high level action for immediate cessation of hostilities in Lebanon, initiate effective steps that would deter aggression against any other member state in the future and contribute towards a lasting and just peace in the Middle East.

I Thank you.

Source: Ministry of Foreign Affairs, Government of Pakistan, www.mofa.gov.pk, 3 August 2006.

B. PAKISTAN & SCO

Joint communique of the Council of Heads of Governments (prime ministers) of the SCO member nations

The Council of Heads of Governments (Prime Ministers) held a regular meeting (hereinafter referred to as 'the organization's prime ministers meeting' for short) in Dushanbe on the morning of 15 September 2006.

[Daniyal] Akhmetov, prime minister of the Republic of Kazakhstan; Wen Jiabao, premier of the State Council of the People's Republic of China; [Feliks] Kulov, prime minister of the Republic of Kyrgyzstan; [Mikhail] Fradkov, prime minister of the government of Russian Federation; [Oqil] Oqilov, prime minister of the Republic of Tajikistan; and [Rustam] Azimov, deputy prime minister of the Republic of Uzbekistan, attended the meeting.

Chavan [as carried], minister of state of the Republic of India; Ali Sa'idlu, vice-president [for executive affairs] of the Islamic Republic of Iran; [Mendsayhany] Enhsayhan, deputy prime minister of Mongolia; and [Shaukat]

Aziz, prime minister of the Islamic Republic of Pakistan, attended the meeting as representatives of the observer nations. [Ahmad Zia] Masud, first vice-president of the Islamic Republic of Afghanistan; and [Grigoriy Alekseyevich] Rapota, secretary-general of the Eurasian Economic Community, attended the meeting as the guests of the host nation.

Zhang Deguang, secretary-general of the organization; and Kashimov, chairman of the regional antiterrorist agency's executive committee, attended the meeting as nonvoting members.

[Emomali Sharipovich] Rahmonov, president of the Republic of Tajikistan, met the delegation chiefs attending the meeting.

The meeting proceeded in a friendly atmosphere. The relevant parties conducted in-depth exchanges of views on the urgent issues of strengthening regional stability and further developing cooperation under the organization's framework.

In light of the consensus reached at the Shanghai summit on 15 June 2006, the six nations' prime ministers studied the priority direction of economic cooperation between the organization's member nations and proposed a series of detailed measures for the six nations' cooperation in the economic, trade, scientific, technological, social, cultural, and other fields. The six nations' prime ministers pointed out that since the Moscow prime ministers' meeting in October 2005, the relevant parties have done a great deal in exploring their cooperation in the economic, trade, and humanities fields, thereby creating the necessary conditions for further deepening the member nations' cooperation in the aforesaid fields.

At a meeting of the Economic and Trade Ministers' Council and Senior Economic and Trade Officials' Committee (hereinafter referred to as 'senior economic and trade officials' meeting' for short) as well as at a meeting of various specialized work teams, the relevant parties studied the detailed steps on implementing the member nations' multilateral economic and trade cooperation programme, measures, and plan; decided to take energy, communications, and telecommunications as areas for immediate and priority cooperation; and discussed the organization's first batch of pilot projects.

It is of major significance to establish and initiate an energy working team as well as a modern information and telecommunication technological working team.

The six nations' prime ministers pointed out that the founding of the entrepreneurs commission and banking conglomerate has injected a new vitality into the organization's economic cooperation.

The protocol signed in Tashkent on 24 August 2006 regarding joint business operations and protecting the organization's regional economic cooperation network will help constantly expand the member nations' economic and trade relations.

The six nations' prime ministers welcomed the preferential loan provided by the Chinese side being activated for the cooperation projects under the organization's framework.

The six nations' prime ministers highly valued the significance of large-scale economic forums, including the first Eurasian Economic Forum held in Xian in November 2005, the organization's business forum held in Shanghai in June 2006, and the upcoming fourth Baykal Economic Forum to be held in Irkutsk in September. These forums have helped deepen regional economic cooperation. It is deemed beneficial to hold such forums, which can serve as important platforms for the member nations' governments, enterprises, and financial circles to engage in exchanges. These forums can also absorb representatives from other relevant nations' business and social circles to participate.

The six nations' prime ministers satisfactorily pointed out that the organization's cooperation in the humanities field has yielded positive progress, thereby promoting dialogue and exchanges of different civilizations and strengthening mutual understanding and respect under the organization's framework. The multicultural cooperation programme for the member nations from 2005 to 2006 approved in Astana in July 2005 has been smoothly implemented, and the 2007-2008 cultural cooperation programme was approved in Tashkent in April 2006. The educational cooperation agreement signed between the member nations' governments on 15 June 2006 laid a legal basis for actively conducting cooperation in such an important and prospective field.

The six nations' prime ministers indicated the need to conduct cooperation, exchange experience and information, and implement joint projects and plans with other countries and international organizations in this region.

The six nations' prime ministers fully acknowledged the achievements in the organization's economic cooperation and believed that there is a need to further strengthen the organization's work impetus in the preferred fields.

The six nations' prime ministers deemed it necessary for the senior economic and trade officials' meeting to exercise effective supervision over the implementation of the economic cooperation projects under the organization's framework, study new projects, as well as further explore and secure the legal basis for the member nations' cooperation.

The six nations' prime ministers stressed the need to strengthen the coordinative role of the organization's secretariat and give play to the positive role of the entrepreneurs commission and banking conglomerate so as to further push forward the economic cooperation under the organization's framework.

The energy working team will be instructed to jointly study with the organization's secretariat the feasibility of establishing an energy club. The Kazakh and Russian sides will submit a proposal on convening the member nations' energy departmental leaders meeting in 2007, for review by the relevant parties.

To strengthen cooperation in the telecommunication field, the modern information and telecommunication technological working team should engage in active work and raise a proposal on carrying out joint projects.

There is a need to proceed with the pilot projects designated by the specialized working team on tapping cross-border transportation potentials

aimed at improving the member nations' communication infrastructures, and this will inject new vitality into cooperation in exploring the communication field.

It is of positive significance to sign a memorandum of understanding on speeding up the formulation of the draft agreement between governments regarding international highway transportation facilitation. The relevant department and the organization's secretariat need to speed up the negotiation process so as to finalize the relevant document as soon as possible.

The six nations' prime ministers suggested the need to further develop the integration process, simplify the administrative and customs procedures for international transportation among the member nations.

The six nations' prime ministers pointed out that it is important to develop customs cooperation under the organization's framework. Preparations should be speeded up for the signing of a customs mutual-aid agreement between governments, and a decision should be made on the date for leaders of the member nations' customs departments to hold a meeting.

To further improve the legal basis for the organization's cooperation and create a good investment environment, it is very important to continue to encourage the member nations' governments to protect the draft agreement on investment by referring to the existing bilateral and multilateral cooperation experience in the relevant field.

The six nations' prime ministers believed that the first environmental protection ministers meeting soon to be held in Moscow and the completion of the formulation of the draft proposal on environmental protection and rational use of natural resources have very important significance.

The organization's secretariat is authorized to draw up a detailed action plan on cooperation with the observer nations in the economic and humanities fields in accordance with the organization's legal documents.

There is a need to strengthen cooperation with the Eurasian Economic Community on the basis of the Memorandum of Understanding between the Shanghai Cooperation Organization's Secretariat and the Eurasian Economic Community Integration Committee's Secretariat. The organization's secretariat and the state coordinators council will raise proposals on this issue and engage in consultations with the Eurasian Economic Community's Secretariat.

The organization's secretariat will discuss with the ASEAN Secretariat the forms of conducting consultations and exchanging experience between the two organizations in the economic, social, cultural, and other fields of mutual concern.

The organization welcomes other interested countries and partners to participate in implementing cooperation projects under the organization's framework.

The six nations' prime ministers proposed further expanding the cooperation in the humanities field. The task of the first member nations' education ministers meeting, which is still under preparation, is to formulate and implement the detailed measures on the education cooperation agreement.

The six nations' prime ministers felt the need to conduct health cooperation under the organization's framework and to authorize the

organization's secretariat to discuss with the state coordinators council the issue of establishing an experts working team.

The organization's secretariat is authorized to discuss with the state coordinators council the issue of activating tourism and youth cooperation under the organization's framework.

To implement the member nations' heads of governments' instructions on enhancing the secretariat's role in the organization's institutions, the six nations' prime ministers approved the establishment of a new institution in the organization's secretariat as well as the size of the establishment.

The six nations' prime ministers examined a series of the organization's financial affairs and ratified the organization's budget for 2007.

The six nations' prime ministers decided to hold the next member nations' heads of governments (prime ministers) council regular meeting in Tashkent in 2007.

Akhmetov, Prime Minister of the Republic of Kazakhstan

Wen Jiabao, Premier of the State Council of the People's Republic of China

Kulov, Prime Minister of the Republic of Kyrgyzstan

Fradkov, Prime Minister of the Government of Russian Federation

Oqilov, Prime Minister of the Republic of Tajikistan

Azimov, Deputy Prime Minister of the Republic of Uzbekistan

Signed Dushanbe 15 September 2006

Source: *Journal of Turkish Weekly*, www.turkishweekly.net, 15 September 2006.

C. PAKISTAN & NAM

Text of President Pervez Musharraf's address at the 14th NAM summit, Havana

President Fidel Castro,
Your Majesties and Royal Highnesses,
Excellencies,
Ladies and Gentlemen,

Our warmest greetings to President Castro for assuming the Chair of the Non-Aligned Movement thank you, Mr. President, for the warm hospitality and the excellent arrangements for this 14th NAM Summit—the second in Havana. The first Havana Summit was a landmark for Pakistan. It was here in 1979 that Pakistan became a full member of the Non-Aligned Movement.

Mr. President,
we hold you in high esteem for your longstanding contribution to promote the principles and objectives of our Movement. We are confident that under your dynamic leadership the NAM shall actively promote its ideals and advance the interests of its Member States.

On behalf of the people of Pakistan and on my own behalf, I extend to you and the people of Cuba our deep gratitude for your prompt and generous assistance in responding to the tragic earthquake in Pakistan last year. We can

never forget the care and relief provided to hundreds of thousands of earthquake victims by Cuban doctors and paramedics working in inhospitable terrain and under extreme weather conditions.

I also take this opportunity to pay our tributes to Malaysia's leadership of NAM in the last three years. The world has transformed dramatically since the First Havana Summit, Yet, the relevance and importance of the NAM and its principles for peace, cooperation and progress remain unchanged, NAM must continue to play a powerful role for equality and justice in international relations.

A major challenge facing the international community, is to build international peace and security on the basis of equity and principles rather than use of force and intervention. The recent aggression against Lebanon is illustrative of the recourse to the logic of force rather than a resort to international norms and principles of the UN Charter. The Security Council's belated action has stopped the outrage that inflicted massive loss of life and destruction. It is important now that the ceasefire holds and Israel vacates Lebanese territory. The international community must also focus on reconstruction in Lebanon and solving the root cause of all tension – the Palestinian dispute.

The tragedy of Palestine is the core of the conflict in the Middle East. Until Israel's occupation of Palestinian territory is ended and a viable Palestinian State established, there can be no durable peace in the Middle East, Israel should engage with the Palestinian leadership to revive the peace process for a two-state solution. Iraq is another festering sore in the Middle East. The Iraqi people should be assisted by the international community and by its neighbours to restore peace and security, overcome the pervasive violence, rebuild its institutions and economy, ensure its unity and territorial integrity and thus facilitate the early withdrawal of foreign forces from that country.

A stable and peaceful Afghanistan is vital for the peace and progress of the region. The Bonn process has brought about positive change in the country. Nevertheless, Afghanistan still confronts complex challenge in ensuring security and building its institutions and economy. The international community must remain engaged in Afghanistan to fulfil its commitments for reconstruction and rehabilitation. The growing confrontation over Iran's nuclear programme threatens further instability in our region. Pakistan believes that a diplomatic resolution of this crisis is possible and must be pursued with a determination ensuring respect for legitimate rights and international obligations.

Pakistan is making sincere efforts to promote peace and cooperation in South Asia. Three years old, the peace process with India have led to confidence-building and improved environment. We are determined to pursue the process for resolving all outstanding issues with India including the Jammu and Kashmir dispute. A historic opportunity exists that must be seized by the leadership of the two countries to bring to a close the chapter of tension and conflict in our region. It is of paramount importance that we devote all our energies to address the major challenges of our region by ensuring poverty

alleviation, universal education, better health and higher standard of living for our people.

Mr. Chairman,

In its pursuit for global peace, the NAM should focus on promoting just and equitable solutions to the major international conflicts and disputes. The establishment of a mechanism for conflict resolution, specially among NAM member is now more essential than ever before. Our internal discord continues to debilitate NAM's ability to play an effective role on the international stage.

NAM's contribution is also essential in building a new international consensus on disarmament and non- proliferation. The NAM must reject discrimination and double standards. The NAM must uphold the principle of equal security for all state. We must renew efforts to promote universal nuclear disarmament under verified international control. In this context, we believe that an international conference be convened to evolve a new international consensus for nuclear disarmament and non-proliferation.

The NAM should also promote a comprehensive strategy to combat and eliminate terrorism in all its forms and manifestations. This requires a two-pronged approach; first, obtaining terrorists frontally, including through active international cooperation, and second, addressing and resolving the underlying causes of terrorism and extremism which include: political disputes and conflicts: economic and social injustices: and poverty, hunger and despair in large parts of the world. Our strategy must clearly oppose the sinister tendencies to associate terrorism with Islam and discrimination against Muslims, which are giving rise to an ominous alienation between the West and the world of Islam.

The NAM must cohesively defend the principles of state sovereignty and noninterference in the internal affairs of states. Democracy and human rights should be promoted by each country in accordance with this own political and cultural values and historical context. These cannot be imposed externally through pressure or coercion, much less military intervention.

Mr. Chairman,

The challenge of development countries to be formidable for all developing and NAM countries. Efforts have so far failed to make even modest progress towards introducing equity in international trade through the Doha Round. The NAM must press for enlargement and implementation of the trade and development agenda. The NAM countries could also help each other directly, through regional economic integration and specific schemes for South-South Cooperation. A robust South cooperation is possible as many NAM members have achieved significant economic growth and play an increasingly influential role in international relations.

A concerted endeavour is also required to introduce equity in the international financial system. Today, global liquidity continues to be highly unevenly distributed—with over 80% available to industrialized countries. Global investment is concentrated mostly in the developed world and handful of emerging markets. Debt continues to drain resources from the poorest countries

especially in Africa. The NAM should call for a negotiating 'Round' to address these problems of the global financial and monetary system.

There are series of other global issues, which require a unified effort by the NAM:

- generation of employment for a growing population;
- the problem of migration, including the freer flow of labour from the developing to the developed countries;
- restraints on the flow of technology, especially advanced technology, to developing countries;
- the growing shortage of water;
- the rising costs and possible scarcity of energy;
- access to nuclear power generation under IAEA safeguards;
- the continued external exploitation of natural resources, especially in Africa; and,
- environmental degradation.

The solution to these challenges can only be achieved through cooperative multilateralism and concrete actions.

The UN is the apex organization for cooperative multilateralism. It should be strengthened and revitalized to serve its central role. For this objective, the reform process must enjoy the support and consensus of the UN membership, including Security Council. NAM must maintain its unity and pro-active role in the reform process and resist any endeavours that run counter to the very ethos of NAM.

I am confident that this Summit will address all these priority issues and will be an important landmark in the history of the Movement.

I thank you.

Source: www.presidentofpakistan.gov.pk, 16 September 2006.

D. PAKISTAN & THE UN

Text of address delivered by President Pervez Musharraf at the 61st session of the UN General Assembly, New York

Madam President, Respected General Secretary and Distinguished Delegates.

I am indeed very happy to see a sister from fraternal Bahrain presiding over this important session of the General Assembly. Your election symbolizes the increasingly significant role women are playing in the Muslim world.

Madam President,

You will have Pakistan's full support in fulfilling your challenging responsibilities. Since the devastating earthquake in the northern regions of Pakistan last October, this is the first occasion that I am addressing this very august body. I, therefore, take this opportunity to express our deepest gratitude for the relief and financial assistance we received from around the world. We were deeply moved by the global solidarity displayed in the hour of our distress and need.

Madam President,

Multilateral cooperation is the key to addressing the existing and emerging challenges of the 21st century – political disputes, terrorism, proliferation, poverty, hunger, disease, economic disparities, migration, unemployment, environmental degradation and natural disasters. We appreciate the Secretary General's initiatives to equip the United Nations to respond to these challenges. But we are yet a distance from the vision endorsed at the 2005 UN Summit.

Madam President,

Over the past six-years, despite daunting external and internal challenges, Pakistan has been transformed into a dynamic nation, moving rapidly towards the vision of our Founder – a modern, progressive, Islamic and democratic republic. We have reformed our institutions of governance and our economy. Democratic governance has been introduced at the grass root level. We are focusing on the uplift of the under privileged sections of our society – the poor, the women and the minorities. Women are being politically and economically empowered and protected against discrimination. Minorities have been politically mainstreamed. We also have unshackled the media. Having successfully put our economy on an upsurge; we are now embarked on second generation reforms to spread the benefits of growth to all our people. One of our strategic aims is to utilize Pakistan's unique geo-strategic position to build trade, energy and communication corridors linking South Asia, West Asia, Central Asia and China. Regional integration will accelerate economic growth and prosperity in our part of Asia, and even going beyond. Of course, Pakistan still faces daunting challenges, within and without. We are facing them boldly to build an environment of peace and stability in our region.

Madam President,

Pakistan desires a peaceful environment in the region. We are being engaged in a peace process with India, aimed at confidence building and resolving issues, including the Jammu and Kashmir dispute that have been the source of tension and conflict between the two countries in the past. Improved relations, and the conducive international environment, have brought an acceptable solution of this longstanding dispute within reach. I am confident that my positive meeting with Prime Minister Manmohan Singh in Havana will help to carry forward the peace process which is vital for the future of both countries and for peace in South Asia and beyond. A stable security environment is also important for peace in our region. Pakistan has proposed the creation of a Strategic Restraint Regime in South Asia, encompassing minimum nuclear deterrence and a balance of conventional forces. We do not want to enter into an arms race. But we will do whatever is necessary to preserve the credibility of our minimum defensive deterrence level. Pakistan has a legitimate requirement for nuclear power generation to meet the energy needs of our expanding economy and our expanding industry. As a responsible nuclear State, we will continue to seek

nuclear technology for power generation under strict IAEA safeguards. We cannot accept discrimination in the nuclear field.

Madam President,

Peace and stability in Afghanistan is in Pakistan's vital interest. It will assure tranquility on our Western frontiers. It will also enable Pakistan to realize its ambition of linking Central Asia and South Asia through Afghanistan and Pakistan. Afghanistan confronts complex security, political and economic challenges including a resurgent Taliban who also threaten Pakistan's efforts against extremism and terrorism. The common challenge imposes a joint responsibility on Pakistan, Afghanistan and the coalition forces. Problems along the bordering regions of Pakistan and Afghanistan are compounded by the continuing presence in Pakistan of over three million Afghan refugees, some of them sympathetic to the Taliban. The incentives offered to the refugees for their voluntary return by the international community are minimal. A serious international commitment is required to facilitate their repatriation back to their country.

Madam President,

The unfortunate history of our region has placed Pakistan in the frontline of the global campaign against terrorism. We cooperate daily with many countries including the United States and the United Kingdom. Our cooperation has pre-empted several terrorist plots, such as the one uncovered recently to blow up airliners flying from London. Over the past five years, Al-Qaeda has been significantly degraded as an organization in our region. While we confront terrorism, our strategy must seek to eliminate this phenomenon comprehensively. We cannot do so unless we understand and address the root causes of terrorism today. How are terrorists able to find willing recruits even among educated youth in advanced and democratic societies? The reasons are very clear. Across the Muslim world, old conflicts and new campaigns of military intervention have spawned a deep sense of desperation and injustice. Each new battleground involving an Islamic state has served as a new breeding ground for extremists and terrorists. Indiscriminate bombings, civilian casualties, torture, human rights abuses, racial slurs and discrimination only add to the challenge of defeating terrorism.

In my view a two pronged strategy, which I call 'Enlightened Moderation', is required to address the situation. This strategy envisages that, apart from combating terrorism frontally, the international community must undertake resolute efforts to resolve the conflicts afflicting the Islamic world. Unless we end foreign occupation and suppression of Muslim peoples, terrorism and extremism will continue to find recruits among alienated Muslims in various parts of the world. We also need to bridge, through dialogue and understanding, the growing divide between the Islamic and Western world. In particular, it is imperative to end racial and religious discrimination against Muslims and to prohibit the defamation of Islam. It is most disappointing to see personalities of high standing oblivious of Muslim sensitivities at these very critical moments.

Madam President,

The greatest challenge to global security; to the campaign against terrorism; to the promotion of harmony among civilization; to the very credibility of the United Nations, is the cauldron of conflict that is the Middle East exemplified by the latest Israeli aggression against Lebanon. We hope that the resolution painstakingly brokered in the Security Council will lead to rapid and complete Israeli withdrawal and restoration of Lebanon's sovereignty over its entire territory. The attack on Lebanon has far reaching implications for the Middle East. The ability and relevance of the moderate forces to bring about a just peace in the region has been put to a very severe test. The world must, however, still support them to address the festering problems of the region, comprehensively and fairly. It is time to end Israel's conflicts with all its neighbours. It is time, first and foremost, to end the tragedy of Palestine. There should be no doubt in anybody's mind that this is the core of the challenge, not only to tackle the Iraq and Afghanistan problems, but also to deal with the menace of terrorism and extremism at the root.

The confrontation over Iran's nuclear programme threatens further instability in this already inflamed region. We are encouraged by the Iran and 5+1 negotiations and believe that this issue can be resolved peacefully in a manner that accommodates the legitimate rights and interests of all the parties involved. Resort to coercion and, worse, the use of force, could lead to grave consequences in region and globally.

Madam President,

The dynamic economic performance of several developing countries, especially in Asia, has transformed the world's geo-economic map. Yet, most developing countries find that international trade and financial structures are weighted against them. With the Doha Round in the doldrums; new modalities must be found to utilize the full potential of trade and development. Similarly, the international financial system should ensure a more equitable share of international liquidity and investment for the developing countries.

Madam President,

Unless the activities of the United Nations accommodate the concerns and priorities of its general membership, this Organization risks losing its global moral authority. The General Assembly should reassert its Charter responsibilities, while the Security Council should be reformed to make the activities of the Council more democratic, transparent, inclusive and accountable to the general membership. The reform of the Security Council is of vital interest to every Member State and must therefore be adopted by consensus or the widest possible agreement.

This important session of the Assembly will elect the next Secretary General of the United Nations. Pakistan hopes that consensus will soon develop in the Security Council and this Assembly on a qualified candidate from Asia. Pakistan will extend its full support to the new Secretary-General, as we have to

done to Mr. Kofi Annan, to build a United Nations that can advance the world decisively towards the noble vision of preventing the scourge of war and promoting better standards of life for all peoples of world in freedom.

I thank you, Madam President.

Source: www.presidentofpakistan.gov.pk. 19 September 2006

E. PAKISTAN-INDIA RELATIONS

1. The text of the joint statement issued at the end of meeting between the President of Pakistan and Prime Minister of India

Joint Statement

President General Pervez Musharraf and Prime Minister Manmohan Singh had a cordial, frank and detailed exchange of views on all aspects of India-Pakistan relations. Desirous of carrying forward the dialogue process, the leaders reiterated their commitments and determination to implement the Joint Statements of January 6, 2004, September 24, 2004, April 18, 2005 and September 14, 2005.

2. The leaders agreed that the peace process must be maintained and its success was important for both countries and the future of the entire region. In this context, they directed their Foreign Secretaries to resume the composite dialogue at the earliest possible.

3. The two leaders met in the aftermath of the Mumbai blasts. They strongly condemned all acts of terrorism and agreed that terrorism is a scourge that needs to be effectively dealt with. They decided to put in place an India-Pakistan anti-terrorism institutional mechanism to identify and implement counter-terrorism initiatives and investigations.

4. The leaders decided to continue the joint search for mutually acceptable options for a peaceful negotiated settlement of all issues between India and Pakistan, including the issue of Jammu and Kashmir, in a sincere and purposeful manner. On the Jammu and Kashmir issue, there have been useful discussions. There is a need to build on convergences and narrow down divergences.

5. The two leaders also directed the Foreign Secretaries on the following:

- The Foreign Secretaries should meet shortly in New Delhi to continue the composite dialogue
- To arrange consultations for early solution of the Siachen issue
- Experts should meet immediately to agree on coordinates for joint survey of Sir Creek and adjoining area, without prejudice to each other's position on the issue. The Survey should commence in November 2006. The experts should start discussions on the maritime boundary.
- The two sides will facilitate implementation of agreements and understandings already reached on LOC-related CBMs, including bus services, crossing points and truck service.

6. The President of Pakistan renewed his invitation to the Prime Minister of India to visit Pakistan. Thanking the President, the Prime Minister

indicated that he looked forward to a purposeful visit at a time to be determined through diplomatic channels.

Source: Ministry of Foreign Affairs, Government of Pakistan, Islamabad. www.mofa.gov.pk, September 16, 2006.

2. Joint press statement issued at the conclusion of talks between the foreign secretaries of Pakistan and India

The Foreign Secretaries of India and Pakistan met in New Delhi on 14-15 November 2006. Shri Shivshankar Menon, Foreign Secretary of India led the Indian delegation while the Pakistan delegation was led by Foreign Secretary Mr. Riaz Mohammad Khan. They reviewed the progress in the third round of the Composite Dialogue encompassing talks on Peace and Security including CBMs; Jammu and Kashmir; Siachen; Wullar Barrage/Tulbal Navigation Project; Sir Creek; Terrorism and Drug Trafficking; Economic and Commercial Cooperation and Promotion of Friendly Exchanges in Various Fields. The talks were held in a friendly and positive atmosphere.

2. They exchanged views on the issue of Jammu and Kashmir in the spirit of the Havana Joint Press Statement to hold purposeful discussions and to build on convergences and narrow down divergences. They agreed to fully implement measures to enhance interaction and cooperation across the LoC including the early operationalisation of truck service for trade on agreed items.

3. In pursuance of the Havana Joint Press Statement, they discussed terrorism and the need to effectively deal with it. They agreed to set up a 3-member anti-terror mechanism to be headed by Additional Secretary (International Organizations) from the Ministry of External Affairs of India and the Additional Secretary (UN&EC) from Pakistan's Ministry of Foreign Affairs. Its mandate would be to consider counter terrorism measures, including through the regular and timely sharing of information.

4. The two Foreign Secretaries exchanged views on Siachen.

5. Both sides also agreed to hold a meeting of experts on 22-23 December 2006 to decide on the coordinates for joint survey of Sir Creek and adjoining areas, without prejudice to each other's position, as well as to simultaneously conduct discussions on the Maritime Boundary. The joint survey shall be completed by February 2007.

6. The agreement on 'Reducing the Risk from Accidents relating to Nuclear Weapons' was initialed by the two sides. They agreed on its early signing. They expressed satisfaction over the implementation of the 'Agreement on Pre-Notification of the Flight Testing of Ballistic Missiles'.

7. They welcomed the inauguration on November 14 of the hotline between the Pakistan Maritime Agency and the Indian Coast Guard.

8. On humanitarian grounds, all fishermen and prisoners of the other country, whose national status stands confirmed and who have completed their sentences, would be released by 25th December, 2006.

9. They reviewed the progress made towards the revision of the 1982 Protocol on Consular Access and expressed the hope that the Protocol will result in expeditious disposal of consular issues related to prisoners and fishermen of both sides. They also agreed to examine the release of prisoners of the other country who are detained on minor charges.

10. They also agreed to promote friendly exchanges between the two countries. They agreed on the need for an early finalization of an updated visa agreement between the two countries. In addition, it was agreed to expand the list of shrines under the 1974 Bilateral Protocol on Visits to Religious Shrines.

11. The Foreign Secretaries reiterated the importance of enhancing mutually beneficial economic cooperation.

12. Both sides reiterated their keenness to see their respective Consulates General in Mumbai and Karachi reopened quickly.

13. Both sides agreed on the early signing of the revised Protocol on Shipping Services.

14. The Foreign Secretaries agreed to meet in February 2007 in Islamabad to launch the next round of the Composite Dialogue.

15. The Foreign Secretary of Pakistan called on the External Affairs Minister, Shri Pranab Mukherjee during the course of his visit.

Source: Ministry of Foreign Affairs, Government of Pakistan, Islamabad. www.mofa.gov.pk. 15 November 2006

F. PAKISTAN-UK RELATIONS

1. Text of the joint statement issued at the conclusion of the second round of Pakistan-UK Strategic Dialogue

The second round of Pakistan-UK Strategic Dialogue was held in London on 31 October 2006. The two sides discussed a wide range of issues, including non-proliferation, combating terrorism, counter-narcotics, transnational organized crime, and cooperation in the peaceful uses of nuclear energy. Regional issues, including Afghanistan and South Asia were also covered.

Additional Secretary (UN and EC), Ministry of Foreign Affairs Tariq Osman Hyder, led an interdepartmental delegation from Pakistan to the talks, while the British side was headed by Director-General Defence and Intelligence, Foreign and Commonwealth Office David Richmond.

The first round of the Strategic Dialogue was held in October 2005 in Islamabad following the agreement reached between President Pervez Musharraf and Prime Ministry Tony Blair in 2004 to further deepen and broaden the bilateral relationship between the two countries.

Tariq Hyder also called on Permanent Undersecretary of the Foreign and Commonwealth Office Sir Peter Ricketts. Sir Ricketts stated that Pakistan was central to Britain's foreign policy and Britain attached great importance to building strong and forward-looking relations with Pakistan.

Source: Ministry of Foreign Affairs, Government of Pakistan, Islamabad. www.mofa.gov.pk. 31 October 2006

2. UK-Pakistan joint declaration

Prime Minister Tony Blair visited Pakistan on 18-19 November, 2006 for the third Pakistan-UK bilateral summit meeting in accordance with the UK-Pakistan Joint Statement of 6 December 2004 .

2. President Pervez Musharraf and Prime Minister Tony Blair held talks in Lahore on bilateral relations and international issues, ranging from the importance of further augmenting trade and education to the challenges of countering terrorism and extremism and addressing the underlying conditions conducive to the spread of terrorism. The President and Prime Minister agreed that on these and many other issues the two governments would need to work increasingly closely together for many years to come.

3. Pakistan and the UK have shared history and a common vision of partnership for global peace and prosperity in the 21st century. Their relationship is an enduring one based on mutual trust and respect and grounded in a strong and abiding partnership between the two peoples. The President and the Prime Minister underlined the deep ties between the two countries, strengthened by the approximately one million British citizens of Pakistani heritage in the UK .

4. The President and the Prime Minister re-stated their resolve to continue to work together to achieve the Millennium Development Goals. To this end, they welcomed the signing of a Development Partnership Arrangement, signifying a 10-year commitment by the UK Government to support the Government of Pakistan. The Prime Minister undertook to double the UK 's development assistance over the next 3 years from Pounds 236 million to pounds 480 million. The Prime Minister announced the immediate release of pounds 20 million to bolster the Government of Pakistan's central budget expenditures towards reducing poverty.

5. The two leaders welcomed the signing of a Cultural Memorandum of Understanding between the two countries, in November 2006, to build further on these ties.

6. The President and the Prime Minister agreed that a strong educational system is essential to enhance Pakistan 's human development, its economic growth, and the prosperity of all its people. This will promote the climate for enlightened moderation to which the President and the Prime Minister both aspire, not just in Pakistan , but also globally. The President and Prime Minister also welcomed an increase in the number of UK-Pakistan University Partnerships from 15 to 50, which will enhance mutual understanding. They agreed to hold a joint higher education forum in Pakistan in early 2007 to discuss the education reform agenda and further collaborative work, including faculty exchanges and fellowships.

7. President Musharraf and Prime Minister Blair agreed to strengthen the regular dialogue between the two governments through establishing a Joint Working Group between the Interior Ministry of Pakistan and the Home Office in the UK to strengthen cooperation on counter narcotics, counter terrorism,

illegal immigration and transnational organized crime. The first meeting of this Working Group will take place in Islamabad in January 2007.

8. The President and the Prime Minister reiterated their determination to counter terrorism and extremism in all its forms and manifestation. The Prime Minister warmly thanked the President for Pakistan 's important role in helping to foil the Heathrow bomb plot in August 2006. The Prime Minister expressed thanks for the increasingly close cooperation of the relevant Pakistan authorities with judicial cases in the UK . The Prime Minister offered President Musharraf the United Kingdom 's full support in countering terrorism, including the exchanges on forensic training, investigating the financing of terrorism, and the sharing of crisis management expertise.

9. The President and Prime Minister reiterated their determination to support forces emphasizing moderation, over confrontation and extremism. The two leaders agreed to support civil society and youth interaction between Pakistan and the UK to develop a unified response to this end.

10. The Prime Minister announced that the UK would deliver two MI 17 helicopters to Pakistan Anti Narcotics Forces in April 2007, for use in their anti-smuggling operations, particularly along the Pakistan-Afghanistan border. The President welcomed the cooperation between Pakistan and the UK on counter-narcotics, and expressed the hope that it would lead to more prosecutions of high value targets. The two leaders underlined the importance of regional cooperation in achieving lasting results.

11. Both leaders agreed to strengthen an already close and wide ranging defence relationship including through increased high level visits and exchanges to Pakistan and the UK . Both sides welcomed the annual meetings of the Defence Cooperation Forum and look forward to expanding its remit.

12. They welcomed the outcome of the Second Annual UK-Pakistan Strategic Dialogue on Security and Non-Proliferation issues held in London on 31 October 2006 .

13. The President and the Prime Minister expressed their determination to enhance further the trade ties between the two countries. Bilateral trade has increased by two-thirds in the last two years. The President and the Prime Minister praised the on-going work of the Pakistan-Britain Trade and Investment Forum and Pakistan-Business Advisory Group in promoting increasingly close trade ties. The Prime Minister welcomed the continued rapid growth of Pakistan 's economy, which remains of the fastest growing in the world.

14. Both leaders agreed on the need for a fair international trading regime, emphasizing early revival of the WTO Doha Development Agenda.

15. The two leaders reaffirmed the importance of bringing stability and economic progress to Afghanistan . They recognized that security is crucial to Afghanistan 's progress, and pledged to work together with Government of Afghanistan and other international partners, to curb the violence through effective action against the militants. The two Governments will contribute on a sustained basis to implementation of the Afghanistan Compact including on economic reconstruction and counter-narcotics.

16. The Prime Minister paid tribute to the statesmanship of President Musharraf and Prime Minister Manmohan Singh in seeking to resolve outstanding issues, including the Jammu and Kashmir dispute, between India and Pakistan . The Prime Minister noted the progress that had been made by both leaders since the establishment of the Composite Dialogue in January 2004 and welcomed the meeting of the two Foreign Secretaries as part of that process on November 14, 2006 . The Prime Minister expressed his hope that the Joint Mechanism established in Havana on 16 September would yield concrete results.

17. Both the leaders underlined the need for resuming the Middle East peace process at the earliest opportunity for a just and lasting settlement of the Palestine dispute.

18. The President and the Prime Minister agreed to hold the Fourth Pakistan-UK Summit Meeting in London in 2007 on a mutually convenient date. *Source:* Ministry of Foreign Affairs, Government of Pakistan, Islamabad. www.mofa.gov.pk. 19 November 2006.

G. PAKISTAN-CHINA RELATIONS

1. Address by H.E. Hu Jintao, President of the People's Republic of China at Islamabad Convention Center (Translation)

Distinguished,
Ladies and Gentlemen,
Dear Friends,

It gives me great pleasure to speak to you here at the Islamabad Convention Center. First of all, I would like to convey the cordial greetings and best wishes of the 1.3 billion Chinese people to you and, through you, to our Pakistani brothers and sisters.

This is my second visit to Pakistan. I first visited your beautiful country in 1984. In the 22 years since, the world has gone through tremendous changes, so have China and Pakistan. But the profound friendship between our peoples has remained unchanged. Since we arrived yesterday, my delegation and I have been accorded gracious hospitality by the government and people of Pakistan, and we are deeply touched by the outpouring of brotherly affection of the Pakistani people. In the words of one Pakistani friend, such friendship is 'higher than the Himalayas, deeper than the Indian Ocean and sweeter than honey'.

Pakistan has a long history. Here, the ancient Indus Valley civilization and Buddhism blossomed, and the Islamic civilization is thriving today, leaving rich cultural heritage. Pakistan is also a young country. Born after World War II, Pakistan, overcoming obstacles and difficulties on the road of advance, has made remarkable achievements in its 59 years of independence.

In the new century, under the leadership of President Pervez Musharraf, the people of Pakistan have faced up to many complex and difficult challenges, both internally and externally, and made continued progress in national development. Pakistan's economy has grown at an average rate of 7.5% in the past three years, ranking Pakistan as one of the countries with the fastest

economic growth in the world. After the massive earthquake last year, Pakistan has made good progress in rebuilding the homeland. Internationally, Pakistan is actively involved in regional and international affairs and is committed to upholding peace and stability in Asia. Its international standing is rising steadily, both in Asia and beyond.

We in China are heartened by the achievement made by the brotherly Pakistani people. We wish you even greater progress in the noble cause of national development and rejuvenation!

Ladies and Gentlemen,

Dear Friends,

The friendship and contacts between our peoples have a time-honoured history. In the old days, they were linked by the Silk Road. In China's Tang dynasty, Hsuan-tsang, an eminent Chinese monk, studied Buddhism in Taxila on his pilgrimage to the west. His sojourn in Pakistan, recounted in a book entitled *The Great Tang Dynasty Record of the Western Regions*, is a popular anecdote in the history of exchanges between the Chinese and Pakistani peoples.

Pakistan was one of the first countries to recognize New China. Ever since our diplomatic relations began in 1951, we have enjoyed mutual understanding, respect, trust and support, and our friendship and cooperation have flourished. We are truly good neighbors, close friends, trusted partners and dear brothers.

When China was in difficulty caused by Western blockade in the 1950s and 60s, it was Pakistan which opened an air corridor linking China to the outside world. In the early 1970s, it was Pakistan which served as a bridge for the normalization of China-US relations. On issues affecting China's core interests – Taiwan, Tibet, human rights, and the fight against 'East Turkestan' terrorist forces – it is Pakistan that has over the years extended valuable support to China. These are something we in China will never forget. On our part, the Chinese Government and people have always sided with Pakistan in its struggle to uphold sovereignty and independence and promote economic and social development.

History has witnessed the dynamic growth of China – Pakistan friendship. The Karakoram Highway, the Chashma Nuclear Power Plant and the Gwadar Port, jointly built by China and Pakistan, stand testimony to the great friendship our peoples have forged. We take great pride in the unshakable friendship between China and Pakistan.

Ladies and Gentlemen,

Dear Friends,

Working in partnership for a bright future: this is a mission entrusted upon us by history. It is the calling of the times. The Chinese Government and people treasure their relationship with Pakistan and are committed to promoting cooperation with Pakistan in various fields and strengthening China – Pakistan strategic partnership. To this end, I propose that we take the following steps:

First, deepen strategic cooperation and consolidate traditional friendship. China and Pakistan enjoy a time-tested all-weather friendship. This is our shared asset and it should be cherished and continuously enhanced. In 2003, we signed the Joint Declaration on Directions of Bilateral Cooperation, which was followed by the signing of the Treaty of Friendship, Cooperation and Good-neighborly Relations last year. This has brought our strategic partnership to a new stage. We should build on this momentum and enhance our cooperation in all areas to further strengthen our strategic partnership. China views its relations with Pakistan in strategic terms and from a long-term perspective. We will maintain close contacts between our leaders, expand exchanges and cooperation between the governments, legislatures, political parties and civic organizations of our countries, and maintain regular consultation and coordination on major issues of mutual concern through bilateral mechanisms in strategic, economic, technological, security and defense fields.

Second, expand win-win business ties. With a market of combined population of close to 1.5 billion and economic complementarity, China and Pakistan enjoy huge potential for cooperation. In recent years, China-Pakistan business ties have seen strong growth, becoming an important driving force of our relations. The Free Trade Agreement between the Government of the People's Republic of China and the Government of the Islamic Republic of Pakistan signed this morning marks the success in the negotiations on establishing a free trade area. It will go a long way in upgrading China-Pakistan business ties. The two countries also signed the Five Year Development Program on Trade and Economic Cooperation between the People's Republic of China and the Islamic Republic of Pakistan, a blueprint for accelerating their economic cooperation and trade in the future. The Chinese Government encourages leading Chinese companies to take Pakistan as a priority destination of investment and support them in undertaking construction projects, opening factories and conducting research and development in Pakistan. China will strengthen win-win cooperation with Pakistan in key areas such as energy and resources development, information technology, infrastructure and agriculture to give full play to our comparative strength.

Third, expand cultural and social exchanges and strengthen the basis of friendship. We are glad that the Confucius Institute has been set up in Pakistan and the two countries have officially exchanged notes on setting up China – Pakistan Friendship Center. We hope that these two projects will serve as a new platform for cultural exchanges between our countries. To ensure that our friendly relations will be carried on by the next generation, the Chinese Government invites 500 young people from Pakistan to visit China in the next five years and will provide more scholarships to Pakistani students. The Chinese Government supports increased exchanges and cooperation with Pakistan in the areas of culture, health, education, tourism, sports and press and between academic institutions. We also support expanding air and land links and enhancing sister-city ties to strengthen the popular basis of friendly relations and cooperation between the two countries.

Fourth, strengthen cooperation in international affairs and uphold common interest. Both being developing countries, China and Pakistan share extensive common interests in international and regional affairs and have a good tradition of cooperation. To China, Pakistan is an important partner of cooperation in the international arena. China will continue to work with Pakistan to uphold the purposes and principles of the UN Charter and the collective interests of the developing countries and promote democracy in international relations. As a true friend of Pakistan, China hopes that Pakistan will play a greater role in regional and international affairs and will strengthen coordination and cooperation with Pakistan in the ASEAN Regional Forum, Shanghai Cooperation Organization, South Asian Association for Regional Cooperation, Asia Cooperation Dialogue, Asia-Europe Meeting and other regional organizations.

Fifth, promote exchanges among civilizations to enhance world harmony. A harmonious world of enduring peace and common prosperity serves the interests of the world people. Different social systems and cultural background have never stood in the way of friendly relations between China and Pakistan. As a matter of fact, China-Pakistan relations have become an example of harmonious coexistence between countries of different civilizations. China highly appreciates the 'enlightened moderation' championed by President Musharraf, viewing it as an important proposition for promoting harmony among countries of different civilizations. In our view, the world is a colourful and diversified one. Differences in culture, tradition, social system, value and mode of development should be recognized. These differences reflect the vitality of the world and serve to promote its dynamic growth. One should not make irresponsible remarks about the internal affairs of other countries simply because of differences among countries. And it is equally wrong to blame a particular civilization, nation or religion for some problems and conflicts in the world. China will work with Pakistan to promote harmony and progress among civilizations and uphold diversity in the world and in development models in an unremitting effort to build a harmonious world of enduring peace and common prosperity.

Ladies and Gentlemen,
Dear Friends,

China has an ancient civilization of more than 5,000 years. In the long course of history, the Chinese people, who are hard-working, innovative and courageous, have advanced China's social development and progress and created the splendid Chinese culture. This is an important contribution to human civilization. Since the adoption of the policy of reform and opening up in 1978, the Chinese people, guided by the Deng Xiaoping Theory and the important thought of 'Three Represents', have succeeded in embarking upon a path of development suited to China's conditions. They have worked hard to build socialism with Chinese features and ushered in a new era of development for China. In the past 28 years, China has steadily increased productivity and national strength and improved people's life. From 1978 to 2005, China's GDP grew from US\$ 147.3

billion to US\$ 2.235 trillion, and its total volume of export and import grew from US\$ 20.6 billion to US\$ 1.4219 trillion. Its poor rural population dropped from 250 million to just over 23 million. The Chinese people have generally achieved moderate prosperity.

On the other hand, we are keenly aware that even with its remarkable achievements, China remains a country with a big population, weak economic foundation and uneven regional development. Its development is not yet cost-effective and its per capita GDP still ranks lower than 100 countries. China is still the largest developing country facing many acute problems and challenges in its development endeavor. We need to make protracted and strenuous efforts before we can reach the level of medium developed countries.

China has set for itself the goal of development for the first 20 years of this century, that is, to build in an all-round way a moderately prosperous society at a higher level to the benefit of its more than one billion population, to quadruple its 2000 GDP by 2020, bringing it to US\$ 4 trillion, or US\$3,000 in per capita terms, and to achieve greater progress in economic development, democracy, science and education, culture and social harmony and make life better for its people. We will, guided by the scientific outlook on development that is people-oriented and focuses on comprehensive, well-coordinated and sustainable development, work unswervingly to speed up economic development, deepen reform and open wider to the outside world. We will work with perseverance to increase China's overall national strength, raise people's living standard and improve social harmony to meet China's goal of development.

Ladies and Gentlemen,

Dear Friends,

'Loving people and treating neighbors kindly is critical to a country's survival.' This philosophical tenet is deep-rooted in the Chinese culture. Having suffered from foreign aggressions, internal turmoil and wars that ravaged China for a century in the modern history, the Chinese people love peace and cherish the value of peace. What they have gone through and the experience and lessons in development of other countries make them clearly aware of one thing: Every nation should realize its development goal through peaceful means. Only development thus achieved will sustain and promote the progress of both its own people and people of other countries. China will remain a champion of peace, development and cooperation and continue to pursue an independent foreign policy of peace. It is committed to peaceful development and an opening-up strategy for win-win progress. It endeavors to develop itself by carrying out wide-ranging and mutually beneficial cooperation with other countries and will contribute more to world peace and common development through its own development. China's development is peaceful, open and cooperative in nature. It will not pose threat to anyone. Quite on the contrary, China's development will create more opportunities for world development. China will always be a staunch force for enhancing world peace and common development and building a harmonious world.

Ladies and Gentlemen,

Dear Friends,

China and Pakistan are great nations and close neighbors bound together by common destiny and goals. In the new century, let us seize the opportunity, take up challenges and carry on traditional friendship and deepen all-round cooperation. Let us work unremittingly, to strengthen China-Pakistan strategic partnership and build a harmonious world of enduring peace and common prosperity.

May China and Pakistan enjoy eternal friendship!

Thank you all!

Source: Ministry of Foreign Affairs, Government of Pakistan, Islamabad. www.mofa.gov.pk. 24 November 2006.

2. Joint statement issued at the conclusion of Chinese President's visit to Pakistan

At the invitation of H.E. General Pervez Musharraf, President of the Islamic Republic of Pakistan, H.E. Hu Jintao, President of the People's Republic of China, paid a state visit to the Islamic Republic of Pakistan on 23-26 November 2006.

2. President Hu Jintao held formal talks with President Musharraf. He also met with Prime Minister Shaukat Aziz, Chairman of the Senate Mohammedmian Soomro and Speaker of the National Assembly Chaudhry Amir Hussain. Leaders of the two countries had an in-depth exchange of views on further strengthening strategic partnership between China and Pakistan. They also discussed international and regional issues of common interest and reached broad consensus.

3. During his visit, President Hu Jintao had extensive contact with representatives of the Pakistani side. President Hu delivered in Islamabad a speech entitled Carry on the Traditional Friendship and Deepen All-round Cooperation. President Hu also met with representatives of business communities and friendship organizations of Pakistan. President Hu and his delegation also visited Lahore, Punjab, where he attended the traditional civic reception.

4. Leaders of the two countries reviewed with satisfaction the growth of China-Pakistan relations in the past 55 years and agreed that the all-weather friendship and all-dimensional cooperation have become the defining features of China-Pakistan relations. China-Pakistan friendly relations and cooperation have become a fine example of friendly co-existence between developing countries and between neighbouring countries.

5. The two sides shared the view that major and profound changes continue to take place in the world and in different regions. To strengthen good-neighbourliness and friendship, conduct mutually-beneficial cooperation and enhance the strategic partnership between China and Pakistan is in the fundamental interests of the two peoples and conducive to regional peace and development.

6. The Chinese side stressed that Pakistan is an old and time-tested friend, good neighbour, good partner and good brother of China. To further strengthen relations with Pakistan is an important part of China's foreign policy of 'friendship and partnership with neighbouring countries'. China will continue to view its relations with Pakistan from a strategic and long-term perspective and work together with Pakistan to elevate the China-Pakistan strategic partnership to a new high. China thanked Pakistan for its valuable support on such issues as Taiwan, Tibet and human rights.

7. The Pakistani side stressed that its relations with China serve as the bedrock of its foreign policy and that pursuing friendship with China is the consensus of the Pakistani Government and people. Pakistan thanked the Chinese Government and people for their strong support and assistance for its economic development endeavours. Pakistan will continue to uphold the policy of friendship with China and expand and deepen mutually beneficial cooperation in all fields.

8. The Chinese side reaffirmed its respect for Pakistan's independence, sovereignty and territorial integrity and expressed appreciation and support for the efforts made by Pakistan at promoting peace and stability in South Asia and safeguarding its sovereignty and independence. The Pakistani side recognizes that the Government of the People's Republic of China is the sole legal government representing the whole of China and that Taiwan is an inalienable part of the Chinese territory. The Pakistani side reaffirmed its adherence to the one China policy and its full support for China's peaceful reunification.

9. The two sides reiterated that the Joint Declaration Between the People's Republic of China and the Islamic Republic of Pakistan on Directions of Bilateral Cooperation, signed by the Heads of State of the two countries in 2003, provides important guidance to the deepening of bilateral relations and expressed satisfaction on its smooth implementation. The two sides applauded the Treaty of Friendship, Cooperation and Good-neighbourly Relations Between the People's Republic of China and the Islamic Republic of Pakistan signed in April 2005, believing that the signing and entering into force of this Treaty has laid an important legal foundation for the strategic partnership between China and Pakistan. The two sides will strengthen cooperation, vigorously implement the provisions of the Treaty and develop their bilateral relations in a practical manner.

10. The two sides agreed that exchange of high-level visits and contacts between leaders of the two countries have significantly promoted the growth of bilateral relations. The two sides decided to increase exchanges between government departments, parliaments, political parties, intelligentsia, think tanks and armed forces and have more people to people contacts with a view to enhancing mutual understanding and promoting comprehensive cooperation. The two sides agreed to continue communication and coordination on major international and regional issues and jointly safeguard the fundamental interests of the two countries and other developing countries.

11. The two sides agreed to the need for regular consultations between National Development and Reform Commission of China and Planning

Commission of Pakistan.

12. The two sides believed that broad prospects have emerged in the bilateral economic and trade ties in recent years. The two sides expressed their deep satisfaction with the progress in various economic cooperation projects including Gwadar Port and decided to work actively to advance the agreed cooperation projects.

13. The two sides applauded the signing of Free Trade Agreement Between the Government of the People's Republic of China and the Government of the Islamic Republic of Pakistan which would serve as an engine for balanced growth of volume of trade between the two countries. Both sides decided to put trade in services on fast track to make FTA on goods and services more comprehensive. The two sides agreed to increase their bilateral trade to over US \$ 15 billion in the next five years.

14. The two sides also hailed the signing of Five-year (2007-2011) Plan for Trade and Economic Cooperation between the Islamic Republic of Pakistan and the People's Republic of China and held the view that it would play an important role in forging closer economic and trade ties between the two countries in the areas of Agriculture, Manufacturing, Infrastructure and Public Works, Mineral, Energy, Information and Communication Technology, Service and Education and Technical Cooperation.

15. The two sides decided to instruct their relevant departments to seriously implement the aforementioned agreements so as to ensure that China-Pakistan trade and economic ties will be elevated to a new high.

16. The two sides took note of the achievements of and potential for cooperation in the manufacturing sector and decided to strengthen cooperation in household appliances, automobile and textile industries. The two sides welcomed and supported the construction of 'Pakistan Haier - Ruba Economic Zone' in Pakistan jointly invested by Chinese and Pakistani enterprises. In this connection, the two sides expressed the willingness to further explore the feasibility of constructing other industrial and hi-tech parks on the basis of mutual benefit.

17. The two sides reviewed with satisfaction positive progress in energy cooperation since the signing of the Framework Agreement on Cooperation in the Field of Energy Between the National Development and Reforms Commission of the People's Republic of China and the Ministry of Petroleum and Natural Resources of the Government of the Islamic Republic of Pakistan in February 2006. The Chinese side encouraged competitive and reputable Chinese companies to conduct mutually beneficial cooperation with Pakistan in exploration and development of oil and gas resources and construction of oil refineries and oil and gas storage facilities. Chinese companies would be happy to participate in the development of the Gwadar Energy and Economic Zone on the basis of equality, mutual benefit and win-win cooperation. The two sides also agreed to strengthen cooperation in the energy sector, including fossil fuels, coal, hydro-power, nuclear power, renewable sources of energy as well as in the mining and resources sector in accordance with the above-mentioned framework agreement.

18. The two sides expressed their readiness to further enhance comprehensive cooperation in agriculture, share with each other successful experience in agricultural development, strengthen exchanges and cooperation on agricultural technologies especially agro-based industry, pesticides, drip irrigation and fisheries and encourage more Chinese companies involved with agricultural produce processing and agricultural science and technology to invest in Pakistan.

19. The two sides agreed to strengthen cooperation in information industry. China will share with Pakistan its successful experience in the development of information and communications industry and provide support to Pakistan in technology, equipment and services. The two sides decided to jointly establish a software industrial park in Pakistan and conduct a feasibility study on laying fiber optic cables between China and Pakistan.

20. The two sides agreed to strengthen cooperation in infrastructure development. China is ready to share with Pakistan its successful experience in this area and encourage Chinese enterprises to participate in infrastructure development in Pakistan.

21. Both sides attached great importance to broadening exchanges and cooperation in all fields of humanities including culture, human resources development, education and vocational training. In this context, they agreed to enhance cooperation in higher education. China will support the establishment of University of Science and Technology and a University of Media and Communications that the Pakistani side plans to build by providing instructors, administrative staff and through other measures agreed upon by both sides. China will gradually increase the number of students and visiting scholars in the exchange programmes. China decided to invite 500 young people from Pakistan to exchange programmes in China in the next five years.

22. The two sides recognized the importance of enhanced financial cooperation in promoting China and Pakistan cooperation in all fields and decided to adopt effective measures to advance financial cooperation in various forms. Pakistan side invited Chinese banks to establish operations in Pakistan. Both sides welcomed the establishment of a China-Pakistan Joint Investment Company between the financial institutions of the two countries.

23. The two sides noted that the tourism industry, as one of the rapidly growing major industries in both countries, promises great potential for cooperation and agreed to work more closely together to develop the tourism market.

24. To facilitate people-to-people exchanges and trade and economic cooperation between the western region of China and Pakistan, China agreed to the setting up of a Pakistan Consulate General in Chengdu.

25. Both sides expressed satisfaction on close cooperation between their defence ministries as well as the two militaries at various levels and in various fields in recent years. They applauded the Framework Agreement on Cooperation between the Defence Ministry of the People's Republic of China and the Defence Ministry of the Islamic Republic of Pakistan signed in February 2006 as an important step towards promoting cooperation between the two

militaries. The two sides decided to continue all-round cooperation including the exchanges of group visits, consultation on national defence and personnel training.

26. The two sides shared the view that terrorism, separatism and extremism pose great threats to regional peace, stability and security and reaffirmed their commitment to substantive cooperation under bilateral and multilateral frameworks to jointly combat the 'three forces' and maintain regional peace, stability and security.

27. The two sides held extensive discussions on international and regional developments and reached the conclusion that countries around the world should strictly comply with the purposes and principles of the UN Charter and the universally recognized norms of international relations including the Five Principles of Peaceful Co-existence; it is imperative to fully ensure the right of each country to choose a development path in light of its own national conditions, to participate in international affairs and to pursue development on an equal footing; disagreement and disputes should be resolved peacefully through dialogue and cooperation, rather than through the arbitrary use or threat of force; and the United Nations reform should aim at upholding its authority and unity and give top priority to development issues. The Security Council reform should take into full consideration interests of member states, and a formula acceptable to all should be sought through extensive and in-depth discussions.

28. The two sides pledged to continue their close communication, coordination and effective cooperation on regional and international issues in a joint effort to consolidate solidarity and cooperation among the developing countries, safeguard their legitimate rights and interests in the process of globalization and promote regional and global peace, security and prosperity.

29. The two sides strongly supported each other's participation in Asia's trans-regional, regional and sub-regional cooperation. China welcomed Pakistan's membership in ASEM and Pakistan welcomed China becoming an observer of SAARC. They expressed their readiness to expand mutually beneficial cooperation and take forward regional cooperation process on such platforms of regional and trans-regional organizations as SAARC, ACD, ARF, SCO and ASEM.

30. During the visit, the two sides signed:

- Exchange of Note Verbales Authorizing the Establishment of Consulate General of Pakistan in Chengdu Between the Government of the People's Republic of China and the Government of the Islamic Republic of Pakistan;
- Free Trade Agreement Between the Government of the People's Republic of China and the Government of the Islamic Republic of Pakistan;
- Five-Year Development Program on Trade and Economic Cooperation Between the People's Republic of China and the Islamic Republic of Pakistan;
- Agreement on Economic and Technical Cooperation Between the Government of the People's Republic of China and the Government of the Islamic Republic of Pakistan;

- Exchange of Letters Authorizing the Construction of Pakistan-China Friendship Center in Islamabad Between the People's Republic of China and the Islamic Republic of Pakistan;
- Exchange of Letters Authorizing Construction of Schools and Hospital in Earthquake-hit Areas in Pakistan Between the People's Republic of China and the Islamic Republic of Pakistan;
- Transfer of Completion Certification of Gwadar Port (Phase I) Between the People's Republic of China and the Islamic Republic of Pakistan;
- Executive Program of the Cultural Agreement Between the Government of the People's Republic of China and the Government of the Islamic Republic of Pakistan for the Year 2007-2009;
- Memorandum of Understanding Between China Development Bank and Ministry of Finance of Pakistan on the Establishment of China-Pakistan Joint Investment Company;
- Framework Agreement on Security of Financing for China-Pakistan Bilateral Cooperation Between China Export & Credit Insurance Corporation and the Ministry of Finance of the Islamic Republic of Pakistan;
- Memorandum of Understanding regarding Financial Support for Upgradation/Rehabilitation of Karakoram Highway;
- Contract Agreement on KKH Improvement Project (Raikot to Khunjrab);
- Framework Agreement between China North Industries Corporation and Heavy Industry Taxila, Pakistan;
- Memorandum of Understanding between China Zhenhua Oil Company Limited and Ministry of Petroleum and Natural Resources of the Islamic Republic of Pakistan;
- Huawei-PTML GSM Phase V Expansion Project Contract Agreement;
- Agreement on Exploration and Development of Saindak East Ore Body in Pakistan;
- Agreement between Qingqi Group and National Bank of Pakistan on Collaboration in President's Rozgar Scheme; and
- PVC Back Integrated Complex of ENGRO ASAHI Polymer and Chemical Limited, Pakistan.

31. The two sides hailed the fruitful outcome of President Hu Jintao's visit to Pakistan, believing that this visit is of landmark significance to consolidating the traditional friendship and deepening the all-round cooperation between China and Pakistan.

32. President Hu Jintao thanked the Government and people of Pakistan for their warm and gracious hospitality and invited President Musharraf to visit China again at a time of convenience. President Musharraf accepted the invitation with pleasure.

Source: Ministry of Foreign Affairs, Government of Pakistan, Islamabad. www.mofa.gov.pk. 26 November 2006.