

This E-Bulletin focuses on major developments in Pakistan on weekly basis and brings them to the notice of strategic analysts and policy makers in India.

## EDITORIAL

Prime Minister Nawaz Sharif's visit to Tajikistan to attend the CASA 1000 meeting was a major foreign policy development. Iran and Pakistan also signed a bilateral agreement to develop the energy sector with an expected investment of \$112.8 million. Internally, the debate in Pakistan revolved around the JIT and its political implications, as many columnists argued that the Prime Minister needs to resign as he has lost credibility to govern.

## COMMENTARY

### **Nawaz Sharif's Visit to Tajikistan: What it means for Pakistan's connectivity to Central Asia**

*Smruti S Pattanaik\**

On the first week of July, Prime Minister Nawaz Sharif visited Tajikistan for two days (5-6 July) to attend the meeting of CASA 1000 (on 6th July). On the first day of this visit the two countries discussed ways to strengthen bilateral relations and enhance energy and trade cooperation. Prime Minister Sharif also discussed the evolving regional situation with the Tajik President Emomali Rahmon. Tajikistan which established its Embassy in Islamabad in 2005 though it had a Consul office since 1997, is emerging as one of the important countries in the Central Asia region for Pakistan. Since the emergence of Central Asian Republic (CARs) as independent states, Pakistan's efforts have been to access the region - rich in hydrocarbon - and exploit its market for trade. Tajikistan is the third largest producer of hydro

carbon in the world. However, an unstable Afghanistan is the real barrier in Pakistan's effort to reach the CARs. This also explains Pakistan's role in fostering Taliban and the underlying reason why Pakistan continues to support Taliban and its cohorts.

In the current context, Tajikistan is significant for two important reasons. First, Pakistan's desire to project itself as the hub of connectivity for the CARs which would provide these landlocked countries an outlet to the sea through Chinese constructed port of Gwadar. The China Pakistan Economic Corridor (CPEC) which is part of the ambitious Belt and Road Initiative (BRI) is being projected as a great opportunity for the CARs to access other sea ports of Pakistan (mainly Karachi). Tajikistan has expressed its keenness to join the bilateral Afghanistan Pakistan Trade and Transit Agreement (APTITA) to enhance trade and access to sea. Since January 2015, Pakistan, Afghanistan and Tajikistan are negotiating a Trilateral Transit Trade Agreement (PATTTTA) or to expand the bilateral Agreement between Pakistan and Afghanistan to include Tajikistan. Sharif also participated in the Pakistan, Afghanistan and Tajikistan trilateral summit on the side lines of Quadrilateral summit. Joint Commission on Energy and Infrastructure established in June 2014 also met on the side lines of Prime Minister Sharif's visit. This was the second meeting of the Commission.

Second significance is Tajikistan's potential to meet the energy demand in Pakistan. Prime Minister Sharif participated in Quadrilateral Summit of CASA-1000 hosted in Dushanbe along with other member states Afghanistan, Kyrgyzstan, Pakistan and Tajikistan. CASA-1000 focuses on energy and road, rail and air connectivity between these states and eventually a

Central Asia -South Asia Regional Electricity Market (CASAREM). Tajikistan has agreed under the CASA 1000 project, to export 1000 MW hydel electricity to Pakistan by 2018 through a 750 Km long transmission line. Pakistan has been facing severe energy crisis. This year in May, the demand for power in Pakistan fluctuated between 5,000 and 7,000 megawatts resulting in nearly 10 hours of power cut. Tajikistan is also world's third largest producer of hydroelectricity and it is looking for market to sell the power.

Connectivity has been a key issue between Pakistan and CARs. This year Tajikistan has formally acceded to the Quadrilateral Traffic in Transit Agreement (QTTA) among China, Kazakhstan, Kyrgyzstan and Pakistan multimodal transport for traffic in transit. Significantly QTTA is also an effort to bypass Afghanistan which has set a precondition that it would approve connectivity between Pakistan and Tajikistan through Afghanistan only after Pakistan extends same facility to India to trade with Afghanistan through Wagah. Ghani in an interview to the Hindu said, "We will not provide equal transit access to Central Asia [for Pakistani trucks]." This demand of Afghanistan was outrightly rejected by Pakistan as this would break the monopoly that Pakistan enjoys on Afghanistan's trade. China is also developing road and rail network to connect Tajikistan with Pakistan. Pakistan, Afghanistan, and Tajikistan and China are part of an initiative known as Quadrilateral Cooperation and Coordination Mechanism in Counter Terrorism by Afghanistan-China-Pakistan-Tajikistan Armed Forces which met last year in August in Urumqi. Therefore, in the recent past Tajikistan has emerged as a major stepping stone for Pakistan's Central Asia policy.

Both the countries have established Joint Ministerial Commission to suggest ways to enhance bilateral cooperation. Among the road projects connecting Pakistan and Tajikistan are Gwadar-Peshawar-Kabul-Kunduz-Dushanbe route, Khunjerab-Kalasu-Murghab route and Chitral-Ishkashim-Dushanbe route that have already received green signal from both the countries.

Pakistan's relations with Tajikistan is part of its larger Central Asia strategy. However, a major hurdle in developing transport linkages that would facilitate trade between Pakistan and Tajikistan is stability in Afghanistan. Though both the countries are keen to increase their trade to \$500 million, Afghanistan holds the key to the connectivity projects that have the

potential to multiply trade. Alternative route to Dushanbe that passes through Pakistan Occupied Kashmir (PoK) and China's Xinjiang region would be circuitous and commercially unviable compared to the shortest route available through Afghanistan. Therefore, a lot would depend on Pakistan's relationship with Afghanistan and its willingness to desist from providing shelter to the terror network that operates in Afghanistan and especially the Haqqani network which is not only a major factor in the instability in Afghanistan but also one of the major causes of animosity between the two countries. Afghanistan would continue to hold the key to Pakistan's Central Asia strategy in general and its relations with Tajikistan in particular.

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## THE WEEK AT A GLANCE

### ECONOMY

#### **K-P to release 50% uplift funds at the start of the year**

The Khyber-Pakhtunkhwa government has issued its new release policy for the fiscal year 2017-18, setting up 50 per cent releases for the ongoing approved developmental schemes at the start of the year. In the previous year's policy, 25 per cent funds were to be released for the ongoing schemes at the start of the fiscal year and then 25 per cent more funds were to be released in the second quarter of the year.

<https://tribune.com.pk/story/1448768/k-p-release-50-uplift-funds-start-year/>

#### **Iranian firm gets go ahead for 50mw wind project in Sindh**

Since the US eased 37-year old economic sanctions on Iran, Pakistan has been looking to normalise trade ties with its neighbour. Pakistan has been importing power from Iran for a long time, and in the latest move an Iranian company has been granted a power generation licence for its 10-year old proposed 49.5-megawatt wind power project in Sindh. The power regulator, National Electric Power Regulatory Authority (Nepra), announced on Monday that it has granted a power

generation licence to Iran-Pak Wind Power (Pvt) Limited (IPWPPL) for a 20-year period from the day it starts commercial operations.

<https://tribune.com.pk/story/1449649/iranian-firm-gets-go-ahead-50mw-wind-project-sindh/>

### **China advised to expand investment in power sector**

Prime Minister Nawaz Sharif on Tuesday said China's National Energy Administration (NEA) could expand and diversify its investment in the power sector of Pakistan by joining the process of setting up transmission lines and coal-fired power projects. In a meeting with NEA Chairman Nur Bekri, Premier Nawaz said both the countries were working for the prosperity of the people of the region through joint economic and development efforts. Acknowledging the support of NEA, the prime minister said that completion of energy projects on fast track basis would help Pakistan in overcoming energy crisis.

<https://tribune.com.pk/story/1450398/cementing-bilateral-ties-china-advised-expand-investment-power-sector/>

### **ADB agrees to increase annual lending to Pakistan to \$2bn**

The Asian Development Bank (ADB) has agreed to enhance its annual lending to Pakistan to about \$2 billion over the next three years, from presently less than \$1.5 billion, subject to speedy readiness of project designs and procurement. Speaking to journalists after his meetings with the Finance Minister Ishaq Dar and the chief minister of Punjab, the Bank's Vice President Wencai Zhang said Pakistan had requested an increase in its financing flows to more than \$2.5bn.

<https://www.dawn.com/news/1343664/adb-agrees-to-increase-annual-lending-to-2bn>

## **POLITICS**

### **PM's package for revival of film industry rejected**

Taking notice of stepmotherly attitude of the federal government towards Pashto film industry, senior Pashto film director/producer Arshad Khan on Sunday rejected

a special package announced by Prime Minister Nawaz Sharif for revival of film industry. He said that Pak Pashto Films Association (PPFA) had not been taken into confidence during consultations held in Karachi in May on the revival of film industry. Talking to this correspondent at his office here, he said that he was chief of PPFA founded many years ago. He was flanked by script writer Darwaish Khan and film director Saeed Takalai.

<https://www.dawn.com/news/1342901>

### **Canvassing: Bilawal calls Nawaz, Imran establishment's creation**

Pakistan Peoples Party (PPP) Chairperson Bilawal Bhutto-Zardari has said that Imran Khan and Nawaz Sharif are two sides of same coin and both are the creation of the establishment. "Khan and Sharif are hungry for power ... just to loot and plunder the public wealth. Both have personal agendas instead of ensuring national progress," said Bilwal on Friday while addressing a rally in Karachi's PS-114 Mehmoodabad constituency where a by-election to Sindh provincial assembly would be held on July 9.

<https://tribune.com.pk/story/1452745/nawaz-imran-two-sides-coin-bilawal/>

### **ECP and PTI fight it out in top court**

The cold war between the Election Commission of Pakistan (ECP) and the Pakistan Tehreek-e-Insaf (PTI) has intensified, with the opposition party questioning the electoral panel's neutrality before the Supreme Court on Saturday. Showing complete mistrust in the ECP probe over the allegations of foreign funding, the PTI also complained to the top court that the ECP was specifically targeting the party with 'mala fide intention'. Through its counsel Anwar Mansoor Khan, the PTI filed a concise statement in the Supreme Court over the ECP's reply in the case filed by Hanif Abbasi of the ruling Pakistan Muslim League-Nawaz (PML-N).

<https://www.dawn.com/news/1342901>

## SECURITY

### Drone kills four IS men before US senators visit South Waziristan

Hours before a bipartisan US Senate delegation visited South Waziristan Agency on Monday, a CIA-operated drone carried out a missile attack in a village of the tribal region, killing a suspected militant leader. The delegation led by Senator John McCain, chairman of the Senate Armed Services Committee, while meeting Prime Minister Nawaz Sharif in Islamabad and visiting South Waziristan underscored the importance of continued cooperation between the US and Pakistan for regional peace.

<https://www.dawn.com/news/1343100>

### KP governor calls for unity to defeat terrorism

Khyber Pakhtunkhwa Governor Iqbal Zafar Jhagra has said “we can get rid of the curse of terrorism by maintaining complete unity in our ranks”. He was addressing tribal people at a ceremony held in Parachinar, the headquarters of Kurram Agency, for distribution of compensation cheques to heirs of victims of twin blasts that occurred in Parachinar just ahead of Eidul Fitr. The state, the governor said, was responsible for protecting the lives and properties of people and the present government was very much fulfilling its responsibilities in this respect. “The elements involved in acts of terrorism will be brought to justice,” he said.

<https://www.dawn.com/news/1343344>

### Pakistan gets JuA listed by UN as a terrorist group

In a major diplomatic success, Pakistan on Thursday got Jamaat-ul-Ahrar (JuA) listed as a terrorist group by a United Nations committee. Lalpura, an area in the Afghan province of Nangarhar, has been mentioned in the terrorist designation notification as one of the group’s headquarters. The Pakistani move was co-sponsored by the US, France, the United Kingdom and China and supported by Russia, which was an extraordinary line-up. Entities and individuals sanctioned by the UN Security Council’s 1267 ISIL (Da’esh) and Al Qaeda Sanctions Committee are subject to assets freeze, travel ban and arms embargo.

<https://www.dawn.com/news/1343874> ■

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