

PROCEEDINGS INTERNATIONAL CONFERENCE



# BELT AND ROAD INITIATIVE (BRI), CHINA PAKISTAN ECONOMIC CORRIDOR (CPEC) AND TRANS-REGIONAL INTEGRATION

11th & 12th September, 2019





Area Study Centre (Russia, China & Central Asia) University of Peshawar, Peshawar, Pakistan

## PROCEEDINGS

# International Conference

# BELT AND ROAD INITIATIVE (BRI), CHINA PAKISTAN ECONOMIC CORRIDOR (CPEC) AND TRANS-REGIONAL INTEGRATION

11<sup>th</sup> and 12<sup>th</sup> September, 2019



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## CONTENTS

Inaugural Session (Day One)			
1.	Welcome and Keynote Address Prof. Dr. Shabir Ahmad	1-3	
	Khan, Director, Area Study Centre (Russia, China & Central		
	Asia), University of Peshawar, Pakistan		
2.	Address by H. E. Mr. Yao Jing, Ambassador of People's	5-6	
	Republic of China to Pakistan, Islamabad, Pakistan		
3.	Address by Major General Syed Khalid Amir Jaffery HI(M),	7-11	
	(Retd), President Centre for Global and Strategic Studies		
	(CGSS), Islamabad, Pakistan		
4.	Address by Dr. Liaqat Ali Shah, Executive Director, Centre	13-14	
	of Excellence CPEC, Islamabad, Pakistan		
5.	Address by Mr. Muhammad Mudassir Tipu, DG-China,	15-16	
	Ministry of Foreign Affairs, Government of Pakistan,		
	Islamabad		
6.	Address by Prof. Dr. Muhammad Asif Khan, Vice	17-18	
	Chancellor, University of Peshawar, Peshawar, Pakistan		
7.	Presentation by Mr. Hassan Daud, Chief Executive Officer	19-29	
	Kyber Pakhtunkhwa Board of Investment & Trade		
8.	Memorandum of Understanding Signing Ceremony	31-33	
9.	Photo Session	35	
	Session 1 (Envoy Session) (Day One)		
	(Chair: H.E. Mr. Muhammad Mudassir Tipu, DG-China,		
	Ministry of Foreign Affairs, Islamabad, Pakistan)		

- 10. Address by Excellency Mr. Erik Beishembiev, Ambassador 39-41 of the Republic of Kyrgyzstan to Pakistan
- 11. Address by Excellency Mr. Furqat A. Sidikov, Ambassador 43-45 of the Republic of Uzbekistan to Pakistan

- 12. Address by Excellency Mr. Ismatullah Nasreddin, 47-48 Ambassador of the Republic of Tajikistan to Pakistan
- Address by Excellency Mr. Akan Rakhmetullin, Ambassador 49-50 of the Republic of Kazakhstan to Pakistan
- Address by Excellency Mr. Muhammad Baqir Baigi, 51-52
   Counselor General of the Islamic Republic of Iran to Pakistan
- 15. Address by Excellency Mr. Ivan Filatov, Second Secretary, 53-54 Embassy of Russian Federation, Islamabad, Pakistan

### Session 2 (Day One)

(Chair: H.E. Prof. Dr. Azmat Hayat Khan, Former Director /Former V.C. University of Peshawar)

- Presentation by Mr. Sadullo Rasulov Shurboevich, Director, 57-62
   Institute of Strategic and Regional Studies under the President of the Republic of Uzbekistan
- 16. Presentation by Prof. Kaana Aidarkul, The Kyrgyz State 63-65 University named after Larabaev Kyrgyz Republic
- Presentation by Dr. Parisa Shahmohammadi, Research 67-72
   Fellow, Institute for Political and International Studies (IPIS), Tehran, Iran

### Session 3 (Day Two)

(Chair: Dr. Muhammad Mohsin Khan, Director, IM Sciences, Peshawar)

- Presentation by Mr. Leonid Savin Research Scholar from the 75-89 Russian Federation, Editor of the Journal Geo-Politica
- 19. Presentation by Dr. Abdul Baqi Amin, Research Scholar 91-94 form Afghanistan
- 20. Presentation by Mr. Shakil Durrani, Executive Director, 95-97 Society for the Promotion of Engineering Sciences and

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#### Technology, Pakistan

- Presentation by Brigadier Akhtar Nawaz Janjua (Retd), 99-103
   Member, Board of Experts, Centre for Global and Strategic Studies, Islamabad
- 22. Presentation by Mr. Sulaiman Yousaf, Ph.D. Research 105-117 Scholar, National Defense University, Islamabad

### Session 4 (Day Two)

(Chair: Prof. Dr. Muhammad Khan, International Islamic University, Islamabad)

- 23. Presentation by Mr. Kholikov Bakhtiyor, Head of 121-124 Department of Analysis, and Forecasting of Foreign Policy, Center for Strategic Researches under the President of the Republic of Tajikistan
- 24. Presentation by Mr. Idinov Kubanychbek, Professor, Kyrgyz 125-127 National University, Kyrgyzstan
- Presentation by Dr. Seyit Ali Avcu, Gumilov Eurasian 129-138
   National University, Nursultan, Astana, Kazakhstan /
   Ankara Yildirim Beyazit University, Turkey

### Session 5 (Day Two)

Concluding Discussion/ Conference Outcomes / Vote of 139-140 thanks moderated by Director Area Study Centre (Russia, China and Central Asia), University of Peshawar



## WELCOME AND KEYNOTE ADDRESS BY PROF. DR. SHABIR AHMAD KHAN<sup>\*</sup>

Excellency Yao Jing, Ambassador of People's Republic of China to Pakistan Excellency Major General Khalid Jaffery, President CGSS, Islamabad Excellency Mr. Mudassir Tipu, DG China, Ministry of Foreign Affairs, Islamabad

Excellency Mr. Liqat Shah, Executive Director, CPEC Centre, Islamabad Excellency Prof. Mohammad Asif, VC, University of Peshawar

Ambassadors, Diplomats, Consul General, honourable and distinguished guests/scholars from China, Russia, Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan, Afghanistan and Iran

Ladies and gentlemen,

I welcome you all to Peshawar for this two day International Conference on BRI, CPEC and Trans-Regional Integration

It's indeed an honour to have you all here at the Area Study Centre University of Peshawar

Nations prosper through openness, exchanges and mutual learnings. Trans-Regional integration refers to harmonization and coordination of economic

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and political policies inter and intra regionally to leverage comparative strengths.

However the development of cross border connectivity infrastructure, soft and hard, makes core of the process. Regional Integration Arrangements can only be sorted out once the physical connectivity infrastructure across borders is developed. It is here that the roles of BRI and CPEC come into play in developing cross-border connectivity infrastructure and materialising trans-regional integration.

Under-development of regional states is mainly due to the lack of regional integration and regional cooperation. According to Professor Bjorn Hettne of Sweden "the regions of Central Asia, South Asia and Middle East need to be regionalised to overcome economic stagnancy, war proneness and turbulence". When I talk of regionalism I mean open regionalism which in contrast to close regionalism imposes no restrictions or protectionist measures on a non-member or non-regional state to join a particular regional integration arrangement. This kind of regional integration is 'outward oriented' which means a coordinated integration of regional states into global system.

This model of integration is state's led, policy-driven, gradual process addressing diversity in geographical, political, linguistic and economic sense.

Regional integration is both economic and political issue/question. Sometimes economic questions precede and pave way for regional political integration as well while some times political considerations lead towards regional economic integration.

Regional integration based on open regionalism is sector or project specific arrangements and any country can join a bilateral, trilateral or multi-lateral trade, energy or infrastructure sector or project. Even under the BRI, states have to enter bilateral, trilateral or multilateral sectoral or project specific agreements. This region has already framed bilateral, trilateral, and quadrilateral integration arrangements like CPEC, APTTA, TAPI, CASA, IPI or IPC pipelines and Quadrilateral Transit Trade agreement etc. Any country can join these kinds of Regional Integration Arrangements and a single country can join many projects/arrangements simultaneously. This kind of regionalism based on sectoral approach to regional integration requires different kind of multi-country cooperation for different types of projects or sectors. In addition, academic, research and cultural engagements across the regions are essential parts of BRI and CPEC complimenting the inclusive inter and intra-regional integration.

Ladies and gentlemen

Regional integration develops stakes for regional countries in each other's stability and thus contributes to peace and security. It was only after the World War II when Europe developed integration and created stakes in each

other's stability, it became one of the most stable and prosperous region in the world.

Each region's growth path is a function of many factors unique to it and resource endowment stands unique in this case. This region does not need any Marshall plan as it possesses huge hydrocarbon resources, other minerals and metals, human capital and produces most wanted agrarian products like cotton and grain. Transforming these diverse and multiple advantages into inclusive regional development needs integration of markets through coordinated efforts. The inclusive development of the entire region needs integration of the isolated and fragmented supply and demand markets across the vast and importantly contiguous landmass from Russia, China, Central Asia, Afghanistan, Pakistan, up to Iran. This vast contiguous landmass constitute ideal case for Trans-regional integration due to the resource endowment. The multi-modal physical connectivity initiatives of ECO, CAREC, CPEC and Trans-Caspian Corridor need to be linked with each other as well as with the Eurasian Northern and Central Corridors under the BRI. Importantly the two integration plans for the region that is Russia's Eurasian Union and China's BRI are complementary. In the post Crimea period Russia is also looking towards Asia for economic and strategic partners.

Afghanistan has also a critical role in regional integration due to its centrality. Greater responsibility rests with the regional states to work for sustainable peace in Afghanistan as the real stakeholders in peace of Afghanistan.

Organized and coordinated regional cooperation, expedites the economic rise of a region while its absence postpones the process. Asia has largely been devoid of regional integration arrangements due to cross border connectivity infrastructure gapes. It has been said that Japan lost the status of world second largest economy due to the lack of quest for regional integration. So regional integration is the only way to arrest the process of marginalization and to materialize the concept of Asian Century otherwise this notion of Asian Century may remain a dream. Let us converge our efforts for the masses of Asia as they also have the right to enjoy developed world status and higher living standards.

I believe this two day event will have beneficial deliberations on finding and promoting ways and means for inter and intra-regional integration.

I hope and pray for a fruitful and beneficial event.

Thank you all for your patience and attention



## ADDRESS BY HIS EXELLENCY MR. YAO JING\*

I am glad to be present at occasion. Three points

- (i) BRI and CPEC are regional platforms, focused on providing technology and cross border infrastructure development. Peshawar-Karachi Motorway up gradation is included in next phase of CPEC and we are also working on providing connectivity from Peshawar to Jalalabad and Kabul. All this will generate opportunities for regional integration and regional cooperation. This region on the West of China is focused upon under BRI and CPEC which has to play important role in transregional integration.
- (ii) As the director mentioned that there are other integration arrangements in place like IP, TAPI, CASA, China supports all these regional integration arrangements and ready to facilitate. Peace in Afghanistan is critical and trilateral mechanism of Pakistan-China-Afghanistan is in place to facilitate peace process in Afghanistan.
- (iii) Khyber Pakhtunkhwa is geographically significant for regional connectivity. Khyber Pakhtunkhwa is the traditional link for trade and cultural exchanges. Pakistan provides shortest outlet

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to Central Asian Republics and CPEC is vital in this regard. Kabul to Peshawar highway is important to promote this kind of connectivity. China benefited historically from the old Silk Route and is committed to share benefits of revived Silk Road integration processes with regional states in future. All the countries need to enhance regional cooperation for shared growth and prosperity.

Special Economic Zones in this process are important for China and we are helping to develop three zones in the next phase of CPEC. Transportation infrastructure will enhance people to people contact also and will have impact on enhanced cultural relations. Karakorum Highway can be utilized for trade with Central Asian Republics under CPEC. China wants to deepen this kind of cooperation and regional integration.

We have SCO for the purpose of development and security. Sub-regional cooperation arrangements are framed which offer a lot of opportunities. China will always support regional integration. Torkham border has been opened and China is ready to provide assistance for facilitation of Pak-Afghan trade.

BRI and CPEC will further enhance regional integration and connectivity while Khyber Pakhtunkhwa and Peshawar will play important roles in regional connectivity and integration.

Thank you.



## ADDRESS BY MAJOR GENERAL SYED KHALID AMIR JAFFERY HI(M), (RETD)\*

# Pakistan's Role as the Key Strategic Player in the Trans-Regional Integration

#### Assalamualaikum, Ladies, and Gentlemen.

I would like to welcome you all to this distinguished event. A conference of such magnitude has been organized in Peshawar after 2 long decades and I believe that this is an achievement on part of the organizers and the participants. The teams of Center for Global and strategic studies and Area Study Center (Russia, China, Central Asia) the University of Peshawar, University of Peshawar, the Chinese Embassy, Institute of Management Sciences, Hayatabad Peshawar and the Center of Excellence CPEC Islamabad, have worked hard and made this possible. I would especially like to thank and congratulate Professor Shabbir, Director Area Study Center, for taking this initiative and providing us with an opportunity to host such eminent foreign dignitaries from various member states of the Belt and Road Initiative. The University of Peshawar has always played its role in producing scholars for Pakistan. Graduates from this university are working on prominent positions and they have contributed to research and study on multiple topics. This conference will present a chance of learning for all the

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participants. Moreover, it is an occasion for us all to enjoy the hospitality of the beautiful city of Peshawar and its humble and peace-loving people.

During this two day conference, we'll analyze various aspects of the Belt and Road Initiative. How it is going to change the lives of people of the participant states and what impacts it will have on the overall development and progress of the regions involved. To make this project a success it is important to understand the connection member states have with one and another.

#### Historical Background (Pakistan's Link with Central Asian Region):

Ever since the disintegration of the USSR, the newly formed, energy-rich and landlocked states of central Asian region have assumed a special place in the foreign policy of Pakistan. Pakistan's geographical proximity with the Central Asian region, the geopolitical and geo-economic significance of the CARs and the desire to become the gateway to Central Asia have stimulated Islamabad's interest in building closer political and economic ties with the region.

Historically, the areas that makeup Pakistan have had close cultural and economic relations with the region. Central Asia has been closely tied to its nomadic people and the Silk Route, which has acted as a crossroads for the movement of people, goods, and ideas between Europe and Asia for centuries. People from this region have been travelling to Central Asia for centuries. Their ties date back to the times when there was no concept of the modern states. An example of this is the Multani caravanserai in Baku. It is located in the old part of town – Icherisheher. This caravanserai was built in the 15th century for Indian merchants, fire worshipers, who came from the city of Multan in India (present-day territory of Pakistan). The British occupation of India and Russia's control over Central Asia had disrupted these ties in the late 19th century. Soon after gaining independence from Britain in 1947, Pakistan joined the anti-communist bloc, which prevented Islamabad from developing close relations with the Central Asia region.

But there was a shift in policy regarding the central Asian states at the start of the 21st century. We are now looking for connectivity with this region. Options of trade and prosperity for us and the Central Asian states. There are many things in common between the central Asian states and Pakistan. We need to work on building our ties along with these commonalities. As the western world did after WW2, they came together and build their relations on the common principles and cultural aspects of their societies.

Interconnectivity with respect to Afghanistan:

In the context of Pakistan's relation with the Central Asian Region, the security situation in Afghanistan has always been an important factor. This is because Afghanistan offers the most direct access for the Central Asian region to ports and markets in South Asia and the Persian Gulf. Afghanistan has been called the crossroad to Central Asia. It can also be used as a route for the transfer of gas and other natural resources from the central Asian

region to South Asia. But all this is subjected to the security scenario in Afghanistan. In recent years there have been some positive developments regarding the security situation which has opened the doors of possibility for the development of not only Afghanistan but CAR-Pakistan relations as well.

Having peace and stability in Afghanistan is imperative for regional development and connectivity. For projects such as belt and road initiative to progress up to its full potential, it is important to involve Afghanistan. Afghanistan completes the road of interconnectivity between the two regions. This project can be a ray of hope for the war-ridden society of Afghanistan. It can bring progress and development in Afghan society which the people are craving for decades. Having the option to trade with the Central Asian state and even Russia in the future can present Afghanistan with the opportunity to finally establish a progressing society.

Another positive aspect of this project for Afghanistan can be that all the states involved in Belt and Road initiative can work together to bring an end to the suffering and hardships of Afghani people. Present them with an opportunity to change their lives.

Benefit for the Region:

The initiative seeks to develop a wide network of connectivity and cooperation spanning the entire Eurasian landmass and parts of Africa, including Central Asia, Southeast Asia, South Asia, the Middle East, Europe, and North and East Africa. The magnitude of investments anticipated under the BRI is massive. The BRI focuses on the following key areas: (1) trade, finance and investment; (2) productive capacity (mostly agriculture and manufacturing); (3) connectivity of infrastructure and facilities; (4) ecological and environmental protection; and (5) tourism, cultural, social and educational exchanges.

Belt and Road initiative is a project which will benefit all the participants. But especially the developing economies like Pakistan and Central Asian states. BRI will bring large scale investments in the region and also develop the infrastructure. This is what these states profoundly need at this hour.

It is important to understand that for this region infrastructure projects are not merely grand investments, but also tickets to join a global trade and geographic reorientation toward market economies in Western Europe, South and East Asia, and beyond. Hopefully, Chinese aid will unite the region economically and open doors to larger projects with greater global attention. This will be a two-way road for this region. We will be able to utilize the markets of the western world and the rest of the world will also have an opportunity to explore the markets of Central Asia and South Asia.

#### **Benefits of CPEC:**

Envisaged in mid-2013 and launched in April 2015, the China-Pakistan Economic Corridor (CPEC), is a flagship project of the Chinese leadership's overarching initiative of the Belt and Road Initiative. It envisions connecting

Kashgar City with Gwadar Deep Sea Port through highways, railways, and pipelines. What makes this corridor unique is the fact that it affords the vital link between Eurasian land routes and maritime silk routes envisaged under BRI. Therefore, Pakistan serves as an International Interchange enabling us a great strategic advantage to be the hub for international trade and integration of economies of Asia, Africa, and Europe. This geostrategic advantage needs to be harnessed on the basis of mutuality of interests to translate into geo-economics gains.

The work on CPEC has already started. CPEC could help revive Pakistan's economy and marks a new era of economic ties in a bilateral relationship. Various projects have been completed as well. This project in building infrastructures in even the remotest parts of Pakistan. Roads and railway structures are being built as a part of CPEC. It is creating economic opportunities for the people of these backward areas. It will bring prosperity to these areas and overall to Pakistan as well.

#### **Extend this Project till Africa:**

BRI is a huge project which encompasses 65 countries. It is a highly ambitious project which aims to connect China to the rest of the world, and also to connect the African continent with Asia and Europe. The African continent is also in need of such an initiative for its progress and development. With BRI huge amounts of investments will come to this continent as well.

With the help of BRI, Africa now can build modern infrastructure especially transportation and ports. Such infrastructures will spur other local developments and provide new jobs. Also, attract foreign investments to this area.

As new jobs will be created, there would be less urgency for low skilled Africans to migrate to surrounding countries in search of work. For semi and high skilled Africans, the BRI creates new business opportunities linked to trade, supply chain and tourism services. In addition to Chinese companies, MNCs from other nations may also be attracted to set up subsidiaries to tap into new growth opportunities.

The local construction industry will also be galvanized to build office blocks, retail space, amenities and residential properties around the BRI hubs and suburbs. As new businesses are attracted to the hubs, employees will move to live closer to their workplaces. Thus, in turn, drives a network of roads and support infrastructures. New towns and suburbs may very well be developed.

#### **Role of CGSS in Enhancing Connectivity:**

The Center for Global and Strategic Studies (CGSS) has worked tirelessly in enhancing the connectivity among the Central Asian region and Pakistan. It has organized various conferences, seminars, and meetings on this agenda. CGSS has also worked on enhancing bilateral relations between Pakistan and with Central Asian state over the course of the last 3 years. Combined conferences of the central Asian states plus separate events with all the CAR states have been conducted by CGSS. Other than working on state to state level relations CGSS has also worked on promoting the Belt and Road Initiative on all national levels.

CGSS team members have recently participated in different events related to BRI in china. In April 2019, a delegation of CGSS attended the First Council Meeting of Belt and Road News Network (BRNN) and a Book Launch Ceremony of The Belt and Road Initiative in Beijing, China. Executive Director CGSS visit to the Chinese Academy of Social Sciences (CASS), Beijing, China on 24 July 2019. CGSS invited 4 member delegation from each Central Asian State to Pakistan from 19th – 24th March 2018. During their stay in Pakistan, their visits/meetings were arranged at various government/private organizations. During this visit, an International Conference titled, "Pakistan: A Land of Opportunities for Central Asian Republics" was also organized on 21 March 2018.

CGSS has also worked on bringing different governmental departments and think tanks together at one platform to work for further improving Pakistan's relations with this region. There has been a distance between these two regions due to the political scenarios in the past. But now there is much more interaction between Pakistan and other participants of the Belt and Road Initiative on diplomatic levels. We need to take this relationship to the next step where we provide opportunities to our people to interact with one another. To understand each other's culture and lifestyle. This is imperative because as the project will move towards its completion the people of these states are bound to interact with one another. So it important to prepare our people for adopting all these different cultures.

I am hopeful that if we all keep on working together and prepare ourselves for the coming time, the future will be bright and progressive for all of us. Thank You.



## ADDRESS BY DR. LIAQAT ALI SHAH\*

# Pakistan's Role as the Key Strategic Player in the Trans-Regional Integration

His Excellency already highlighted the importance of BRI in trans-regional integration.

To benefit and capitalized the the regional integration, Pakistan started CPEC. Some people talking of postponing CPEC projects, let we assure that government is very committed to complete CPEC projects. Gwadar port master plan is being developed on the pattern of Shenzen. Master plan will be implemented in next 30 years. By 2050 Gwadar, on pattern of Shenzen and Dubai will be a developed economic zone. The model will be replicated for other parts like Karachi. Other projects are also in planning, execution and completion stage. Desalination and Coal Power Plant Issues have been resolved and developmental work is in progress. We have focused on 3 Special Economic Zones. Currently, agreement has already been singed with Chinese Reconstruction and Bridges Corporation for the development of Rashakai economic zone. Government of Pakistan will allocate funds under PSDP. We have sufficient generation capacity however problems are there in the transmission lines and we are working on that. Social sector development is also targeted and twenty seven social sector development

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projects have been included in next phase of CPEC. The perception of sluggishness on slowness in CPEC projects is not correct.

Central Asian Regional Economic Cooperation (CAREC) is also important and relevant regarding regional integration. Under CAREC, 185 projects in 11 member states have been identified while \$31 billion have been spent on the projects. Six corridors are being developed under this project and fortunately two of the corridors pass through Pakistan.

1. Torkham-Peshawar-Karachi, the Eastern alignment of CPEC.

2. Chaman-Quetta-Gwadar is also part of CAREC corridors.

Pakistan and China are part of CAREC. If we compare the intra-regional trade of various regions, 61% of intra-regional EU trade, ASEAN 55% while in CAREC only 3.5% intra-regional trades takes place. Logistic performance index is also low. Trade politics in CAREC also need improvement.

Our focus is also to make CPEC more relevant in regional context. We need to conduct researches on methods and means of increasing regional trade and connectivity. Agriculture development also has been made part of CPEC. Let us join hands for shared prosperity with China. Thank you



## ADDRESS BY HIS EXCELLENCY MR. MUHAMMAD MUDASSIR TIPU<sup>\*</sup>

Good Morning: It's a great honour to address this August forum the first of its kind in the historical city Peshawar. Peshawar is beautiful and majestic city of Pakistan with the history of hundreds of years. The city has preserved its identity in the times of modernity and globalization. Peshawar's Qissa Khawani bazar is a manifestation of the city's cultural and social life. I am glad that this institute of great learning has organized this important event on a highly important subject and has invited so many ambassadors, scholars and academicians to share ideas on regional connectivity and trans-regional integration. Peshawar has its own significance in the context of BRI and CPEC. It has been declared as sister city of Urumqi, capital of Xinjiang. Urumqi has also an important role in BRI and greater connectivity between China and Central Asia and broader region. This sister city relationship has been instrumental in opening up of new venues for cooperation between the two important cities and in furthering people to people contact between China and Pakistan. I have been working with China for the last 10 years and we have sister city relationship with 20 cities in China.

This region needs greater connectivity to address issues of under development. BRI and CPEC are the progressive and inclusive projects of

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the 21st Century for cross border infrastructure development. They are important not only for the material improvement in the masses of the region but would also promote peace and security in the region through growth and prosperity. The presence of so many diplomats and scholars from different countries is a testimony to the fact that Pakistan and Khyber Pakhtunkhwa are peaceful now.

President Xi's BRI is ever first great project ever launched by China historically. Basic aims and objectives of the project are to enhance physical connectivity, harmonious and coordinated policy and promote people to people contacts and exchanges. As declared by President Xi, BRI will promote inter-civilization exchanges to build bridges of friendship for our people, to help human development and resultantly peaceful world. BRI moves through more than 70 countries to generate economic activity worth trillions of dollars. Due to the central location of Central Asian Republics (CARs) between Asia and Europe, they are important co-partners in BRI as the region will be integrated into global supply chain. CPEC will provide shortest link to Central Asian Republics and Western China to Arabian Sea and beyond. China is investing more than \$60 billion in CPEC related projects. Most of energy projects have been completed. 1+4 cooperative projects will develop Gwadar Corridor and Special Economic Zones. It will also have positive impact on the development in Western part of China. A number of Chinese companies are coming to Pakistan. China and Central Asia are linked through historical connectivity. Early harvest projects under CPEC are almost completed and work on Gwadar International Airport inaugurated this year (2019). Both the countries are committed to the speedy completion of CPEC projects. BRI and CPEC can unlock the power of connectivity in the region as well as inter-regionally.



## ADDRESS BY PROF. DR. MUHAMMAD ASIF KHAN<sup>\*</sup>

I take great pleasure in welcoming you. I express gratitude to Area Study Centre and co-partners in organizing this conference. Area Study Centre has served for than more than 40 years for enhancing connectivity and relations and understanding with Central Asian Republics.

I came across an important article from Latin America, being on the margin of BRI", how it will impact Latin America. The Presidents of China and Russia talked about complementation in Eurasian Union and BRI. The CPEC has been termed as spinal card of multipolar world, it was very interesting for me as I thought it was a bilateral kind of initiative but when I read this, I became more curious and I came to know that connectivity provided by CPEC will have global implications also. There is high scope of inter-connectivity between Pakistan and Central Asia through CPEC.

This Centre and other departments need to educate the students about challenges that the important project is posing regarding capacity building. We have to prepare our students to meet the challenges. I am glad that the Centre is playing active role in educating students about changes this important Project is bringing in policies and culture. I thank you very much H. E. Ambassador of China for support. This is indeed an honor to host this conference in Peshawar.

Thank You All.

<sup>\*</sup> Vice Chancellor, University of Peshawar, Peshawar, Pakistan

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## **PRESENTATION BY MR. HASSAN DAUD\***

#### **BRI & CPEC INTRODUCTION**

- The Belt and Road Initiative: Six Economic Corridors Spanning Asia, Europe and Africa
- OBOR / BRI by China in 2013
- Connecting Asia, Europe and Africa
- 65+ countries, 4 billion people, 38% of Global GDP
- More than \$1Tn investment of China
- 6 Corridors are planned connecting the N-S-E-W
- CPEC is the pilot corridor initiated in 2013 and now its flagship
- Gwadar is at the junction of Belt and the Road

#### **COOPERATION FRAMEWORK**

#### **1. CPEC Components (1+7)**

- I. Energy (Coal, Hydel, Wind, Solar, LNG, Transmission)
- II. Infrastructure (Road, Rail, Aviation, Data connectivity)
- III. Industrial Cooperation (Gwadar Free Zone & SEZs)
- IV. **Development of Gwadar** Port and City (along with socio-economic uplift projects)
- V. Social and Economic Development
- VI. Agriculture Cooperation
- VII. Third Party Participation
- 2. CPEC Long Term Plan

<sup>\*</sup> Chief Executive Officer, Kyber Pakhtunkhwa Board of Investment & Trade

#### CPEC PROJECTS CPEC PORTFOLIO-PROJECTS

PROJECTS	ESTIMATED COST (US\$ M)
Energy (IPP financing mode)	34,760
Transport and Infrastructure	
Roads (Mixed Credit including GCL, PBC and BC)	5,830
Rail Network – ML-I	8,250
Gwadar Projects	780
Others (GCL/Grant) DTMB, Fiber Optic and Gwadar City Master Plan	41.4
Total	49,661.4

#### **ENERGY PROJECTS**



Port Qasim Coal Power Plant



Sahiwal Coal Power Plant



Hub Coal Power Plant



Jimpir Wind Power Plant



Quaid e Azam Solar Park Project



Suki Kinari Hydel Power

#### TOTAL CPEC ENERGY PROJECTS

#	PROJECT NAME	NUMBER OF PROJECTS	CAPACITY (MW)
1.	Prioritized Energy Projects	15	11,110
2.	Actively Promoted Projects	4	2,544
3.	Balance Capacity	-	3,415
	Total	19	17,045

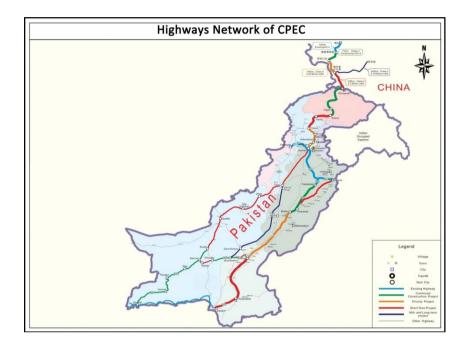
#### **INFRASTRUCTURE PROJECTS**







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#### TRANSPORT INFRASTRUCTURE PROJECTS

#	NAME OF PROJECT	STATUS
1	KKH Phase II (Thakot-Havelian Section) KP US \$1366 Million – GCL (Government Concessional Loan)	<ul> <li>(Length:120 Km)</li> <li>Contractor mobilized. Work commenced in September, 2016.</li> <li>To be completed by March, 2020</li> </ul>
2	Karachi - Peshawar Motorway (Multan - Sukkur Section) PUNJAB-SINDH <b>US\$2980 Million- GCL</b> (Government Concessional Loan)	<ul> <li>(Length:392 Km)</li> <li>Contractor mobilized</li> <li>Construction works commenced in August, 2016</li> <li>Multan-Shujabad section inaugurated by PM on May 2018</li> <li>COD 2019</li> </ul>

#### RAILWAYS

#	NAME OF PROJECT
	<ul> <li>Expansion and reconstruction of existing Line ML-1 (SINDH-PUNJAB-KP) US\$ 8130 Million</li> <li>Scope: <ul> <li>Doubling of entire track from Karachi to Peshawar</li> <li>Speed of passenger trains to be raise from 65/110km/h to 160 km/h</li> <li>Freight trains to operate at 120 km/h</li> <li>Computer based signaling and control system</li> <li>Grade separation to ensure safety of train operations</li> </ul> </li> <li>Objective: <ul> <li>Line capacity will increase from 34 to 171 trains each way per day</li> <li>Freight trains payload to increase from 1650 to 2,400 tons</li> <li>Freight volumes to increase from 6 to 35 million tons</li> <li>Passenger trains to be doubled</li> <li>Reduction in journey time of trains</li> </ul> </li> </ul>
2	Havelian Dry port <b>KP</b> US \$ 65 Million

#### WESTERN ROUTE

SECTION	STATUS
Hakla D.I Khan Motorway (285 km)	<ul> <li>Work in Progress</li> <li>Date of Completion: December 2019</li> </ul>
D.I Khan (Yarik) –Zhob (N- 50) 210 km	<ul> <li>Feasibility and PC-I completed</li> <li>LOI forwarded to Chinese side</li> <li>Highest priority in 8<sup>th</sup> JCC</li> </ul>
Zhob Quetta (N-50) 331 km	<ul> <li>Through PSDP</li> <li>Groundbreaking done by PM on 29<sup>th</sup> March 2019</li> </ul>

Khuzdar-Quetta– Chaman Section (N-25) 431 km	<ul> <li>Procurement of consultant for Detail Design completed</li> <li>Detail designing and feasibility in progress</li> </ul>
Surab-Hoshab (N-85)	• Completed
Gwadar – Turbat – Hoshab (M-8)	Completed and Inaugurated

#### **CPEC INFORMATION NETWORK PROJECT**

820km Optical Fibre link-Phase 1 (Comp.) Reliable link D/Jobs: 1,200 Potentials are; ICT Parks ICT Enterprises ICT HRD Digitizing the whole economy step by step



25

#### CPEC URBAN MASS TRANSIT PROJECTS

#### PROJECTS

Greater Peshawar Region Mass Transit

Quetta Mass Transit

Orange Line - Lahore

Karachi Circular Railway

Presentation by Mr. Hassan Daud, Chief Executive Officer, Kyber Pakhtunkhwa Board of Investment & Trade

## 4 Major Projects Potentials are;

Transportation through feeder routes Park and Ride facilities Passengers Refreshment Services Advertisement inside & outside of the cart E-services inside the cart and stations



#### **GWADAR PROJECTS**

#	Projects	Mode of Financing	COD
1	✓Eastbay Expressway	Interest Free Loan	October 2020
2	✓Gwadar International Airport	Grant	Ground Breaking done in March 2019
3	✓ Construction of Breakwaters	NYF	-
4	✓ Dredging of berthing areas & channels	NYF	-
5	✓ Infrastructure for Free Zone & EPZs port related industries	ВОТ	1st phase in Jan 2018

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6	✓ Necessary Facilities of Fresh Water Treatment and Supply	Grant	-
7	✓Pak China Friendship Hospital at Gwadar	Grant	Ground Breaking in 2019
8	✓ Technical and Vocational Institute at Gwadar	Grant	Ground Breaking in 2019
9	✓ Gwadar Smart Port City Master Plan	Grant	March 2019

#### **Industrial Cooperation**



#### INDUSTRIAL COOPERATION UNDER CPEC

- Industrial Cooperation under CPEC is entering into implementation stage
- **NINE** potential sites in all provinces, AJK, GB and FATA approved in  $6^{th}$  JCC held in Dec 2016 in Beijing, China Signing of the MOU in the  $8^{th}$  JCC on Industrial Cooperation

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- Framework agreement on Industrial Cooperation key deliverable for BRI conference
- Groundbreaking of Rahsakei SEZ in April 2019
- Bidding on Dhabeji SEZ to be completed by August 2019
- Business Forum on CPEC established

#### SOCIO-ECONOMIC DEVELOPMENT COOPERATION

- First meeting of the JWG on Socio Economic development held on 19<sup>th</sup> Dec 2018
- Six areas of cooperation identified:
  - Agriculture
    - Poverty alleviation
    - Education
    - Medical treatment
    - Water supply
    - Vocational training
- Priority should be given to less developed areas of each province

#### LONG TERM PLANNING CPEC: ONE CORRIDOR MANY DOORS

Trade & Market Access



Industrial Development & Global Value Chains

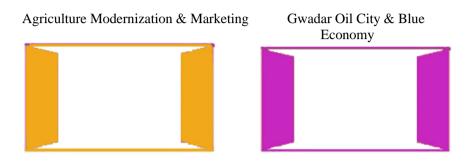


Socioeconomic Development & Poverty Alleviation



29

#### **ONE CORRIDOR, MANY DOORS**



Regional Connectivity & Third Country Participation



### MEMORANDUM OF UNDERSTANDING SIGNING CEREMONY



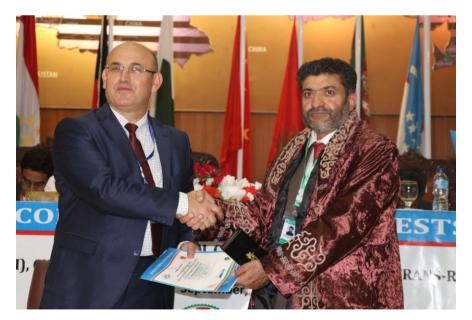
Memorandum of Understanding and cooperation between the Area Study Centre (Russia, China & Central Asia) University of Peshawar, Pakistan AND The Kyrgyz State University named after Larabaev Kyrgyz Republic



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Memorandum of Understanding and cooperation between the Area Study Centre (Russia, China & Central Asia) University of Peshawar, Pakistan AND The L.N Gumilov Eurasian National University, Astana, Kazakhstan



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Memorandum of Understanding and Research Collaboration between the Area Study Centre (Russia, China & Central Asia) University of Peshawar, AND Centre of Excellence for CPEC



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### PHOTO SESSION



### SESSION 1 (ENVOY SESSION) DAY ONE: SEPTEMBER 11, 2019

CHAIR: H.E.MR. MUHAMMAD MUDASSIR TIPU, DIRECTOR GENERAL-CHINA, MINISTRY OF FOREIGN AFFAIRS, ISLAMABAD, PAKISTAN



From Left to Right

H.E. Mr. Erik Beishembiev, H.E. Mr. Baqir Baigi, H.E. Mr. Furqut A. Sidikov, Prof. Dr. Shabir Ahmad Khan, H.E. Mr. Akan Rakhnatullin, H.E. Mr. Yao Jing, H.E. Mr. Muhammad Mudasir Tipu, H.E. Mr. Ismatullah Nasreddin, H.E. Mr. Avan Filatov



# ADDRESS BY EXCELLENCY MR. ERIK BEISHEMBIEV\*

Honourable President CGSS, Khalid Jafery, Honourable Prof. Shabir Ahmad Khan, Ladies and Gentlemen, dear participants of the Conference. First of all, I would like to thank the University of Peshawar and CGSS for arranging this important event and providing opportunity to share my views on the BRI, CPEC and Trans-regional integration.

As you all know, Pakistan has close cultural and religious ties with Kyrgyzstan and other countries in Central Asia. This connection existed for centuries through Silk Road which passed via Afghanistan and China to Central Asia. A prayer mosque founded by great Moghul Emperor Babar on the Kyrgyz Mountain Suleman in Osh city remains a living example of our shared history of trade, religion and cultural heritage.

Dear Participants, speaking about trans-regional integration, I would note that our world unfortunately is not a safe place and facing problems and issues of security due to terrorism, prolonged conflict in Afghanistan and Syria, increasing tensions between global powers and negative dynamics prevailed in our region. Regional integration cannot take place without peace and security in our good neighbour Afghanistan. We believe that there is no military solution to the conflict in Afghanistan and support a negotiated political solution and dialogue between all the groups of the country. We

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believe connectivity via Afghanistan will also promote peace and stability in Afghanistan. Regional Project like CASA 1000, TAPI, transit railway and road through Afghanistan will gradually lead to common market benefiting all neighbouring countries of Central Asia and South Asia as well as China and Iran. At the same time China can play a major role in promoting regional connectivity through its BRI and CPEC projects. Our country has good bilateral relations with China which is the major economic and trade partner of Kyrgyzstan. Currently Kyrgyzstan is active participants of BRI and has good potential to become a transit road between Central Asia and Pakistan through China contributing to regional economic cooperation and connectivity. My country is interested in developing short transportation links through its territory between Central Asia, China and Pakistan and access to Gwadar Port by Rail and Road which are being constructed under BRI and CPEC.

We need to make full use of Quadrilateral Transit Trade Agreement which provides shortest route through China and Kyrgyzstan to Central Asia and further to Russia and Europe. Unfortunately currently the agreement is under-utilized and the member countries need to ensure smooth cross border movement of goods and services for taping full potential of the agreement.

Another mountain border pass Erkeshtam provides the alternative route for Quadrilateral Transit Trade utilization which is linked to China through Fergana valley shared between Uzbekistan, Tajikistan and Kyrgyzstan further to Turkmenistan, Azerbaijan and Iran, Middle East and Europe. Both Kyrgyz mountain border passes Torugart and Erkeshtam are about 200 km from Kashghar. Currently Uzbekistan, Kyrgyzstan and China, in the framework of BRI, are negotiating a project of railway, road which will link Central Asia and China through Kashghar city and Kyrgyzstan. At the same time CPEC has a railway component from Kashghar to Pakistan's port of Karachi and Gwadar. After construction of these two railway systems, China and Pakistan will be linked through Kashghar to Kyrgyzstan and further to Central Asia. Central Asian Republics will have shortest access to Gwadar and Karachi and further to Karakorum pass via Pakistan opening excellent opportunity for regional trade and economic integration. Undoubtedly BRI and CPEC will open new opportunities for regional and inter-regional integration and connectivity. CASA 1000 is another important project for effective trans-regional integration. The CASA 1000 will be instrumental in industrial development of the region. Shanghai Cooperation Organisation (SCO) is serving as a good platform for dialogue and practical cooperation regarding trans-regional integration, security, peace and stability and economic development among the member states. As you know Kyrgyzstan assumed presidency of the SCO after Summit in China in June last year and recently hosted SCO heads of state summit on 13<sup>th</sup> and 14<sup>th</sup> June 2019. All leaders of SCO member state and observer states participated in the event. During the meeting between Prime Minister Imran Khan and Kyrgyz President Sooronbay Jeenbekov on the sideline of Summit in Bishkek, both countries agreed to actively upgrade mutual cooperation in diverse fields and strengthen air and overland connectivity between the two countries. They further agreed to enhance people to people contact and boost cooperation through friendly visa regime. The two leaders also agreed to revive joint Ministerial Commission and bilateral political consultation soon. Prime Minister Imran Khan congratulated Kyrgyz President on hosting SCO Summit and invited him for visit to Pakistan. During the conference Central Asian Republics, Russia and Pakistan reaffirmed support for BRI and praised the result of second Belt and Road Forum held in Beijing in April 2019. They expressed agreement to align Eurasian Union and BRI. We see broad prospects for cooperation in the formats of SCO, Eurasian Union, BRI and CPEC.

#### I thank you all for your patience and attention



## ADDRESS BY EXCELLENCY MR. FURQAT A. SIDIKOV<sup>\*</sup>

Dear Guests and Participants,

Assalomu Alaikum,

First of all, I would like to express my gratitude to the organizers of this significant and very valuable meeting.

Uzbekistan and Pakistan have a big economic potential that can open wide range of opportunities for mutually beneficial cooperation. Our partnership relations tied up with deep historical, religious and cultural bounds.

In this regard, Uzbekistan pays great attention for the development bilateral relations with Pakistan, in including trade and economic, investment and other areas.

Last year, the economic cooperation between Uzbekistan and Pakistan reached highest levels. In particular, trade turnover between Uzbekistan and Pakistan raised for three times and amounted 100 million US Dollars. Export of Pakistani goods to Uzbekistan increased by 150%.

As a result of this, in 2018 Uzbekistan became largest trade partner of Pakistan in Central Asia.

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In 2018 more than 300 Pakistani companies visited Uzbekistan in order to hold negations on the matters of export and import of wide range of goods and to realize joint investment projects.

In cooperation with Center for Global and Strategic Studies, in Islamabad and Karachi we established Uzbekistan-Pakistan Business Council offices. In Lahore operates Uzbek-Pak Trade and Cultural Center. Those bodies are playing significant role in the development of bilateral economic and cultural cooperation.

This year was signed Agreement on establishing in Karachi, Lahore, Islamabad, and Rawalpindi Uzbekistan's Trade Houses that can help Pakistani exporter/importers to trade with Uzbekistan.

In 2018-2019 year more than 100 various events such as seminars, presentations and business forums were arranged by our Embassy in Pakistan. Held significant number of bilateral meetings with the top business companies including several associations and unions.

Nowadays, in Uzbekistan operate 97 different joint ventures for launching import/export operations as well as for production of various goods.

Uzbekistan is also a hub for petrochemical goods, raw and finished leather productions, fruit and vegetables, cotton, textiles yarns, cars, trucks and agricultural machinery, plastic products etc.

As you know, investment is the driver of economy. New technologies, advanced experience and highly qualified specialists come with investments into all sectors of Uzbekistan, business is rapidly developing.

In order to create the most favorable conditions for attracting foreign investments, in Uzbekistan have been created more than 20 free economic zones.

We are offering to Pakistani companies to realize joint investment projects in Uzbekistan in the fields of textile, leather, agriculture, medical equipments, chemical, construction and other areas.

For example, by opening their companies in Uzbekistan, Pakistani textile companies will get direct access to highest quality Uzbek cotton, employees with high literacy and free export regime to the countries of Central Asia and Commonwealth of independent states that comprises 300 million populations.

At the same time Uzbekistan is ready to invest to Pakistani economy especially in agriculture sector. We express our readiness to establish a factory for assembling modern and unique agricultural machineries and other technologies like cotton picking tractors, sugarcane mowers, cultivators and others. This can help to fully modernize agricultural sector of Pakistan that can increase its productivity for 5 times.

Moreover, Uzbekistan can invest to Pakistan's cotton cultivating sector. We can provide super nova technologies, know-how as well as cotton seeds with high resistance to all deceases and pesticides.

Uzbekistan and Pakistan share many economical and regional platforms and are member of Organization of Islamic countries, Shanghai Cooperation Organization, and Economic Cooperation organization and others. Multiple times these platforms were used to freshen up the relations between two countries.

Uzbekistan initiated logistic project that project will include the construction of the massive railroad transport corridor "Uzbekistan-Afghanistan-Pakistan". In details, this corridor will compose the rail line "Uzbekistan-Mazarisharif" which has been already realized between Uzbekistan and Afghanistan as well as construction of new rail road "Mazari-Sharif-Kabul-Peshawar".

In perspective, full realization of this unique transport corridor, will make Pakistan as a Central regional trade hub between South Asian and Central Asian regions.

Dear Participants!

By the initiative of Uzbekistan's President, we started to develop in the country so called Ziarat Tourism for foreign pilgrims. This direction of tourism took its development in very rapid manner. Created the most favorable conditions for tourists. In general, we opened doors for religious tourism.

As you know Uzbekistan is the land of great Islamic scholars and thinkers like Al- Khorazmiy, Al –Beruniy, Imom Al – Bukhariy, Bahouddin Naqshbandiy, Al – Motrudiy, At –Termiziy and others. Pilgrims from all over the world are visiting their graves in order to make Ziarat and give them respect.

In this context I would like to point out that people of Pakistan are keen to make Ziarat to Uzbekistan. Ancient and precious cities like Samarkand, Bukhara, Khiva, Termez, Kokand and Namangan always attracting Pakistani tourists.

Last year more than 8 thousand Pakistani tourists visited Uzbekistan for Ziarat and we are ready to develop our cooperation in this direction this year also. The idea of Ziyarat tourism relations development between our countries was warmly welcomed by the President and Prime Minister of Pakistan.

Thank you for your attention!!!



### ADDRESS BY EXCELLENCY MR. ISMATULLAH NASREDDIN<sup>\*</sup>

First of all, I would like to thank our dear organizers for this very interesting conference, the CGSS and Area Study Centre and all the other organizers. As mentioned earlier by my colleagues that relations between Central Asia and Pakistan are historically important and growing currently. I can say the same about my country; we share very good relations and wide cooperation in diverse fields with Pakistan and also with other regional countries and International organizations. As the theme of today's event is regarding transregional integration and cooperation, we have to look in the sphere of economic cooperation inter and intra- regionally. It will naturally drive cultural, political, social and academic cooperation. I will highlight some parts.

i. Peshawar, geographically the closest city of Pakistan to Central Asia, especially to Tajikistan and similarly Tajikistan is the closest Central Asian country to Pakistan. From here one can even walk or drive via Afghanistan to enter Tajikistan and then to the rest of Central Asian Republics. Let's hope that Pakistan's help would bring peace and stability to the neighboring country. It's widely known that Pakistan and Tajikistan share borders with Afghanistan and therefore have greater responsibility and roles in the peace

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process. Peace and stability will contribute to the economic rise of whole region. We cannot exclude Afghanistan from regional integration process. Afghanistan is very important country due to its geographical location. For us Gwadar and Karachi are closest and very important, however due to the instability in Afghanistan we cannot fully utilize these ports.

CASA 1000 project is already approved by the world financial institutions. Rogun Dam which will provide power to CASA 1000 will also be implemented with accelerated speed. I wish success for all.



# ADDRESS BY EXCELLENCY MR. AKAN RAKHMETULLIN\*

Dear Participants, ladies and gentlemen, I am thankful to the Director, Area Study Centre, University of Peshawar for invitation. It's my first ever visit to the historical city Peshawar. I am indeed glade to be here in Peshawar.

Ladies and Gentlemen, the idea of Belt and Road and its component CPEC is very well balanced and all regional countries invited to this conference are very much involved and interested in this development. I would like to remind to the audience that when for the first time idea of BRI was mentioned, it was done in Kazakhstan in 2013 by Chairman Xi Jing Ping and we perceive this a manifestation of closer relations between China and the countries of the region. We immediately supported the idea and philosophy of the initiative. BRI is not only an economic and trade initiative rather it offers a number of diverse opportunities to the region. BRI will contribute to regional security also. It is very much clear that multi-layered trade and economic integration enhances regional security and stability as well. Security and development are intertwined as both complement each other.

BRI is the 21st Century transformation for the entire global development as true economic driving force. BRI offers practical solutions to regional

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challenges including geographical remoteness of various regions particularly for the landlocked countries making available to them different and diverse transportation routes. BRI is a response to controversial globalization in East or Asian orientation.

We have still a lot to do regarding cross border connectivity. BRI and its important component CPEC connects South Asia, Central Asia and further to the North and West. The idea of integration is very important because many of Central Asian Republics are members of Eurasian Union, both Eurasian Union and BRI aim to enhance connectivity to provide opportunities to the regional countries to overcome geographical challenges and to sustain the economic growth. The quadrilateral transit trade agreement was mentioned and we need to capitalize on it and its full potential. The Eurasian overland corridors connecting West and Asia pass through Kazakhstan.

BRI and CPEC undoubtedly will play important roles in inter and intraregional integration and Kazakhstan is fully committed to develop cross border infrastructure, road, railways and for enhanced regional connectivity. Both the Ports Karachi and Gwadar are important to us and transit potential of Central Asian Republics will be increased through cross border connectivity infrastructure for inter-regional integration. Pak-Kazakhstan Culture Centre is inaugurating here at Area Study Centre today which will play important role in enhancing academic and cultural relations between Area Study Centre, University of Peshawar and National Eurasian University Kazakhstan.



# ADDRESS BY EXCELLENCY MR. MUHAMMAD BAQIR BAIGI\*

Assalaam o Alekum

I am grateful to Dr. Shabir Ahmad Khan for invitation to this important conference.

Ambassadors, Ladies and Gentlemen, this type of international conference in Peshawar after so many years proves that security situation in Peshawar is improved. Such kind of events provide opportunities for exchange of various analyses amongst a range of stakeholders; from diplomats to academicians and researchers of regional countries. This kind of events are also helpful in exchanging academic/ research links and exchanges and I hope Area Study Centre will soon have Memorandum of Understanding with the Institute for Political and International Studies (IPIS) Tehran. Today we have one representation from the IPIS, Tehran, participating in this important conference. We welcome the Chinese Initiative of Belt and Road and CPEC and their roles in increasing connectivity. The economic, cultural and trade cooperation with in the region has long history. ECO is another important platform along with BRI and CPEC to develop cross border infrastructure and increase connectivity. Iran has declared its potential participation in

<sup>\*</sup> Counselor General of the Islamic Republic of Iran

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CPEC. Energy resources are important for regional integration and Iran-Pakistan Gas Pipeline has a critical role in this context.

Relations between Iran and Pakistan have much more potential and scope in diverse fields; political, security, border security and socio-economic and people to people contacts. Pakistan and Iran frequently exchange high level delegations and recently Prime Minister Imran Khan visited Tehran and fruitful discussion held between the leadership of the two countries. Particularly on enhancing trade and economic relations. Iran considers progress and prosperity of Pakistan as progress and prosperity of Iran. Role of the multilateral cooperation in the region is important. It is important for regional states to resolve the problems and issues confronted by the region through consultations and negotiations. The Chairman Board of Investment talked about the Gwadar and Chabahar, of course we think these ports complement each other. We have sister routes on our border and the two ports should be connected through roads and railway to connect Iran to CPEC and BRI. Once again, I thank Prof. Shabir Ahmad Khan and all other organizers. Thank you very much.



# ADDRESS BY HIS EXCELLENCY IVAN FILATOV\*

Allow me first of all to thank all organisers. It's obvious that BRI implementation would be instrumental in Eurasia integration and economic cooperation. It is truly unifying goal to ensure harmonious and sustainable economic development in Eurasian space. Russia has emphasized on numerous occasions that BRI is in coherence to Russia's idea to establish a greater Eurasian partnership. Eurasian Union and BRI are well designed projects to bilateral and multilateral processes that are underway in Eurasia.

Russia is ready to undertake efforts to create a transparent and enabling environment in order to promote cooperation across Eurasia. It is very important that we come out with practical ways for responding to the risk of fragmented global political, economic and technological landscape, growing protectionism and unilateral restrictions imposed bypassing United Nation Security Council and trade wars are its most dangerous expressions. It is our firm belief that only by working together we can overcome several challenges impeding economic growth and prosperity and technological backwardness. These negative trends feed extremism, terrorism and alleged migrations causing all regional conflicts and ignite new ones.

We believe that Eurasia can become a role model in devising a meaningful and positive agenda for overcoming these and other regional and

<sup>\*</sup> Second Secretary, Embassy of Russian Federation, Islamabad, Pakistan

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international problems. People of various cultures, regions and traditions have inhabited the vast Eurasian landmass for millennia. Differences and conflicts emerged but sooner or later they subsided through dialogue and consensus, mutual respect and mutual interest of each state. BRI is a good example of integration, it's the only way forward and hopefully peace process in Afghanistan will result in sustainable peace in the greater interest of regional peace and prosperity.



### <u>SESSION - 2</u> DAY ONE: SEPTEMBER 11, 2019

#### CHAIR: PROF. DR. AZMAT HAYAT KHAN FORMER DIRECTOR AREA STUDY CENTRE / FORMER VICE CHANCELLOR UNIVERSITY OF PESHAWAR



### PRESENTATION BY MR. SADULLO RASULOV SHUKURBOEVICH \*

#### Dear conference participants, Ladies and Gentlemen,

Today, on the agenda of our discussion is one of the most relevant and debated projects on a global scale – the "Belt and Road" initiative. More than 70 countries of the world with a population of 4.5 billion people are already involved in its implementation. To the question of what prompted them to join this initiative, one can say –an real need to unite in the face of the ongoing financial crisis and the ambiguous development of the world economy, threats to security and stability.

Uzbekistan was among the first to support the initiative of the President of China, Mr. Xi Jinping, to create the "Belt and Road". I want to point out that the implementation of reliable transport and logistics projects is of strategic importance for Uzbekistan, which is a "double landlocked" country that does not have access to the seas. At the same time, its advantageous geographical location in the very "heart" of Central Asia

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#### 58 Presentation by Mr. Sadullo Rasulov, Director, Institute of Strategic and Regional Studies under the President of the Republic of Uzbekistan

allows it to become a nodal center of intersection and a link to the strategically important transport and transit routes of cargo traffic between Europe, Asia and the Middle East. In this regard, we intend to use our geographical location as a strategic opportunity for the development of the shortest transport and transit corridor between the largest markets of Eurasia.

In this regard, let me outline the position of the Republic of Uzbekistan on the further improvement and development of this project.

**First,** taking into account the enormous financial and economic potential of the Belt and Road initiative, it is necessary to substantively identify specific joint projects, primarily in the field of infrastructure development and the creation of new industrial capacities.

**Secondly,** it is important to develop and approve a "Program of Action" for cooperation in creating transport and logistics routes linking Central Asia through China and Russia with the markets of Southeast Asia and European countries.

We also advocate the formation of a "Central Asian Integrated Transport Management System", which provides for the creation of the legal and institutional foundations of a system of end-to-end transport tariffs, common customs and other procedures, unified safety standards for freight traffic, and information support for the movement of vehicles and cargo.

To this end, in 2018, an international conference "Central Asia in the system of international transport corridors: strategic prospects and unrealized opportunities" was held in Tashkent.

**Thirdly,** along with the laying of transport and communication corridors, it is necessary to focus on the implementation of joint projects, especially in high-tech and innovative spheres. To this end, it is important to ensure the attraction of the financial capabilities of the Asian Infrastructure Investment Bank, as well as the Silk Road Fund and other international financial institutions.

**Fourth,** for the effective implementation of the "Belt and Road" initiative, it seems important to arrange a direct dialogue between business communities to discuss specific cooperation projects that fit into the ideology of the "Belt". This initiative will help to increase the level of awareness of the business communities of our countries about the proposed initiatives and projects within the framework of the project, as well as integration and deepening of the practical interaction among business representatives.

**Fifth,** the "Belt and Road" initiative should also serve to strengthen cultural and humanitarian ties between countries. The routes of the Great Silk Road, particularly in Central Asia, go through cities with a rich thousand-year history. In this regard, it is important together to make maximum use of the available tourism potential throughout the Silk Road, actively develop tourism infrastructure, and promote mutual tourist exchange.

#### Dear participants,

As you know, there are different opinions and positions regarding the "Belt and Road" initiative. In particular, there are many assessments and views that consider the project as a potential challenge to the interests of other states at the global and regional levels. However, such views do not take into account that the prospect of its successful implementation can become a conceptual basis for the long-term constructive interaction of all interested countries. In our opinion, the concept of the "Belt and Road", based on equality, respect for interests and the desire for universal gain, is very much needed in the modern world, and can act as one of the significant factors in ensuring the sustainable development of the states of the region, the formation of new rules and forms of cooperation.

In his speech at the second international "Belt and Road" forum, the President of Uzbekistan put forward a number of important initiatives aimed at increasing interconnectedness in Central Asia, addressing food security issues, meeting the urgent social needs of the population, and developing cultural, humanitarian and tourist ties.

# In this respect, I would like to dwell on the following initiatives of the President of Uzbekistan.

*Firstly*, it is important to emphasize <u>the discovery of the transport</u> <u>potential of Central Asia</u> and the formation of the economic corridor "China–Central Asia–West Asia".

In this context, I would like to point out the construction of the "Uzbekistan-Kyrgyzstan-China" railway.

# *For reference*: the length of 473 km, the cost of 4.8 billion dollars (tentatively).

#### Why is this road important?

First of all, this is the shortest way from China to the countries of Europe and the Middle East. Compared with existing routes, the distance will be reduced by **900** km, the delivery time of goods by **7-8**days.

According to experts, the transportation of goods in the amount of at least 5 million tons per year can fully cover the cost of building the railway.

Our Kyrgyz experts acknowledge that the implementation of the project will create over 2 thousand new jobs in Kyrgyzstan and will result in a profit of **\$200** million per year. There will be an opportunity to attract **250** thousand Chinese tourists annually.

The prospects of this project are demonstrated by the already established auto corridor "Kashgar–Irkeshtam–Osh–Andijan–Tashkent",

which for the first time allowed carriers from Central Asia to directly go to China.

There is an understanding that the issue of railway construction should be carefully discussed at the expert level.

For example, there was a lot of skepticism and doubt in the study of the construction of the "Angren-Pap" railway line.

This road, with a capacity of 10 million tons of cargo and a 19kilometer Kamchik tunnel, has now been built. This is the largest infrastructure and transport project implemented by Chinese companies in Uzbekistan, as part of the joint formation of the "Belt and Road" initiative.

60% of the domestic freight turnover and about 80% of the total volume of export and import freight traffic are carried out by rail. The Tashkent-Andijan railway line allows transporting up to 10 million tons of cargo and over 600 thousand passengersper year, playing an important role in further strengthening economic ties with Central Asian states.

Another, no less important project is the construction of the Mazari-Sharif - Kabul - Peshawar railway line with access to the Pakistani port of Gwadar.

*For reference*: the length of 573 km, the cost of 4.8 billion dollars.

The total length of the projected railway is 573 km. Since the proposed railway will pass in the north-east of Afghanistan through the Hindu Kush mountain system, the construction of tunnels cannot be avoided.

In total, there is a plan to build 7 tunnels on the railway line, the total length of which will be **59 km**. The longest of them is about **30 km**.

The numbers speak in favor of the effectiveness of this transport route. If the cost of transporting a 20-foot container per 1 km would cost about \$ 0.5, then transporting a container along this highway would cost only \$ 286.5. A circular option would require \$ 895 per container.

Uzbekistan, together with Afghanistan, Kazakhstan, Pakistan and Russia, is already working on a project to build this railway. In December 2018 and March 2019, a five-sided meeting of the heads of railway departments was held in Tashkent, during which it was decided to create a Working Group to implement this project.

Recently, this issue was at the center of negotiations between the Deputy Prime Minister of Uzbekistan E. Ganiev and the leadership of Pakistan, which again expressed support for the Uzbek initiative.

Pakistan's trade with the countries of Central Asia and the CIS countries is growing dynamically. According to forecasts, by 2025, it will amount to 6 billion dollars. The only thing that holds her back is the lack of direct transport corridors.

This corridor will connect Central Asia via Afghanistan with Pakistan in the shortest possible way, as well as provide an opportunity for South Asian states to enter the CIS and European markets.

60

Moreover, along with the "Uzbekistan-Kyrgyzstan-China" corridor, the "Mazar-e-Sharif–Kabul–Peshawar" road will solve a global strategic problem – itwill unite the 4 largest corridors in China, the CIS, Europe and South Asia.

A highway between Mazar-e-Sharif and Kabul is already running along this route, power lines from Uzbekistan and Tajikistan have been extended, leading to the capital of Afghanistan.

In addition, the KASA-1000 power line will also be extended along this corridor, which will connect Central Asia with the energy markets of Pakistan and India.

In future, it is possible to link the corridor to Peshawar with the "**Sino-Pakistan Economic Corridor**", the "Belt and Road" flagship project. Given the infrastructure developing in Gwadar, this port will have every reason to become a key regional hub where traffic and trade flows from all directions of the north and south, east and west will intersect.

In addition, transport projects passing through the territory of Afghanistan can be a powerful incentive for the speedy completion of many years of confrontation in the country.

I would like to draw your attention to two important arguments:

**First,** new communications will unite the neighbors of Afghanistan. They will have common economic interests. Conditions will be created for the much-needed regional consensus on the Afghan issue.

**Second,** all opposing groups will very quickly realize that peace and trade, unlike war, bring good profit, are the most important condition for progressive development.

It is important to understand that transport communications do not just solve the problems of interconnectedness; they also create new jobs, stimulate trade, and motivate development.

**In general,** the vision of the Uzbek side is consonant with the ideas put forward by the PRC leadership. In his report to the Belt and Road Forum, President Xi Jinping said that China will continue to build a network of interconnectedness with other parties.

In it, according to the Chinese leader, the main role will be played by economic corridors, supplemented by new railways, international continental-sea corridors and expressways.

**Secondly,** in order to ensure funding for these transport and infrastructure projects, the <u>President of Uzbekistan announced an initiative</u> to create a "Financial Dialogue for the Countries of Central Asia and <u>Afghanistan"</u>.

The main goal of the dialogue is to involve in the implementation of the most important infrastructure projects in the region along with the Chinese financial institutions – the Asian Infrastructure Investments Bank, the Silk Road Fund and others, major international development institutions, and the private sector. 62 Presentation by Mr. Sadullo Rasulov, Director, Institute of Strategic and Regional Studies under the President of the Republic of Uzbekistan

It is worth noting that this initiative of President Sh. Mirziyoyev echoes, and is linked to, the vision of the Chinese side on the further development of the "Belt and Road" initiative. In his speech, President Xi Jinping also drew attention to the importance of jointly promoting the "Belt and Road" initiative in an open spirit. In the current environment, it is important to start this dialogue, to make it inclusive and transparent.

#### Ladies and gentlemen,

To sum up, I would like to emphasize again that the cooperation of Uzbekistan with the countries of the "Belt and Road" has a huge and yet not fully realized potential.

The concrete initiatives outlined by the President of Uzbekistan in the areas of transport, innovation, and education can bring Uzbek-Chinese relations to a fundamentally new level, direct interaction within the framework of the "Belt and Road" to solve the most pressing problems that still hinder sustainable economic growth and development.

In addition, the proposals of the Uzbek side provide a good basis for further cooperation with partner countries in the framework of the "Belt and Road" initiative in the name of the common good and prosperity.

#### Thank you for attention!



# PRESENTATION BY PROF. KAANA AIDARKUL\*

#### Problems and prospects of regional integration of Kyrgyzstan

- The policy of development of foreign economic relations of Kyrgyzstan in recent years has undergone fundamental changes. This is the way from the removal of restrictions and prejudices of ideological, religious and political nature, to openness and multi-vector.
- An example is membership in a number of international organizations, including the Eurasian Economic Union (EAEU) and the Shanghai cooperation Organization (SCO). There are also new opportunities, cooperation and integration. For example, today it is important to identify priorities and effective ways of international and regional integration of Kyrgyzstan within the framework of the project "One belt-one road".
- This and the initiative appeared as a platform for two projects "Economic belt of the silk road" and "Sea silk **road** of the 21st century". This initiative was announced by the head of the People's Republic of China XI Jinping in 2013 at the summit of the Shanghai cooperation organization in Bishkek. Kyrgyzstan, supported this initiative and moreover the President of our country noted that "Kyrgyzstan is a

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unique place in its geographical location, on the one hand, we are the closest neighbors with China, on the other — we are a member of the Eurasian economic Union, we are ready to become a bridge between these two global economic zones".

- In the near future, the commodity and investment flows of China, followed by Pakistan of Central and South-East Asia will pass through this path. This is a huge resources: financial, commercial, human, and technology and innovation.
- For Kyrgyzstan, China is also a major trading partner. According to official data, over 25 years of establishing diplomatic relations between the two countries, China's direct investment in Kyrgyzstan amounted to 1.2 billion dollars. But the market of Southeast Asia is also important for us, first of all, Pakistan through Kara Korum highway, which is being built now. All these projects lead to the achievement of the goal that really unites ensuring harmonious and sustainable economic development and growth throughout the Eurasian space. At the same time, a demonstration experiment in the framework of the EAEU.
- So in these countries, there were 66 barriers to trade. However, moving towards the goal, member States have addressed these issues. An important event was, for example, the regular meeting of the Eurasian intergovernmental Council (EIC). On April 3, 2019, Yerevan achieved the solution of important issues of further development of the Union, the main of which is the removal of obstacles in its domestic market. members of the Association were able to agree on the solution of the four most acute disagreements that prevented moving to a single domestic market. No less important aspect of successful economic integration than ensuring the free movement of goods, services and labor in the domestic market was the assistance of an industrial Corporation within the Union. This is the purpose of the digital platform "Eurasian network of industrial cooperation, subcontracting and technology transfer" approved by the Eurasian intergovernmental Council. The project is part of the ambitious "Digital agenda of the EAEU until 2025".
  - ". Kyrgyzstan faces the task of determining its place in the process of "integration of integrations", that is, various bilateral and multilateral integration processes going on in Eurasia. The answers to these questions will determine the methodology for further actions and positive contribution of the country in the framework of strategic integration on the Eurasian continent. On May 29 this year, the fifth summit of The Eurasian Economic Council and the 5th anniversary of this Association was celebrated in Nur-Sultan sosto Yala. It was signed 23 documents relating to international activities, digital agenda, the formation of a common electricity market and further integration within the framework of the Eurasian economic Union

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- The participation of Kyrgyzstan in the Eurasian economic Union is very important, because this organization can boast of being the second deepest integration of trade and economic bloc in the world. Although the mutual trade of its member States is still relatively low (about 14% of total trade), the EAEU has achieved deeper integration than organizations such as MERCOSUR, USMCA and ASEAN.
- Currently, following the meeting of the Minister of foreign Affairs of Kyrgyzstan with the foreign Minister of China -Wang Yi, it was announced that China supports the implementation of the National strategy for sustainable development (NSSD) of Kyrgyzstan for 2018-2040.
- The Chinese foreign Minister also noted that it is important to speed up the pairing of the NSSD and the one belt, one road strategy. The implementation of the projects of the National strategy for sustainable development of the Kyrgyz REPUBLIC needs 20 billion 804.4 million dollars. It provides for 244 projects that will affect 12 sectors of the economy. Most of them in the processing of agricultural products — 40, and the most impressive amount is planned to <u>be spent on the</u> <u>development of</u> the energy sector — 8.29 billion dollars. Obviously, a constructive solution to the problems of regional integration of the country will be further progressive development.



## PRESENTATION BY DR. PARISA SHAHMOHAMMADI\*

#### Assessing US Measures Against BRI and its Impact on JCPOA

Although China has always introduced its grand strategy as a win – win cooperation, there is still an opposite prism to assess this formidable strategy as an instrument of China's rise to a superpower status through trade (Maçães, 2019) and as a plan to remake the global balance of power (Chatzky and McBride, 2019).

From US prism the Belt – Road Initiative is assessed as a vehicle for China to write new rules, establish institutions that reflect Chinese interests and reshape soft infrastructure (Hillman, 2019), and is considered as a hard power wrapped in soft power (Djankov et al., 2016: 17). One concern frequently voiced in American literature is that China seeks to create new international institutions or economic frameworks that work as parallel alternatives to or completely replace US-led regimes such as the Bretton Woods institutions (the WTO and IMF) or the dollar-based financial system (wethington, 2015: 16).

The latest U.S. National Security Strategy reflects the US vision towards the BRI. This document defines China as a strategic competitor seeking to challenge "American power, influence, and interests, and attempting to

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erode American security and prosperity." (National Security Strategy of USA, 2017:2). Even during the APEC summit in 2018 Mike Pence argued that "the US was interested in a better relationship with China "but there has to be change" in Beijing's trade policies, mocking the initiative as a "constricting belt" and a "one-way road" (The Guardian, 2018). America's self-exclusion from Belt and Road Forum in 2019 (http://www.beltandroadforum.org/english/) is another sign of US reluctance towards the Chinese strategy.

Against this background, two practical trends are detectable from the United Stated policies towards BRI. Otherwise the US policies in Middle East, Central Asia, East Asia and strategic maritime areas in Indo – Pacific region are facing a serious challenge under the Belt and Road initiative. The first trend is US countering and overwhelming measures against the BRI; and the second trend is containing and hindering the BRI progress.

#### □ Countering Measures:

In a response to China's growing influence across Eurasia and the Indian Ocean, as the BRI expands, the terminology of Indo- Pacific was used by Trump administration instead of Asia – Pacific (Fulton, 2018). In fact Trump had expanded its articulation of a "Free and Open Indo-Pacific" (FOIP) region by defining India and Japan as fundamental players (Palit & Sano, 2018) and adding Australia to the regional security complex within the overall US Indo-Pacific strategy (Nye, 2017). This is closely connected to the overall Chinese aim to contain India's sphere of influence within the Indian Ocean Region and to challenge its aspirations towards regional leadership and major power status (Brewster, 2018; Thakker, 2018).

Furthermore the Trump administration, with bipartisan support in Congress, has tried to counter the BRI with the BUILD Act<sup>1</sup> in 2018 (Chatzky and McBride, 2019) that brings together the capabilities of OPIC and USAID's Development Credit Authority, while introducing new and innovative financial products to better bring private capital to the developing world. The U.S. will have more flexibility to support investments in developing countries to drive economic growth, create stability, and improve livelihoods (https://www.opic.gov/build-act/overview). The US has announced \$113 million in new technology, energy and infrastructure initiatives in emerging Asia (Roche, 2018).

#### □ Containing Measures:

Since containment has become a habit in US policies, containing the BRI is also in US agenda. Using a trade war, sanctions, and building new coalitions

<sup>&</sup>lt;sup>1</sup> President Trump signed the Better Utilization of Investments Leading to Development (BUILD) Act into law on October 5, 2018. This landmark legislation will reform and strengthen U.S. development finance capabilities into a new federal agency to help address development challenges and foreign policy priorities of the United States

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are assessed as US containing measures that correspond to its current attempt for containing BRI.

#### Trade War Against China

In this part, the author tries to argue how the trade war between the United States and China has the potential to affect the Belt and Road Initiative. The United States has had a large deficit in merchandise trade with China for many years. Amounting to USD 382 billion in 2018, the deficit in trade in goods is higher than that with any other country in absolute numbers.

The reasons of the trade war are mostly explained by two main causes, among the others: firstly the financial deficit, and secondly a battle for global economic dominance (Ching and Li, 2019: 13). The latter one was reinforced by the Made in China 2025 strategy and Belt and Road Initiative which aim to make the country a manufacturing and economic superpower, pioneering in technology transfer and high tech industrial policy (Mildner and Schmucker, 2019: 3; Sardana, 2019: 1). In other words, the wide array of strategic plans China announced lately, from the Belt and Road Initiative, Asian Infrastructure Investment Bank to 'Made in China 2025', have reinforced the image of China as a threat to US dominance (Chong and Li, 2019: 13). The slowdown in China's economy as the result of the trade war (South China Morning Post, 2018) would leave its direct impact on the progress of BRI projects.

#### **Persian Gulf Tensions**

In order to pave the ground for containing the maritime routes and trades in Persian Gulf and its surrounding maritime area, Trump has called for a military coalition to safeguard strategic waters in the Persian Gulf. The US also provided the pretext for such a measure, by accusing Iran of sabotage attacks in Persian Gulf. The entire scenario is laid on the background of US worrisome about its decreased dominance and power in maritime area after the reinforcement of China's maritime power in Indian Ocean and Arabian Sea.

"While China has not embraced global sea power yet, it is thus moving from mere coastal defense to extending its naval reach into disputed territories overseas. In this context, the Chinese military is using information technology to improve and extend its targeting of surface ships, especially U.S. aircraft carriers, with missiles, submarines, and cyber weapons" (Gompert, 2013).

#### Joint Comprehensive Plan of Action

JCPOA was signed to facilitate Iran's access to areas of trade, technology, finance and energy through lifting of all multilateral and unilateral sanctions related to Iran's nuclear program (JCPOA, 2015: 3). Although Iran – China relations have never been confined neither dependent to JCPOA, but the nuclear agreement paved the way for a better engagement of Iran in BRI through trade and investment agreements. Soon after the JCPOA, during a visit to Iran by Chinese President Xi Jinping in January 2016, both countries

agreed to expand multidimensional ties and increase bilateral trade more than tenfold to \$600 billion in the next decade (Bilal 2019). Iran and China signed several agreements to boost cooperation in trade, infrastructures, interconnectivity, and energy (Osiewicz, 2018; Financial Tribune, 2019; China Daily, 2019).

Iran's economy and actorness in BRI is very crucial, due to its geopolitical and geostrategic opposition. Iran fits into China's plan to create a chain of partnerships from East Asia to the Middle East and Europe in its BRI (Pethiyagoda 2018). As the only country with a coastline on both, the Caspian Sea and the Indian Ocean, as well as its proximity to the Strait of Hormuz (Bilal 2019), Iran is a coveted access route for connecting China to the Middle East and Eurasia. For China's maritime strategy three Middle Eastern chokepoints are of special importance: the Gulf of Aden and Bab al-Mandeb Strait, the Suez Canal and the Persian Gulf with the Strait of Hormuz. The Persian Gulf has a noticeable magnitude for BRI, due to rich oil and natural gas resources which are highly complementary to China's economy (Qian, 2016: 33).

Therefore the success story of JCPOA, besides other achievements for Iran in nuclear and regional policies, would also facilitate its engagement in BRI and upgrade its regional and international effectiveness. Trump's decision to withdraw the US from the nuclear deal in May 2018 is another containing measure towards the better implementation of BRI.

#### Iran's Importance in Belt – Road Initiative

Iran and China are two pillars of the Belt - Road Initiative; the route is connecting thee two pillars. Iran is not only a destination for energy provision, but is also an access route for connecting to the Middle East and Eurasia. China has defined six corridors5 for the Belt and Road Initiative in three main directions. One of them is Northern Europe, Russia, Central Asia and China. The second will link the Mediterranean and the Persian Gulf through West and Central Asia with China, while the third will connect South Asia, the Indian Ocean, and Southeast Asia with China (Guogiang, 2015: 158 - 159). All the three mentioned directions have some relations to Iran. The first one, while passing Russia and five Central Asian countries, surrounds Iran's routes which will all find their way to Iran. In other words, the firstly mentioned direction leads the routes from the eastern parts of Asia towards Iran's neighborhood. The second direction, as mentioned above, links the Mediterranean to the Persian Gulf, the most strategic area in Iran. And the third direction, upon a maritime connection, leads an access from the Indian Ocean to Chabahar Port in Iran (Shahmohammadi, 2018: 299). This argument clearly shows the magnitude of Iran in this grand strategy and the prosperity of neighboring countries and the whole region within the framework of the Belt and Road Initiative.

#### Conclusion

Iran as a vital component of BRI is experiencing a tough situation after the US withdrawal from the JCPOA. In the current circumstances, all the foreign companies have left Iran and investments, money transfers and exchanges are blocked and Iran is totally deprived of its right to engage in the regional cooperation for BRI. The key to ignite and optimize Iran's role in BRI and a 7 better implementation of this grand strategy in the region is to survive JCPOA. China as a key player in both Belt and Road Initiative and the Joint Comprehensive Plan of Action can play a significant role for survival of the nuclear agreement.

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### SESSION - 3 DAY TWO: SEPTEMBER 12, 2019

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### **PRESENTATION BY MR. LEONID SAVIN**\*

# Connecting Eurasia: Context and Implications for Heartland, Rimland and Hinterland

Key words: Eurasia, geopolitics, Russia, China, Eurasian Economic Union, Belt and Road Initiative, CPEC, international relations, multipolarity.

The current global geopolitical turbulence, intersecting centrifugal and centripetal processes in the international relations and new approaches for security issues constructed new dynamic frame for the region of Eurasia. To conduct an adequate analysis of the current situation, especially dealing with integration initiatives such as Economic Eurasian Union, Belt and Road Initiative, CPEC, etc. it is necessary to apply a comprehensive methodology and consider this region, as well as the relationships and interests of all actors involved in integration process from the perspective of: 1) the terminological apparatus; 2) geospatial approach; 3) historical continuity; 4) schools of international relations, especially those related to integration processes; 5) flexibility of security issues.

The author argues that regulatory normative practices may conflict with theoretical concepts, which requires a balanced approach to values and

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interests. Also, strategic culture, historical memory and political imagination can be powerful factors affecting Realpolitik and providing strategic landscape for cooperation.

To avoid any stalemate situations there is necessity to engage few track diplomacy and to cover different layers – political, economic, social, media, public, scholar, etc.

Methodology of research based on classical geopolitics and its surrogates (H. Mackinder, N. Spykman, K. Haushofer, Z. Brzezinski, H. Kissinger) as well as critical geopolitics and neoeurasian school (A. Dugin, L. Savin). Interdisciplinary approach with engagement of ethnosociology (cultural anthropology), chaos theory, complex system theory and globalization studies also may be useful for deep understanding of the undercurrents of regional politics and used as framework for deep and broad integration of Eurasian powers.

#### **Necessity of Adequate Revision**

Geopolitics and International relations are relative new sciences introduced by Western scholars. In the early XX century it was tool for the colonial dominance backed by racial prejudice of Anglo-Saxon scientists and politicians. Despite relations between people and states were codified in many centuries with clear difference based on specific Weltanschauung (strategic culture where decision making process reflected through historical tradition, religions and customs) before the rise of Western sciences last century was over the sign of the West. First global outlook was proposed by Halford Mackinder and shared internationally. Principle of the World Island, Heartland and Rimland as well as Inner and Outer Crescents still effected in the political sciences. Personal political practice of Mackinder and possession of his ideas were impacted through realization of sanitary cordon thru creation of the new nation-states in Europe after the First World War2 and special focus on Russia/Soviet Union (in general activity of Britain in Asia also well known from mapping of Near East till The Durand Line still have effect on regional political process). Till now concept of redrawing the borders in favor in the US establishment presented in works of Bernard Lewis and Ralph Peters.

In Mackinder's theory we see only few vectors of broad migration processes, conflict and state-building across Eurasia. Michael Sheehan noted that Halford Mackinder ideas outlined in his "The Geographical Pivot of History" published in 1904 were kind of attempts "dramatically simplify international politics by reducing it to the struggle for control of a limited number of key areas".3 This eurocentric view4 excluded or reduced role of

<sup>2</sup> This term was coined by the U.S. in 1915.

<sup>3</sup> Michael Sheehan, *International Security. An Analytical Survey* (London: Lynne Rienner Publishers, Inc. 2005), 20.

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Arabs who organized connection line with Indian subcontinent via Sea, geographic skills of Persian empire, African tribes and South Asian polities. Civilizational communications by Land and Sea routes were minimized in Mackinder's works. Even historical factors of Eurasian nomads were limited by its negative role only. If Mackinder's concepts served as an important synthesis of long-standing and widely shared British concerns about the region and provided a clear and concise assessment of the region's geostrategic and geo-economic importance and as such its global significance5 later centrality of Pivot area became an idee fixe of American political strategists (see Figure 1).

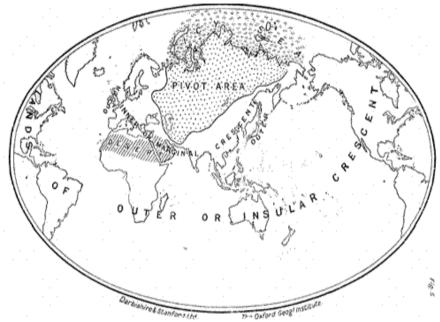


Figure 1: Mackinder's 'pivot area', the 'inner' and 'outer crescents': Source: H.J. Mackinder, 'The Geographical Pivot of History', The Geographical Journal, vol. 24, no. 4, 1904, p. 435.

<sup>4</sup> John M. Hobson, *The Eurocentric Conception Of World Politics: Western International Theory*, 1760-2010 (Cambridge: Cambridge University Press, 2012).

<sup>5</sup> Sarah O'Hara, "From Geo-Strategy to Geo-Economics: The `Heartland' and British Imperialism Before and After MacKinder," *Geopolitics* 11, no. 1 (March 2006): 54-73.

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Presentation by Mr. Leonid Savin, Research Scholar from the Russian Federation, Editor of the Journal Geo-Politica

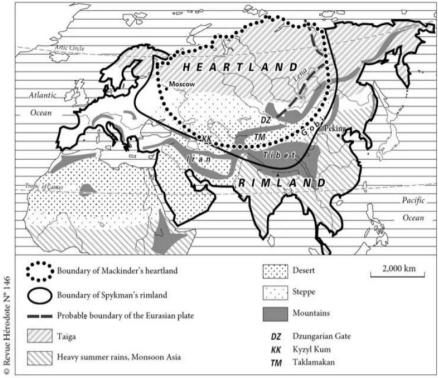


Figure 2: Interconnection of the framework proposed by Mackinder and Spykman. Source: Herodote № 146.

Nykolas Spykman<sup>6</sup> later refined Mackinder's strategy to adapt it to the new post-World War Two, doing so as early as 1944. Role of Rimland was revised (see Figure 2). Spykman came to the conclusion that the US was bound to face off with a strong Soviet Union on the Eurasian landmass in the aftermath of World War Two. The basic premise of Spykman's geopolitical school of thought is that the balance of power in Eurasia directly affected US national security.<sup>7</sup> Establishment of NATO in Europe and similar alliances in Asian region (ANZUS, CENTO and SEATO) were direct impact of such theory which became fertile seeds of the Cold War. It is interesting to note that there was alternative point of view presented by theory of the Pan-Regions of Karl Haushofer (see Figure 3). If the representatives of British/US school of geopolitics/IR demonized the ideas of Haushofer (and Carl Schmitt too) as German Nazy thinking and it was labeled as Geopolitik, there was development of the ideas of Haushofer and Schmitt in non-western countries. For example both authors mentioned by Russian professor Alexander Dugin in his works dedicated to geopolitics, Eurasia and

<sup>6</sup> Spykman N.J. *The Geography of the Peace* (New York: Harcourt, Brace and Company, 1944).

<sup>7</sup> Timothy Boon von Ochssée, "Mackinder and Spykman and the New World Energy Order", Accessed May 30, 2019, http://www.exploringgeopolitics.org/Publication\_Boon\_von\_Ochssee\_Timothy\_Ma ckinder\_and\_Spykman\_and\_the\_new\_world\_energy\_order.html

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international relations.<sup>8</sup> Meridian factor later was developed by scholars from Latin American countries and known as Meriodionalismo<sup>9</sup>. It is obvious that both theories criticized by authors of liberal political school.<sup>10</sup> But besides of this critics neo-eurasianism was useful during establishment of Eurasian Economic Union (founding states are Russia, Belorus and Kazakhstan) and project of South-South corridor implemented by BRICS members such Brazil, India and South Africa and used as inter-regional strategy.<sup>11</sup>

Haushofer's Geopolitical Model



Figure 3. Pan-Regions of Karl Haushofer.

- 10 Wendell Teles de Lima, Ana Maria Libório de Oliveira, Sammya Christina de Oliveira Alves, Marcelo Lacortt, Zequias Ribeiro Montalvam Filho, Deloni de Meira Freitas Braun, Rosivaldo Bandeira Carvalho, Marcos MendonçaDantas, Jefferson Rodrigues de Quadros, "Rethinking the Theories Geopoliticses for One Hegemonic Of World Power for Brics," *International Journal of Humanities and Social Science Invention*, Volume 5 Issue 10 (October 2016): 06-12; Nuno Morgado, "Evaluando el papel de Brasil en el nuevo orden mundial: un estudio geopolítico del meridionalismo y neo-eurasianismo," *Anuario Latinoamericano Ciencias Políticas y Relaciones Internacionales*, vol. 4 (2017): 163–186.
- 11 In UN the South-South initiative also was started. See <u>https://www.undp.org/content/undp/en/home/2030-agenda-for-sustainable-</u> <u>development/partnerships/sdg-finance--private-sector/south-south-cooperation.html</u>

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<sup>8</sup> Alexander Dugin, *Eurasian Mission: An Introduction to Neo-Eurasianism* (Arktos Media Ltd, 2014).

<sup>9</sup> Albuquerque E. S., "A teoria geopolítica meridionalista de André Martin," Revista de Geopolítica vol. 5, no 2 (2014): 5-18; Martin A. R., "Brasil, Geopolítica e Poder Mundial – o anti-Golbery," Livre-Docência thesis, Universidade de São Paulo (2007); Martin A. R., Sopa de Letrinhas: ALBA, ALCA, MERCOSUL, UNASUL, CAN... para onde vai a integração latinoamericana?, in: Argentina e Brasil: Possibilidades e obstáculos no processo de integração territorial, M. Arroyo, P. Zusman (eds.), Humanitas, São Paulo (2010).

Zbigniew Brzezinski and his book "The Grand Chessboard: American Primacy and Its Geostrategic Imperatives"<sup>12</sup> also important for understanding of the influence of contemporary U.S. political thought in connection with geographical space and strategic imperatives of the Washington. Brzezinski writes that the key to dominating the world is central Asia, with its strategic position between competing powers and immense oil and gas wealth. This region also intersected by "Arc of instability" (tern coined by Brzezinski too) started from Balkan states in Europe and finished in North-West region of China. Artificial nature of this arc is obvious because of association with political Islam and islamist militant groups. This Central Asia region previously was described as Hinterland cause this area is remoted both from the Heartland and the Rimland. In result we see that all areas - Heartland, Rimland and Hinterland are important for American strategy of active deterrence in its different forms from linkage theory of Henry Kissinger<sup>13</sup> till Full-Spectrum of Dominance of DoD of the the U.S.<sup>14</sup> Actually strategy of American superiority we can see in the phrase of Zbigniew Brzezinski from mentioned book: "For the United States, Eurasian geostrategy involves the purposeful management of geostrategically dynamic states and the careful handling of geopolitically catalytic states, in keeping with the twin interests of America in the short-term preservation of its unique global power and in the long-run transformation of it into increasingly institutionalized global cooperation. To put it in a terminology that hearkens back to the more brutal age of ancient empires, the three grand imperatives of imperial geostrategy are to prevent collusion and maintain security dependence among the vassals, to keep tributaries pliant and protected, and to keep the barbarians from coming together".<sup>15</sup>

Hybrid of geopolitical schools – is this approach relevant?

Recently new theories as critical geopolitics and geoeconomics undermined the dominance of previous (old) geopolitical school and lead to revision, especially welcomed in the non-Western countries. Some authors of old school were claimed as determinists. But even Spykman argued that geography does not predetermine, but only creates the conditions and offers

<sup>12</sup> Zbigniew Brzezinski, The Grand Chessboard: American Primacy and Its Geostrategic Imperatives (New York: Basic Books, 1997).

<sup>13</sup> Henry Kissinger, *Diplomacy* (New York: Simon & Schuster, 1994), 716–721.

<sup>14</sup> Engdahl, F. William, *Full Spectrum Dominance: Totalitarian Democracy in the New World Order* (Boxborough, MA: Third Millennium Press, 2009).

<sup>15</sup> Brzezinski, The Grand Chessboard: American Primacy and Its Geostrategic Imperatives, 40.

opportunities, and spatial factors should be considered not determining, but causing.<sup>16</sup>

Critical geopolitics emerged from ideas of Peter J. Taylor, Michael Faucault and Edward Said. Founders of Critical geopolitics - Gerard Toal (Gearóid Ó Tuathail), John Agnew and Simon Dalby were active and optimistic in the 90-s of XX century. They presented new approach as transparent democratic tool directed both against colonial and oppressive practices of the Western powers and authoritarian regimes. They focused on particular issues that have changed own nature and became have a new role and status under conditions of globalization.

As noted "Critical geopolitics' emphasis on international affairs is a notable phenomenon. It is nonetheless understandable given that the emergence of critical geopolitics cannot be detached from so-called dissident international relations (IR)."<sup>17</sup>

In general critical geopolitics pays more attention to lower levels of power than the macro level or global economic processes. Critical geopolitics emphasizes not so much the sources and structures of power, but rather the daily practices of the realization of power relations and the mental models that provide them. Along with political geography, critical geopolitics argues that spatiality is not limited to territoriality. state power does not rest solely on the territory of a state.<sup>18</sup>

The category of geopolitical space appears, which is divided into physical-material and ideological structures.

Anyway interests of Great power, i.e unipole of the U.S. also were analyzed. Simon Dalby concerned on Grand strategy in geopolitics and how geostrategic knowledge used to legitimize warfare, and more generally security, remains a task for geographers interested in how geography is used "for war" and how this might be changed. In his article Dalby noted: "Why such tasks continue to matter is made clear once again in the June 2009 issue of Foreign Policy magazine where Kaplan<sup>19</sup> invokes Halford Mackinder's formulations to supposedly offer a guide to the future, and in particular to what he assumes will be geopolitical rivalries in Asia. Ignoring most contemporary geographical scholarship, which is apparently irrelevant to understanding the eternal verities of war and violence, Kaplan once again provides legitimation for focusing on the past, and on rivalry and potentials for war, rather than on the pressing needs for diplomatic initiatives,

<sup>16</sup> Spykman N.J. "Geography and Foreign Policy," *American political science review*, Vol. 32 (1938): 28-50.

<sup>17</sup> Sami Moisio, "Geopolitics/Critical Geopolitics". In *The Wiley Blackwell Companion to Political Geography* edited by John Agnew, Virginie Mamadouh, Jo Sharp, and Anna J. Secor, 224., John Wiley & Sons, Ltd., 2015.

<sup>18</sup> Maruev A., Medvedev D., Gulina E. "Theoretical Aspects of Projecting Geopolitical Space in the Arctic Region," *Strategic Stability* № 2, 83 (2018): 9.

<sup>19</sup> Simon Dalby mentioned articles of Rober D. Kaplan later compiled and issued as book under the name "The Revenge of Geography" in 2012 - author's note.

cooperative ventures for regional peacemaking, not to mention collaborative efforts to deal with the inevitable consequences of such things as the disappearing glaciers in the region".<sup>20</sup>

Classical geopolitics, closely related to the tradition of political realism in International Relations, is seen by critical geopolitics as an ideology (or 'discourse' to speak the lingo) that has legitimised some of the bloodiest military campaigns of the 20th and early 21st century. Critical geopolitics' aim is to disenchant classical geopolitics by denaturalising it. Therefore, instead of arguing from a fixed normative position (universal liberalism or utopian socialism), it tries to de-legitimise geopolitics by placing it in its historical context and highlighting the contradictions already at work in geopolitics.<sup>21</sup>

Anyway there also is kind of balance between of old and new schools. Two approaches in geopolitics can complement each other, which will allow us to talk about the transition of Western geopolitics to a new phase of development - the postcritical, in which the traditional subject of geopolitics (geography of international relations) is considered taking into account the criticism of deterministic views characteristic of critical geopolitics. In the postcritical geopolitics, universal concepts of geopolitical arrangement of the world are no longer built, but a transition is underway to the analysis of the spatial factors that determine the development of political processes.<sup>22</sup>

But similar duality was discovered from geopolitics itself. "Geopolitics consists of two components: Geostrategy and Geoeconomics. It is directly linked with Geoeconomics and further correlates the geopolitical factors with military power and political goals. The main factors determining a country is geostrategic value are its location, its political-social standards, its military power and international status».23

Models of geoeconomics were differentiated into such sectors like energy, industry, supply chains, transit routes, stock exchanges, banking/finance sectors.

To keeping in mind all these necessary aspects and to have tool for practical implementation there is need for interdisciplinary methods and holistic approach.

<sup>20</sup> Simon Dalby, "Recontextualising violence, power and nature: The next twenty

Ian Klinke, "Five minutes for critical geopolitics – A slightly provocativeintroduction",AccessedMay20 21 https://exploringgeopolitics.org/publication\_klinke\_ian\_five\_minutes\_for\_critical\_g eopolitics\_a\_slightly\_provocative\_introduction/

<sup>22</sup> Haverluk T.W., Beauchemin K.M., "The three critical flaws of critical geopolitics: toward a neo-classical geopolitics," Geopolitics Vol 19, N 1 (2014): 19-39.

I. Vidakis, G. Baltos, J. Balodis, "Geopolitics of Energy Versus Geoenergy of 23 Politics," Socialo Zinatnu Vestnesis 2 (2017): 45.

#### IR schools and Eurasia

Theories of International Relations are next layer of complex analysis. Even classical theories such liberalism and realism may be interpreted under scope of the strategic cultures of Eurasian powers.

There is interesting that predictions of the scholars of American school of (neo)realism in IR was not released for the region of South Asia. For example for the option of balanced multipolarity John Mearsheimer argued24 that the closer a great power is to a rival the more likely it is to balance because it would be first in line should the other choose to attack. Conversely, natural barriers or buffer states separating a specific great power from its rivals make buck-passing more likely.

In unbalanced multipolarity, however, the balance of power is so asymmetrically distributed in favour of one of the great powers that it has a fair chance of becoming a regional hegemon. When this situation occurs, balancing is the only rational response among the other great powers, assuming that they wish to preserve their autonomy.

Partially ideas of John Mearsheimer may be named correct for Pakistan-China-India triangle, but Russian-Chinese cooperation was out of his mark.

Peter Toft in his analysys of Mearsheimer theory added that "institutionalized cooperation has also expanded in the region among the major players, for example, in the Shanghai Corporation Organization between China and Russia. And the minor powers in South-East Asia have intensified cooperation among themselves within the Association of Southeast Asian Nations (ASEAN) bloc and expanded the regional dialogue on security in fora like the Asian Regional Forum".25

For our opinion the main problem of Western scholars is engagement of their own strategic vision and there is no wish to understand values and interests of the "Others".

Anyway IR theories seriously focused on security issues and again we need to enlarge existing sets. Some authors developed theoretical framework, where view of neoclassical geopolitics enriched with elements from the Regional Security Complex Theory.<sup>26</sup>

We should to analyze step by step the most important challenges and threats for each power of region than to compare it with similar issues

<sup>24</sup> John J. Mearsheimer, "The Future of America's Continental Commitment" in No End To Alliance edited by Geir Lundestad, London: Macmillan, 1998; John J. Mearsheimer, The Tragedy of Great Power Politics (New York: Norton, 2001).

<sup>25</sup> Peter Toft, "John J. Mearsheimer: an offensive realist between geopolitics and power," *Journal of International Relations and Development*, Volume 8, Number 4 (2005): 381-408.

<sup>26</sup> Theodor Tudoroiu, Geopolitical Approaches, Regional Security Complexes, and Political Psychology in *Brexit, President Trump, and the Changing Geopolitics of Eastern Europe. Springer, 2018*), 7-35.

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for region itself and to imagine how it will looks after integration and developing. It will be clear that some perceived threats are nothing more than phantoms, but some challenges can arise after and should be forecasted and predicted.

The interdependencies of security and development are always contextual.<sup>27</sup> But context itself is important for strategic and geopolitical analysis. Colin S. Gray noted that the word "context", from the Latin "contextere", has two meanings. It may concern what surrounds, and it is now its everyday meaning. At the same time, it can mean "that which is woven together".<sup>28</sup> So it provides background, current trends, sleeping potential and possible ways for constructing new geopolitical reality.

He also pointed out that there are three kinds of contexts geopolitical, cultural and technological. There are no strictly defined boundaries between them. Moreover, the geopolitical context is admittedly the most important of the three.

Also a special concept appears that points to the relationship between development and security - security-development nexus.<sup>29</sup>

On the one hand, a combination of "security - development" should be counted among the essentially vague concepts, which should be used with extreme caution. On the other hand, the scale of its application both in political practice and in the academic field suggests that we are dealing with a category that, despite its ambivalence, lives its own life, constructs and changes international reality, and even then should be perceived seriously.30From first point of view this baggage of old and new theories seems burdensome and there is a temptation to simplify the approaches and methods. But world is more complex that seems especially if we going to critical point of emerging multipolarity31 and building a new forms of cooperation.

As we noted earlier "balancing between order and chaos, which necessarily arise out of the properties of complex systems, and the pluralistic and non-linear thinking characteristic of their descriptions will be useful not only for explaining the changes already underway, but will also aid in designing the new reality of the Eurasian Union"32 and in larger sense "it is

<sup>27</sup> Spear J., Williams P., *Security and Development in Global Politics: A Critical Comparison* (Washington, DC: Georgetown University Press. 2012), 334.

<sup>28</sup> Colin S. Gray, Modern Strategy (Oxford: Oxford University Press, 1999).

<sup>29</sup> Amer R., Swain A., jendal J., *The Security-Development Nexus: Peace, Conflict and Development* (London: Anthem Press, 2012).

<sup>30</sup> Vladimir Bartenev, "Security-Development Nexus in Western Bibliography: From Deconstruction to Contextualisation," *International Processes*, Vol. 13, № 3, (42) (2015): 78-97.

<sup>31</sup> Leonid Savin, "Multipolar moment," Journal of Eurasian Affairs, Vol. 6, Num.1 (2018).

<sup>32</sup> Leonid Savin, "The Eurasian Union and Complex Systems Theory," Geopolitica.ru, 03.05.2016, Accessed June 20, 2019,

obvious that in XXI century we can also speak about application of selforganizing criticality, nonlinear geometry, epistemological anarchism, dissipative structures, and complex thinking for the political sciences"33.

#### **Case for Eurasian Triangle**

Eurasia is very broad concept and we will focus on Russia-China-Pakistan triangle only with reference of Eurasian Economic Union (EAEU) and Shanghai Cooperation Organization (SCO).

It is obvious that there is no dominant power like Transatlantic model with leadership of the U.S. At first strategic culture of all three countries are different to each other. At second all three countries are nuclear powers that reflects special status. Uniting elements are positions on the continent, especially the specifics of the landscape of the each country, that can provide essential opportunities for other partners; historical background; and shared understanding of the challenges. As noted "political leadership of China, Russia and Pakistan analyzed the threats and development of the international system in a similar manner... In larger political spheres, Beijing, Moscow and Islamabad have a similar discourse on how they perceive U.S."34

Russia and China involved in the different layers of strategical partnership. And first step was done in 1997 when Joint Declaration on a Multipolar World and the Establishment of a New International Order was signed in Moscow and presented at the U.N. the same year.35 More step were done in bilateral relations as well as through regional projects.

Both China and Russia consider Eurasia their own backyard, and each tries to strengthen its influence there through ambitious regional integration or cooperation initiatives: in Russia's case, the EAEU and the Greater Eurasian Partnership, and in China's the Silk Road Economic Belt, the land component of the BRI... China and Russia seem to be increasingly in agreement when it comes to the future regional order in Eurasia, and they have enhanced mutual cooperation by linking the EAEU and BRI. A case in point is their division of labour within the SCO, where China is in charge of the economic sphere while Russia takes the lead on security issues; and that

<sup>https://www.geopolitica.ru/en/article/eurasian-union-and-complex-systems-theory
Leonid Savin, "Eurasia and Complex System Theory," Avrasya Dunyasi, No 2 (2008): 17.</sup> 

https://avim.org.tr/public/images/uploads/files/2leonidsavin.pdf

<sup>34</sup> Muhammad Khan, Arshmah Jamil, "Emerging Cooperation between China-Russia and Pakistan: Challenges and Propspects," *Central Asia* 82 (Summer 2018): 39.

<sup>35</sup> Russian-Chinese Joint Declaration on a Multipolar World and the Establishment of a New International Order, adopted in Moscow on 23 April 1997. Letter dated 15 May 1997 from the Permanent Representatives of China and the Russian Federation to the United Nations addressed to the Secretary-General, Distr. GENERAL A/52/153, S/1997/384, 20 May 1997

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division of labour is also apparent within the BRI, as many of the private security companies enlisted in BRI projects are Russian.36

Pak-China relations also developed through decades with China-Pakistan Economic Corridor (CPEC) and Gwadar port as its the most significant manifestations.

Pak-Russia just on table and it is time to build multi-track diplomacy from standard inter-state activity in economy, politics and security/military spheres till the pool of cultural actions, long term scholar research projects, joint efforts of think tanks and media interactions.

As Nazir Hussain observed "Pak-Russian relations have often been under-rated, despite strong potentials, mainly due to misperceived notions and mindsets. There have been many opportunities to improve their relations but were lost due to different approaches to regional and global security perceptions".37

Still there is threat of interference of external power into affairs of region. One is mental projecting that may be transformed into political engineering. As one analyst noted "the mega-continent now can be divided into four strategic regions: "Europe" (West and Central), "Central Eurasia" (former USSR), the Middle East, and "Asia" (East and South). In Asia, the central strategic issue is the contest for regional primacy between China and the United States".38

Concepts such as the Greater Middle East and Greater Central Asia also justify the interests of geopolitical and economic stability under the control and leadership of the United States in the region. The terms "Greater" imply a transformation of a region and a revision of existing boundaries that means inciting and maintaining conflicts between numerous actors of region.39

In this case, the implementation of this strategy includes the following imperatives:

<sup>36</sup> Aldo Ferrari, Eleonora Tafuro Ambrosetti, Russia and China. Anatomy of a Partnership (Milano: Ledizioni LediPublishing, 2019), 137-138.

<sup>37</sup> Nazir Hussain, "Pak-Russia Relations: Lost Opportunities and Future Options," *Journal of Political Studies*, Vol. 19, Issue 1 (2012): 79.

<sup>38</sup> Alexander Vuving, U.S. Primacy, Eurasia's New Strategic Landscape, and the Emerging Asian Order. (Paper, 147, S. Rajaratnam School of International Studies, December 11, 2007).

<sup>39</sup> In the Cold war period U.S. were succesfull by manipulating of the fears of "Soviet invasion". False claims about Soviet strategy on the access to the warm waters were effectively used in diplomatic rhetoric of the U.S. policy makers in the countries from the Gulf region till South East Asia. Till now in the U.S. many think tanks involved in the making of similar geopolitical theories and constructs. For example you can check some attempt in the works of Frederick Starr focused on "New Silk Road" and "Greater Central Asia" projects. For details see http://www.silkroadstudies.org/

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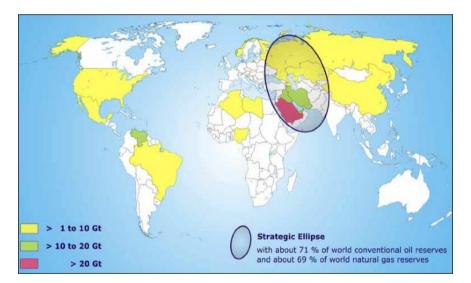
- The exclusivity of US interests, especially in Afghanistan (Central Asia) and Middle East countries, which is associated with economic, scientific, technical and commercial potential;

Solving the problem of building democracy through imposing of Western values with facade of the protection of human rights, equality and freedoms;
Emphasis on coordination, not integration of the countries of Central Asia;

- Freezing current relations between the United States and other geopolitical actors - China, Iran, Pakistan and Russia.

The confirmation of this view we can found in the West's perception of the integration projects in the Eurasia. The Eurasian Economic Union (EAEU) was named by former Secretary of State Hillary Clinton as an attempt to revive the USSR, and the Belt and Road Initiative (BRI) was labeled as the Chinese expansion to the countries of Asia and Africa. Although the leaders of Russia and China have repeatedly stressed the exclusively economic nature of both projects, Washington's voice continued to sound angry, frightening not only its regular customers, but also hinting at the possible consequences if some countries will prefer these projects.

Focus on energy dependence is the reason for serious concerns of Western powers too. So called Strategic Ellipse (see Figure 4) is located in the Eurasia and besides axis countries (Azerbaijan, Iran, Iraq, Kazakhstan, Kuwait, Qatar, Russia, Saudi Arabia) there are neighbor states involved in transit of the energy resources (Pakistan is among them).



*Figure 4: Strategic Ellipse of hydrocarbon resources. Source: Rempel A.W, Thermal pressurization and onset of melting in fault zones (2006), 6.* 

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However, it is necessary to note an important aspect. In the current transition period from unipolarity to multipolarity, the EAEU and the BRI projects are innovative - they form a "ideology of non-ideology" because they do not impose any political model on the partner countries like the U.S. and the transnational structures under its control.40

In the geopolitical context, the EEU and the BRI overcome the confrontation between the Heartland and Rimland (in most sense this confrontation is an artificial construct of the U.S. geopoliticians), since they create a connectivity mode through Hinterland. North-South corridors are being created between the Northern Sea route of Russia and the Pearl of Strings of China, which make it possible to actualize the potential of the meridional geopolitical processes.

In a situation of decline and crisis of the neoliberal model41, the conjugation of the EAEU and the BRI (which was announced at the BRICS-SCO summit in 2015) can become a model not only for Eurasia, but also for other regions.

The starting point for an illustrative example could be Pakistan, where the CPEC project is being implemented. China has already invested more than \$ 60 billion in this project. Islamabad is interested in expanding cooperation with Russia in a number of areas - from energy and trade to military-technical and scientific cooperation. Over the past few years, Russia and Pakistan have significantly strengthened trust between the countries - from conducting joint military exercises to signing an investment agreement. There comes a moment for strategic interaction, which can have an effect on the entire region.

One important sphere is scientific cooperation, especially for international relations, geopolitics and affiliated strategies. Historical narratives including meaning of religion/metaphysics need to be recovered and backed by contemporary analysis and forecasting. Ideas of domestic philosophers should be adopted not for national policies only but to be used for regional level. Consolidated non-Western political philosophy in its diversity seems to be important tool for promoting multipolarity as Newest and Polycentric World Order42. Needless to say, each other's interests should be respected. All three states use a policy of non-interference in the affairs of other countries and respect its sovereignty. It is very important to

https://www.rt.com/news/462934-putin-questioning-liberalism-shock/

https://www.geopolitica.ru/en/article/multipolarity-and-policentricity

<sup>40</sup> Леонид Савин. "Китайская инициатива "Пояс и Путь" в контексте евразийской интеграции", Geopolitica.ru, 22.05.2019, Accessed June 20, 2019, https://www.geopolitica.ru/article/kitayskaya-iniciativa-poyas-i-put-v-konteksteevraziyskoy-integracii

<sup>41</sup> Putin's questioning of 'liberalism' causes existential shock, RT, 28 Jun, 2019, Accessed June 29, 2019,

<sup>42</sup> Leonid Savin, "Multipolarity and Polycentricity", Geopolitica.ru, 09.02.2018, Accessed June 20, 2019, http://www.geopolitica.ru/on/orticle/multipolarity and policentricity.

overcome the Western-centric approach in the strategic thinking of decision makers in the countries of region. We observe the persisting inertia of the previous era, when, due to the reactivity of actions, the consequences were in the interests of the West, primarily the United States, and not the states of the region. China is following own long-term strategy and till now avoided strategic traps of the Western dominance. Pakistan and Russia should do the same, but in our own versions where the integration impulse should be above the short term profits.

New structural shifts inside the lines of official diplomacy also may results for the joint benefit of three countries. Besides SCO, EAEU and CPEC Russia, China and Pakistan may to support each other on different levels in more consolidated way. Flexibility should be synchronized with clear diplomatic messages in the U.N. and other intergovernmental organizations on regional and global scales. Such crucial topics as joint defense, counter terrorism measures, energy supplies and political responsibility for region need to be explicitly implied as joint core imperative during any negotiations. In extreme Crimea, Kashmir and Taiwan issues will be most sensitive, but less or later these question should be resolved.



## PRESENTATION BY DR. ABDUL BAQI AMIN\*

(Translated from Pashto into English)

# ROLE OF AFGHANISTAN IN REGIONAL ECONOMIC COOPERATION

#### Introduction

In the present day world, regional integration is not only important for economic reasons but also for political, social and cultural reasons. Regional geopolitical situation has been changing rapidly for the last few years. Like the Cold War period, states of this region have been divided into two blocks. That is why a new cold war and competition between the super powers of the world is going on in this region. Besides other aspects, this cold war also has an important economic aspect. Afghanistan is directly affected by this situation. The reason is that on one hand, America, an instrumental player of this new cold war has her presence in Afghanistan and on the other hand Afghanistan has again become a playground for this match of global great powers. Looking at this situation, the importance of regional economic cooperation has been realized by the regional states. In this article the regional economic cooperation has been analyzed in the following three parts.

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- 1. Importance of regional economic cooperation.
- 2. Role of Afghanistan in regional economic cooperation.
- 3. Role of research institutes and NGOs in regional integration

#### IMPORTANCE OF REGIONAL ECONOMIC COOPERATION

Currently, in our region there are many reasons for the enhanced importance of regional economic cooperation. Among them a few worth mentioning factors are given below:

**Trade (Export, Import)**: Regional cooperation is very important for trade. If there is no regional connectivity and integration, trade will be badly affected. States of this region vary in terms of production. North of this region is rich with sources of energy while south produces small and medium trade products. Trade of the small and medium products can help in strengthening the economy of the region followed by the self sufficiency of the region. Trans-border trade facilitation and use of regional currency for trade can make the regional economy powerful. Thus the region can get rid of the exploitation of the world economic power. Following are the main points of promotion and facilitation of trade for regional integration and peace.

Transit: Besides imports and exports, transit is directly related to regional integration and regional economic cooperation in this region. If transit facilities are available among all of the states of the region and products of each country can easily transfer to one another, it will make the region prosperous and economically self-sufficient which is according to the desires and aspirations of the masses of this region. Unfortunately no country of this region has taken serious steps for the promotion of transit trade. These issues badly affected the products of Afghanistan which can't reach to market in time. Pakistan and Afghanistan signed the first transit trade agreement in 1965 followed by a renewal in 2010. Despite this transit trade agreement still Afghanistan faces some issues from Pakistan. These issues can't be resolved with regional cooperation. Major issues of transit trade between Pakistan and Afghanistan are: closing of border, restrictions of trade with India, law and order situation and so on.

**Regional Peace and Stability:** In this region as a whole and particularly in Afghanistan for the last few decades there is an atmosphere of instability and uncertainty. Regional economic cooperation is closely linked with the process of peace and stability in the region.

Many major economies desire to extend and implement their economic projects in this region and want to help in the process of peace and stability in the region for the promotion of their economic interests as well as regional security. For example TAPI Project under which Turkmenistan, Afghanistan, Pakistan and India have signed agreements and it has been practically started since 2016. But actually this project had been initiated in the last decade of twentieth century but it was not materialized due to law and order situation in Afghanistan.

Regional integration and cooperation can also help in the prevention of production and smuggling of drugs. Presently many states of the region are affected by the smuggling of drugs. Afghanistan, in this region, produces more drugs than any other state of the world. The reason is long instability and war in Afghanistan. This issue has also badly affected Afghanistan. Presently two percent of the whole Afghan population are drug affected. Due to weak border control and management these drugs can be easily smuggled intra regionally as well as inter regionally. According to one data, there are more than seven millions people who are addicted to drugs in Pakistan. Head of the antinarcotics department Khawar Hanif told to the senate of Pakistan about this situation. He said that every day many drug addicted people die of this menace. Similarly there are three millions drug affected people in Iran. Every year three thousand people die of drug addiction. This data shows that drugs production and smuggling due to the instability can't limit itself to one state but can penetrate to the other states of the region as well. It has a contagion effect.

**Dependencies and Sanctions:** When the regional states develop regional economic cooperation then sanctions of international economic powers will be meaningless. If regional states promote and facilitate intra-regional trade, every regional state will be able to exchange its products intra-regionally which in turn will mitigate the consequences of international sanctions and exploitations.

Collective settlement of regional issues: Regional cooperation and integration can also play positive role in the settlement of issues and challenges related to politics, peace and stability. When this fact is realized and regional states are closely linked they can influence each other easily and regional states are naturally motivated to help each other for settlement of regional issues. This interdependence creates stakes of regional states in each other stability. Thus they will also realize that interference in other states' affairs is not good.

#### **ROLE OF AFGHANISTAN IN REGIONAL COOPERATION**

For economic development and regional integration, the region needs the role of Afghanistan. Similarly Afghanistan also need cooperation of regional states not only for political purposes but also for economic and stability purposes. Mainly Afghanistan need transit routes for exporting its fruits and vegetables to other states. Similarly, other states of the region need Afghanistan for promotion of their imports and exports which in turn facilitates peace and stability in the region.

Afghanistan plays a significant role for regional integration between Pakistan, China, Central Asia, Iran and other states of this region. South Asian countries need energy for their products which has rich resources in eastern states. Afghanistan can play a role in this connectivity between South Asia and Central Asia. In this regard CASA-1000 and TAPI projects are best examples which have started their work in the region. There are some hurdles in Afghanistan for regional integration which the regional states need to remove from their way of connectivity. In this regard peace and stability in Afghanistan is the pre-requisite. The regional states need to resolve the issues of foreign forces in Afghanistan, absence of intra-Afghan reconciliation, and likewise other hurdles in the way of regional integration. To achieve the goal of regional integration, regional states should play their role in resolving Afghanistan related issues. Particularly the presence of American forces and NATO forces in Afghanistan is the basic factor of instability in Afghanistan. Western countries are going to lose their interests in this region if regional integration and cooperation is materialized. It is very important for regional states not to interfere in Afghanistan and to help in establishing a strong government in Afghanistan that is beneficial for the stability of the whole region.

# ROLE OF RESEARCH INSTITUTES AND NGOS IN REGIONAL INTEGRATION

Non-Governmental Organizations can also help in the promotion of friendly relation among the regional states. Presently, the unfriendly relations between Afghanistan and Pakistan have affected the region and regional cooperation. Afghanistan and Pakistan need each other and their mutual cooperation in different area is imperative. If they have unfriendly relations then it will be difficult to cooperate with each other. NGOs and civil society can also play their role for reconciliation and friendly relations between the countries.

Research and analysis centers can play an instrumental role in regional cooperation. Civil society and research centers can play their role in two ways. The first one is bilateral relations and cooperation and the second one is multilateral relations and cooperation. For example for Pak-Afghan relations based on mutual trust, national interest and self-respect, the role of research centers is much needed in developing such an environment for mutually beneficial relations. Coordination between the research centers of the region is also need of the day because they can analyze regional issues and can put forward their recommendations for a peaceful solution of these issues.

In this regard it is important for research centres of regional states to have close links and coordination. They sholud conduct research studies on regional issues in collaboration with each other. Research centres can also play a vital role in resolving regional issues. They can jointly work for mutual political, social and economic issues of the regional states. Research centres can also help in bringing peace and stability in the región by working in collaboration with each others.



## PRESENTATION BY MR. SHAKIL DURRANI\*

As the Belt and Road Initiative (BRI) moves ahead steadily some concerns are being expressed regarding the performance and objectives of its Pakistani component, the China Pakistan Economic Corridor (CPEC). CPEC has considerable potential to lift Pakistan out of its low growth environment and in assisting in employment generation. Whether CPEC would be the springboard towards greater regional integration would largely depend on its success here. It is therefore essential that CPEC evolves into a long term and self-sustaining growth and development model rather than an investment with limited forward linkages and meager socio-economic returns.

The 56 billion dollars investment and loans already provided by China during the first phase of CPEC for infrastructure and energy sectors would help in creating the investment environment for positioning CPEC as a 'leading sector' for future growth and development. CPEC, as such, could be viewed as Pakistan's equivalent to the Marshall Plan for post-war Europe; just consider the heights Europe ascended to because of the Marshal Plan. CPEC could be developed as a good model for rehabilitating the economy of Pakistan and placing it alongside the leading emerging economies like that of South Korea, Chile and Malaysia. Each of these had 'leading sectors' that helped their economies to grow impressively. Other countries such as India

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had Information Technology as the leading sector while Bangla Desh focused on textile and garments exports. The growth potential differs from country to country.

Pakistan's economy benefited from its own leading sectors in the past. The textile industry was one success. Another was building the Mangla and Tarbela hydro-electric dams which has provided the country with immense economic and employment opportunities for over forty five years. The generation of cheap electricity and storage of fifteen million acre feet of water for irrigation helped feed a population of over 200 million people, developed large scale industries which besides promoting exports employed tens of millions of people. Just in the case of Tarbela dam, it may be noted, that every day it provides green electricity worth half a billion rupees while the stored irrigation water adds a couple of billion dollars annually to Pakistan's economy. The economic multiplier effect remains robust.

As opposed to this success Pakistan's economy did not experience much benefit from the construction of the Motorways which did not live up to its expectations. There was hope that the Motorways would lead to greater industrialization and employment openings but that did not happen. The industrial estates that were supposed to be established along the Motorways never got off the ground mainly because there was little interest or holistic understanding of the subject. There is a need to evaluate why the Motorways did not lead to a more sustainable growth economy despite an investment similar to that expended on the two dams mentioned earlier

Now Pakistan should concentrate on creating the appropriate environment for CPEC to grow to place the country among the leading emerging economies of the world. Long-term and investment-friendly policies must remain the central focus. Only when these policies mature would Pakistan be able to adapt and merge into the economic stream of regional integration. In the years ahead Pakistan could get fully integrated into the rail and road communications with China, Russia and the Central Asian Republics. The proposal for a fast train from Kashgar to Gwadar and replacement of the Peshawar to Karachi railway line should be placed on priority. Importantly, Pakistan needs to consider the joint development of the water and power potential of the common rivers with Afghanistan for the benefit of all the people.

There is therefore the need to strictly adhere to the following five preconditions before Pakistan could assist a regional integration:

• Political stability, more than any other factor, provides the foundation for consistency in policies. If every change of government or individual results in changes in the investment or taxation policies we might as well say good by to rapid economic growth.

 $\cdot$  Greater focus on Human Resource Development, especially the enrolment of all children in schools today is required which would lead to

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full literacy in a few years. Technical education and skill development would need to be placed high on the Government's agenda as well.

• Providing complete health coverage and family planning awareness and facilities cannot be ignored any longer. How can a poor country with a 1.8 percent population growth coupled with considerable polio-affected and dengue-stricken people ever hope to enter the ranks of the emerging economies.

• Adoption of Good Governance practices leading to facilitation and improvement in 'ease of doing business' (136 in international ranking), better access to justice and quick adjudication of disputes (105 in world ranking) and checking corrupt practices (127 in international ranking) have to be focused upon.

The future augurs well. The joint statement issued by the Foreign Office after the Chinese Foreign Minister Mr Wang Li meetings with the Pakistani leadership on 8th September 2019 reiterated that 'Belt and Road Initiative had entered a new phase of high quality development. They agreed to continue to firmly push forward the construction of CPEC, complete its ongoing projects in a timely manner, and realise its full potential by focusing on socio-economic development, job creation and better livelihood and accelerating cooperation in industrial parks and agriculture.' We pray that in the years ahead BRI would be seen as the vehicle that led to economic growth, social development and better governance in Pakistan. Time would tell whether these pious hopes bear fruit.



## PRESENTATION BY BRIGADIER AKHTAR NAWAZ JANJUA (RETD)\*

#### **<u>Regional-Cultural Integration and the Role of BRI in Enhancing Social-</u> <u><b>Political Relations**</u>

Asalam- o- alaikum ladies and Gentlemen upfront ...

I would like to congratulate Area Study Centre (University of Peshawar), Centre for Global and Strategic Studies and everyone associated with this event for arranging the Conference, providing a valuable opportunity to the audience to understand the various aspects of trans-regional integration to be facilitated by the BRI and CPEC.

This direct interaction with the esteemed guests will immensely help all of us to understand this visionary project which will definitely change the geopolitical and geo-economic landscape of the world by greater interconnectivity by all means of communication across Asia, the Middle East, Africa, and Europe.

Ladies and Gentlemen!

East is where the future belongs to ... and rightly so because the world's past was also shaped by what had happened along the Silk Route of then.

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The BRI or Belt and Road Initiative also called as the Silk Road Economic Belt and the 21st Century Maritime Silk Road, aims to build a trade and infrastructure network connecting Asia with Europe and Africa through the ancient trade routes which The German geographer Ferdinand von Richthofen described as 'the Silk Roads'.

The revival of the old Silk Road under the BRI will usher in a new era of socio-political integration.

#### **Regional Integration**

The world, where unwanted, imperfect and, counterproductive agreements are being scrapped, there the East with the BRI is working collectively to revive the old silk route; that once acted as the 'gene corridors' for humans and flora and fauna alike.

#### **Projects for Regional Integrations**

The six economic corridors: New Eurasian Land Bridge, China-Central Asia-West-Asia Corridor, the China Pakistan Economic Corridor, The Bangladesh China- Myanmar Corridor, China- Mongolia- Russia corridor and the Indo-China Peninsula Corridor will integrate about 60 countries falling in these regions. These will act as the instrument of integration for all, as the connectivity afforded by these corridors shall hugely lessen the distances among these nations, while increasing the mutual cooperation, peace and stability as the economic and social interests will get woven together.

According to China today, As the Belt and Road Initiative (BRI) construction gains momentum, more and more countries and regions have opted to join in. As of now a total of 131 countries and 30 international organisations have signed cooperation agreements with China on joint construction of the Belt and Road. Resultantly, a new type of globalisation and governance is emerging.

Ladies and Gentlemen!

Let us take CPEC as an example of how it will provide the much necessary integration. CPEC, as you know, is the flagship project of the \$1Trillion Belt and Road Initiative, properly managed and successfully implemented will be instrumental in the economic and cultural integration of South Asia and Central Asia.

CPEC would also pave the way to promote regional and cross regional economic and trade integration among neighbouring countries. It will connect the world via Pakistan for shared culture, trade, economy and destiny. The Gwadar port will become the hub of all encompassing economic and social activity. Specifically the CPEC will act as a driving factor to exchange culture, foster regional trade and ensure economic integration between Pakistan, Saudi Arabia, Iran, Afghanistan, Central Asia, Africa, and Europe too.

This economic and trade integration under the umbrella of BRI and CPEC would open new vistas for Pakistan to access Central Asia and beyond for its energy and economic needs.

Central Asia abounds in raw materials, and energy resources, boasting about 50 billion barrels of crude oil, around 3.5% of the world's proven reserves, some 12.5 trillion cubic metres of gas, that is 6.8% of world reserves. Similarly, world's fifth greatest reserves of natural gas are there in Turkmenistan only.

#### **Cultural Integration**

Ladies and Gentlemen !

Culture, is the characteristic and knowledge of a particular group of people expounded by everything from language, religion, cuisine, social habits, arts and music. Integrating various cultures is a mechanism in which different people come together and form a new multi-faceted society while still retaining the individual culture disposition, attributes and moral codes.

The Silk Roads in fact, serves as a term that describes the ways in which people, cultures and continents were woven together –it helps us understand the way that religions and languages spread in the past, while showing how ideas about food, fashion and art disseminated, competed and prospered.

Currently, Growing cooperation among cultural organisations of the BRI embracing countries led to the establishment of international alliances of theatres, museums, art festivals and libraries such as the International Alliance of Museums of the Silk Road and the Silk Road International League of Theatres.

The BRI will help in promoting a new model of global cultural exchange and communication based on mutual respect, equality, win-win partnership, joint development and collective work. According to the Chinese ministry of culture A total of 108 documents were signed between China and BRI participants from 2013 to 2018, involving bilateral cooperation in culture and tourism.

#### Integration of Central Asian and Pakistan's Culture

Pakistan, a strategic south Asian state with many ethnicities shares very deep cultural, religious and economic bonds with the Regional countries in particular and BRI participants in general. The complex historic heritage has immense influence creating and improving linkages between the people and states. We have common Sufi Saints, Architecture, our national language Urdu has huge Central Asian, Turkish, Persian and Indian contribution in its evolution.

### Besides that ladies and gentlemen

The art of manuscript book writing in Central Asia belongs to the Silk Roads heritage with origins spanning centuries. Cities such as Baghdad, Bukhara, Samarkand, Shiraz, Isfahan, and Tabriz were renowned centres of such fabrication between the 8th and 16th centuries. The development of this craft is closely tied to the art of calligraphy, Manuscript illumination, and miniature painting which also reflects in the art inclination of the subcontinent. Central Asian influence introduced not only the concept of stitching but also Shalwar kameez, the national dress of Pakistan inspired from Central Asia and seeing ladies and men wearing Shalwar Kameez at Bukhara was a pleasant sight and a reminder of the origin the subcontinental dress derives from.

Upon full integration and through the mutual cooperation provided by the BRI, the "concept of community empowerment" will thrive where the communities of the people of countries involved in cooperation will develop and prosper together by forming strong community to community bondages.. In these empowered communities the people will have more control over their lives. Empowerment implies community ownership and actions that explicitly aim at social and political change.

The relations amongst the states will improve immensely as well because when the relations are defined by mutual economic interests, the space for conflicts and confrontations will shrink down, which will make the world, a more peaceful place. The cultural integration has a singular faculty to create an atmosphere of respect and mutual understanding, thereby stamping out the demons of hate, prejudice and discrimination.

BRI will provide a common platform to the member states for peaceful coexistence, mutual cooperation and trade. By connecting Europe, Africa and Asia the BRI will improve the political relations by amalgamating the national economic interests of these regions and will diminish the undue influence of the current global powers on under-developed states.

To conclude my speech ladies and gentlemen, I will quote the King of Zhao in north-eastern China, who ruled nearly 2,500 years ago. He said:

'A talent for following the ways of yesterday is not sufficient to improve the world of today.'

Those words of wisdom are as apt today as they were then. Understanding what driving change is the first step to being able to prepare and adapt to it. Trying to slow down or stop that change is an illusionary mistake with grave consequences.

Ladies and gentlemen the Silk Roads in the form of BRI, are rising and they will without any doubt increase the regional and cultural integration, enhance the social and political relations of its member states, ushering in an era of peace, stability, prosperity and mutual respect. Let us work together towards that end. Thank You.



# PRESENTATION BY MR.SULEMAN YOUSAF<sup>\*</sup>

### Industrial Parks and Special Economic Zones in Khyber Pakhtunkhwa under China-Pakistan Economic Corridor

Khyber Pakhtunkhwa is blessed with natural resources including natural beauty and mineral resources. But unfortunately during last few decades this province had suffered due to influx of Afghan refugees and also fighting war against terrorism which had destroyed the economy of Khyber Pakhtunkhwa. The war on terrorism had completely destroyed the economy of Khyber Pakhtunkhwa especially the industries including small and medium enterprises and another reason for the deindustrialization is load shedding.

But China-Pakistan Economic Corridor will change the future of Khyber Pakhtunkhwa from worse to better in years to come. CPEC is divided into two routes which include Western Route and Eastern Route. Both western and eastern routes are strategically and economically very important for Pakistan as a nation it can prosperity and economic revolution. But for Khyber Pakhtunkhwa western route is far more suitable than eastern route because western route is shorter than eastern route and it will take less time

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to transport both perishable and non-perishable goods to Gwadar Deep seaport. Under western route of China-Pakistan Economic Corridor Khyber Pakhtunkhwa will have 17 economic zones, 7 mineral zones, road projects and energy infrastructural projects. These projects will boost Khyber Pakhtunkhwa's economy by providing jobs to the local people and will also attract direct foreign and local investment.

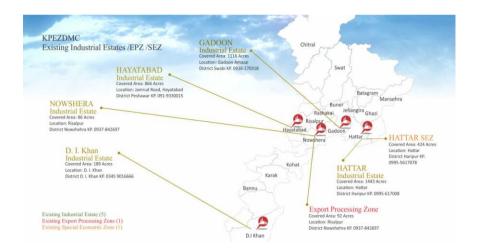
### (1) SPECIAL ECONOMIC ZONES: -

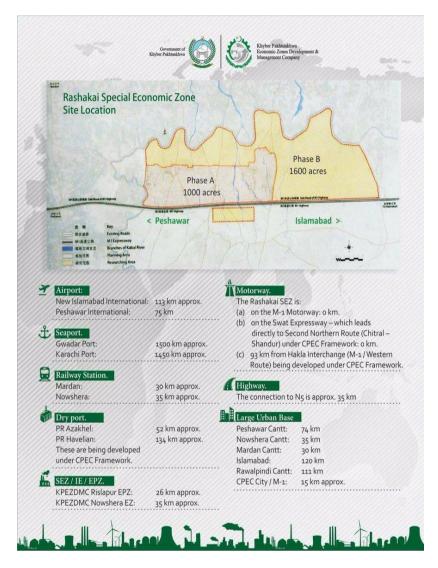
In Khyber Pakhtunkhwa there are 17 economic zones under CPEC which will create jobs for the people of the province and will increase industrialization and also create economic activity in the province. There seventeen economic zones which will be discussed below: -

### (i) Rashakai Economic Zone: -

Rashakai economic zone will have world class industrial infrastructure in Khyber Pakhtunkhwa, this economic zone will provide jobs, will provide economic uplift and also investment in industrial infrastructure. This zone is located near M-1 Peshawar Islamabad motorway and it is near to New Islamabad Airport it takes one hour to reach Islamabad's new airport from Rashakai economic zone. This economic zone is spread over an area of 1000 acres, it is divided into four phases and it has also six industrial clusters including 100 acres of Technology city incorporating and Electronic and Manufacturing Centre.







### (ii) Hattar Economic Zone

Hattar economic zone is spread over an area of 1000 acres with an investment Rs. 100 billion. Hattar special economic will have industries based on pharmaceutical, textile, food and beverages, steel and various engineering based industries.

#### (iii) Mohmand Marble City:-

Mohmand Marble City is located 15 kms north-west of Peshawar, this marble city is spread over 300 acres and it main is to develop the marble industry and reduce the wastage of marble. This project will provide more than 18000 jobs to FATA youth.

## (iv) Karak Oil Refinery

The provincial government has 600 kanals of land for the oil refinery, the MOUs had been signed with both Pakistan's Frontier Works Organization and also with Russian company to establish second refinery. Both of these refinery will refine nearly 60,000 barrels per day of crude oil.

### (v) Jalozai Industrial Park

Jalozai industrial park is spread with the total area of 270 acres, this industrial park will have industries consists of information technology, textiles, minerals, furniture and steel.

### (2) MINERAL ZONES: -

In mineral zones of Khyber Pakhtunkhwa seven mineral zones have been selected which includes: -

### (i) Dargai mineral mine

Dargai complex contains a variety of minerals including chromite, copper and other minerals. These minerals are important for the development of national economy.

### (ii) Waziristan Copper

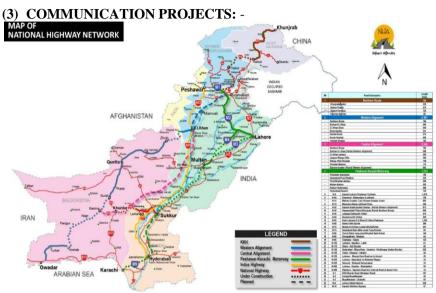
Copper reserves are found in areas of North Waziristan including Shinkai and Degan Phakhel. Shinkai mine has 35 million tons of copper reserves are found in North Waziristan. The government had planned to spend Rs. 172 million to develop the copper mine but it was suspended for security reasons.

### (iii) Chitral Antimony

Chitral district is rich in mineral resources both metallic and nonmetallic mineral have been discovered and some of them are in commercial use. Other minerals in Chitral include copper, mercury, marble, antimony and gold which are available in areas of Chitral.

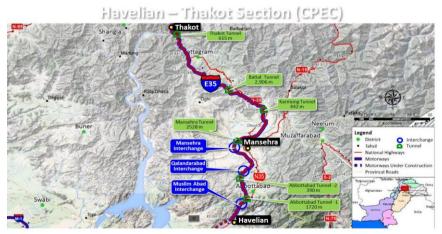
### (iv) Besham Mineral Mine

Lead-Zinc ore deposits are north and east of Besham on both sides of Indus River in the vicinities of Lahor and Pazang. This area contains nearly 3 million tons of Lead-Zinc ore which can be used for economic purposes



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(i) Thakot-Havelian Road: -
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Havelian-Thakot motorway is 180 kms long which will connect all major cities in Hazara division including Abbottabad. It starts from Burhan on Peshawar-Islamabad motorway and ends near Thakot which connects National Highway (N-35). This highway will reduce time between Thakot and other major cities of Pakistan including Peshawar, Lahore and Islamabad. There are six tunnels out of which two have been completed and each tunnel have different like e.g. two tunnels between Manshera and Thakot is 2500-2900 meters long.

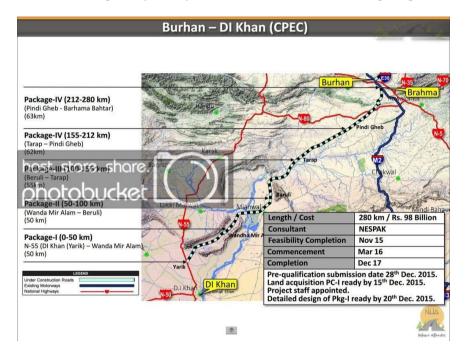


Map 2 Leadpakistan.com

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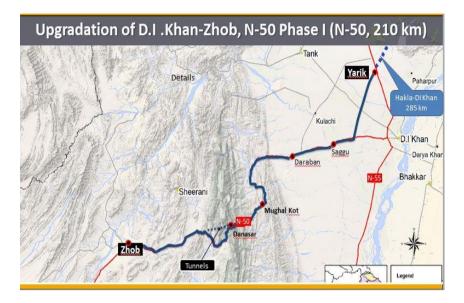
### (ii) Hakla-D.I.Khan Motorway: -

The construction work on Hakla-Dera Ismael Khan motorway had already being started and it was planned to be completed in 2018 but was extended to 2019. This motorway starts from Hakla interchange on Peshawar-Islamabad Motorway (M-1) and it is a four lane 285 km long highway. It will be used to carry the goods of all economic zones that are located in western route especially in Khyber Pakhtunkhwa to Gwadar Deep Seaport.



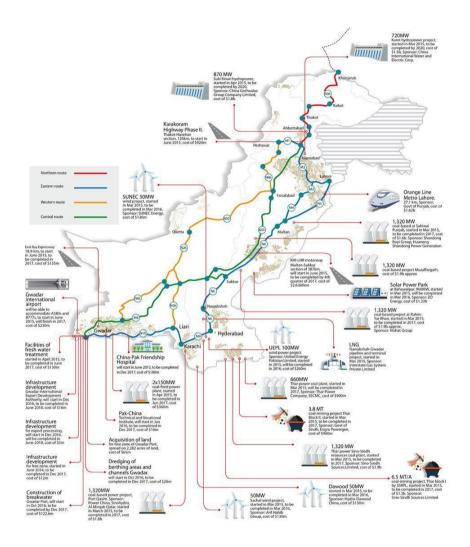
### (iii) D.I.Khan-Zhob Road: -

Pakistan's National Highway Authority planned to develop a 210 km D.I.Khan-Zhob highway which is a section of CPEC western route. This highway will be used to transport goods coming from economic zones like Rashakai, Chitral, Ghazi and D.I.Khan and straight towards Gwadar Deep Seaport. This will be four lane motorway, starting from Yarik, Indus Highway and ends at Sagu. This road will be extended to Quetta and from Quetta to Sohrab sections are in feasibility study stage.

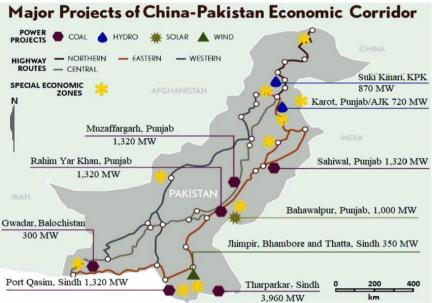


### (4) ENERGY PROJECTS: -

Energy projects are also important for the supply of electricity to the economic and mineral zones of both northern, western, central and eastern route of China-Pakistan Economic Corridor. The energy infrastructure will cost \$33 billion which will include both solar, hydel power, wind, coal power projects which will supply more than 10,000 MW of electricity to all parts of Pakistan by 2030. It includes Kohala hydel power, Suki Kinari, Jhimpir Wind Power Project, Karot dam project, Quaid-e-Azam solar power project and coal power project.



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### (i) Suki Kinari Power Plant: -

Suki Kinari is medium size hydel power project which will be constructed on river Kunhar, Kaghan Valley Khyber Pakhtunkhwa province. This dam will produce 870 MW of power or 3,081 GWh million units per year. More than 70% of work on this run off the river project had been completed.

### (ii) Alai Khwar Power Plant: -

Allai Khwar is also a medium size hydel power project which will produce 121 MW of power or 560 million units of low-cost electricity per annum.

### (5) ECONOMIC BENEFITS TO KHYBER PAKHTUNKHWA: -

China-Pakistan Economic Corridor will an economic revolution to Khyber Pakhtunkhwa, it will not only provide job opportunities to locals specially to educated people but will increase exports of goods of Khyber Pakhtunkhwa province. As there are a lot of minerals which had been discovered and some have been used for commercial purposes including marble, granite, limestone, oil and gas. There are minerals in the Khyber Pakhtunkhwa province which had been discovered but had not been utilized for commercial purposes but high cost and also advanced mining technology is currently not available to Pakistan.

Chart I Shows Prices of certain Minerals		
Mineral Platinum GM	Price (Ounce)	Price in Kilogram
Iridium	\$1460	\$47583
Osmium	\$400	\$12800
Platinum	\$960	\$30253
Rhenium	\$80.62	\$10,000
Rhodium	\$5000	\$160,753
Palladium	\$1633	\$52502
Ruthenium	\$255	\$8037

## Chart No.2 Prices of Other Metals

Metallic Minerals	Prices in Kg
Nickel	\$17820
Copper	\$5876
Gold	\$48210
Antimony	\$8.3
Lead	\$2103
Zinc	\$2.3

## Chart No.3 Uses of Rare Earth Elements

Rare Earth Elements	Its Industrial Uses
Scandium	High intensity lighting batteriers
Yttrium	Tv sets, cancer treatment drugs, high-
	intensity street lamps
Lanthanum	Camera lens, hydrogen storage
Cerium	Colored glass, steel production, storage
	batteries, catalytic converters
Praseodymium	Super-strong magnets, welding goggles,
	lasers
Neodymium	Microphones, wind turbines, hybrid cars
Promethium	Nuclear-powered batteries, phosphors

Rare Earth Elements	Uses
Samarium	Magnets, batteries
Europium	Color tv screens, fluorescent glass, thin-firm
	solar panels
Gadolinium	X-ray imaging, magnets
Dysprosium	Hard disk devices, magnets for wind
	turbines
Holmium	Glass colouring
Erbium	Glass production
Thulium	Lasers microwave equipment

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Chart No.5.2 Oses of Rare Earth Elements	
Ytterbium	Glass colouring
Terbium	TV sets, fuel cells, sonar systems, thin-firm solar panels
Lutetium	Glass production

Chart No.3.2 Uses of Rare Earth Elements

### (1) Dargai Mineral Complex: -

Dargai mineral complex contains a variety of minerals that are useful for economic development of Khyber Pakhtunkhwa and also Pakistan in general. This mineral complex contains strontium, thorium, cobalt, chromium, titanium, vanadium and other mineral which are vital for economic development.

Minerals	Uses
Strontium	Color television picture tubes
Thorium	Coat tungsten filaments used in electronic
	devices, television sets
Chromium	Chromium plating on cars and bicycles
Vanadium	Gears, axles and crankshafts and titanium-
	aluminium-vanadium alloy is used jet
	engines and for high-speed aircraft
Cobalt	Jet engines, gas turbines, magnetic steels
	and some types of stainless steel
Titanium	Aircraft
Manganese	Dry cell batteries

### (2) Chitral Mineral Complex: -

Chitral is mineral rich district of Khyber Pakhtunkhwa, it contains a variety of mineral which are used in economic development Khyber Pakhtunkhwa and also Pakistan. It contains gold, silver, copper, antimony, lead, zinc, vanadium, tin, mica, marble, talc, phosphate, pegmatite, platinum, palladium, molybdenum, mercury, bismuth, cadmium, tantalum, cesium, niobium and barium.

Cadmium	Batteries
Tantalum	High power resistors, capacitors
Niobium	Jet engines, pipeline construction
Zinc	Paints, rubber, inks, batteries and electrical
	equipment
Barium	Fireworks, oil well drilling fluids
Cesium	Vacuum tubes, ion propulsion systems,
	photoelectric cells
Mica	Electric industry
Talc	Ceramics, electrical switchboards, electrical
	cable

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### (3) Rashakai Economic Zone: -

Rashakai economic zone vital for the development of the area especially it is located near the Peshawar-Islamabad (M-1) motorway where different commodities including fruits, vegetables and minerals could be supplied for the industry. Fruits could be packed and can be used for producing fruit drinks and then export it to other countries.

### CONCLUSION

CPEC projects in Khyber Pakhtunkhwa will not only benefit Khyber Pakhtunkhwa but also Pakistan, it will provide jobs to educated as well to labor class people. It will bring economic revolution and will also increase industrialization, which help bring advanced technology and also foreign direct investment.

International Conference: BRI, CPEC & Trans-Regional Integration



# **SESSION - 4**

# DAY TWO: SEPTEMBER 12, 2019 CHAIR: PROF. DR. MUHAMMAD KHAN DEPARTMENT OF POLITICS AND INTERNATIONAL RELATIONS, INTERNATIONAL ISLAMIC UNIVERSITY, ISLAMABAD



# PRESENTATION BY MR. KHOLIKOV BAKHTIYOR\*

Dear, Ladies and Gentlemen,

First of all, let me express my gratitude to the organizers of the Conference for the invitation and giving opportunity to speak at this highlevel event.

Today we are located in the symbolic city, Peshawar, Khyber Pakhtun Khwa, (Pakistan). Founded over 2000 years ago, this city has always played a key role in the multilateral development of the Asian region and has made a significant civilizational contribution at every stage of historical development.

Over the past two days, our colleagues have noted a huge number of positive moments, under the framework of the Belt and Road Initiative (BRI) and development prospects for the region, under this project. Now, instead of discussing socio-humanitarian aspect of cooperation, I would rather note the role of BRI in strengthening interregional cooperation.

The Great Silk Road has always played a decisive role in the development of the entire East. If we analyze the history of the formation and development of ancient historical cities in the region, we can easily observe more of them were located along the Silk Road routes. Along these

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122 Presentation by Mr. Kholikov Bakhtiyor, HoD, Department of Analysis, and Forecasting of Foreign Policy, Center for Strategic Researches under the President of the Republic of Tajikistan

routes, whole civilizations were formed. The history of development of the Great Silk Road is an integral part of the development of the entire civilizational process, both in Central Asia and South Asia. Based on this understanding, the Republic of Tajikistan recognizes the project "Belt and Road" by identifying that significant historical period and its implementation by reviving that historical interregional and inter-civilizational relationship.

In this regard, the Republic of Tajikistan was the first to support the initiative of President People's Republic of China, Xi Jinping to create the "Silk Road Economic Belt", which is an integral part of the BRI. Our country pays great attention to the development of transport and infrastructure communications in our country; we support the creation of a system of transit corridors, the development of new, efficient routes linking the existing large international and actively developing promising markets.

Today, I would like to mention several problems, unfortunately, exist in the region, have a negative impact on the full development of integration processes. I do not want to touch on the political and geopolitical aspects, which have already been much mentioned by our colleagues.

First, the absence or limited interpersonal contact. We talk a lot about the common historical heritage, inter-dependence and mutual cooperation between Central Asia and South Asia, in particular with Pakistan. About. But, unfortunately, at the moment we do not even have direct flights between our countries. As far as I know, there is only one flight from Tashkent to Lahore, and that too once a week. Today, it Dubai international Airport that determines the travel schedule of our citizens to other countries.

I am sure that only if there is a direct and affordable air connection, we can ensure direct contact between our regions. Direct flights will also contribute to deepening cooperation between our countries. The development of transport, trade, economic and logistics infrastructure can play a key role in the revival of historical cultural and civilizational ties between the countries and peoples of the region, in a way of a modern cultural interaction.

The second, what I have observed the difference between reality of the region and the perception about it. Unfortunately, in many countries of Central Asia, and even in major parts of the world, a misperception and distorted view about the region, particular about Pakistan, developed. A perception still exists, there is still a war in the country, armed people walk the streets and kill people and it is not safe in the countryside.

Two weeks before, when my office informed me to visit Pakistan, and later also share the news with my family. My relatives and friends alarmed, they advised me to desist, going to an unsafe country where simply, I could be killed or blown up in a terrorist attack. However, I was determined and arrived at Peshawar (Pakistan). Now that I am here, I knew that Pakistan, Peshawar is 100% safe. However, for the wrong perception, I developed; the fault is not of our society, or of my relatives. The mass media that we use has created such an image of the region in our society.

In this regard, I think that we are all responsible to have correct perceptions and develop positive image of the countries and regions, inside our society. Ultimately, we must change the opinions and ideas of our people about this region and create deep people-to-people connections.

It is very important to create special materials, conduct cultural events, and create special films about the region and their dissemination. People should have a correct and reliable idea of the region. Our knowledge and understanding of Pakistan, Tajikistan or any other country in the region should not be formed by third parties.

Third, we pay great attention to the situation in Afghanistan. To date, all global and regional projects related to the development of the region are closely intertwined with the situation in Afghanistan. Related to this issue, I would like to highlight three fundamental visions of our country on Afghanistan:

First, protecting the unity and integrity of an independent Afghanistan. We always support a united, unique and strong central government of Afghanistan. Tajikistan do not support any idea that lead to the division of Afghanistan or break-up of the integrity of this country. We will not intervene in the internal affairs of this country; however, we proclaim very clearly in regard to the uniqueness of the Afghanistan land that we do have our perspective and interests.

Second, emphasis on importance of regional and international consensus. We believe that in addition to the national level consensus there should also be regional and international consensus on the Afghanistan issue. The experience of the Tajik peace has demonstrated that regional and international consensus is one of the important factors in resolving such issues.

Third, "Afghanistan as a GATE to the south". As is definite, "breaking the communication blockade" is one of the strategic programs of Tajikistan's development. Its implementation is not possible without Afghanistan. Therefore, unless there is peace and stability in Afghanistan more of important national program of Tajikistan will remain incomplete. Hence, from this perspective peace in Afghanistan adds to the partial interests of Tajikistan's national interests. If you ask me, what is Tajikistan's interest in Afghanistan, the response is, that it is primarily the peace and stability in Afghanistan.

### Dear Ladies and Gentlemen,

On foreign policy, Tajikistan always adheres to the principles of cooperation, mutual development and coexistence". I think that this is the most reasonable and objective approach for the development of full and equal relations with all countries of the world. Adhering to this idea, I 124 Presentation by Mr. Kholikov Bakhtiyor, HoD, Department of Analysis, and Forecasting of Foreign Policy, Center for Strategic Researches under the President of the Republic of Tajikistan

express my sincere feeling that further cooperation between all countries of the region will develop in this direction. Thanks for attention!!!



# PRESENTATION BY DR. IDINOV KUBANYCHBEK\*

# Economic Problems of the Global Project Implementation "One belt - one Road

We are witnessing significant growth of digital economy nowadays and the deepening of international relations in the East of this planet. The revival of the Great Silk Road plays an important role in this process. It was before the beginning of the **XX1 century**, in 1999, when Kyrgyzstan launched the initiative named "Diplomacy of the Silk Road". The United Nation's General Assembly and the World Bank endorsed to finance the projects for revival of trade and economic relations of the Eurasian continent and Africa. After the initiative, "Diplomacy of the Silk Road", by Kyrgyzstan, China put forward the Concept of the "Silk Road Economic Belt" and "Sea Silk Road of the **XX1** Century" in Bishkek, in the summit meeting of the Shanghai Cooperation Organization (SCO) in 2013.

Moreover, in May 2017, International forum in Beijing with the participation of a number of heads of states and representatives of more than

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100 countries and international organizations approved the global project "One Belt-One Road." To date, 124 countries of the world and 29 international organizations have joined to realize it in one way or another. In a way, the idea of the Silk Road revived as the heritage of human civilization. Its second Forum, held in May 2019, "Strategy-2040", a longterm program, conceived in Kyrgyzstan that corresponds to the Concept of "One belt–One Road" for mutually beneficial cooperation and joint prosperity of all countries participating in this project.

It is also significant to note, first, to expand the network of fiberoptic transmission lines (FOCL) passing from China to Europe through the territory of the Kyrgyz Republic. If the FOCL passes through Kyrgyzstan, the data transfer rate will increase tenfold from Hong Kong and Shanghai to Bern and Rome, Budapest and Brussels, to Prague and Madrid. Kyrgyzstan also needs new technologies and it support international initiatives to develop the digital infrastructure of the Silk Road. "We are ready to join efforts to create new technologies and innovations in the field of green economy, energy saving, renewable energy sources, bioengineering and nanotechnology", held by President of Kyrgyzstan in session of the second International forum in Beijing in April of this year.

Secondly, the construction of high-tech logistics centers and the development of joint e-Commerce of all the countries of the Great Silk Road. In a situation of growing internet giants in foreign countries, the Kyrgyz Republic can also become a favored country, both for construction of new logistic centers and for acceleration of successful implementation of internet orders for consumers of the countries of Europe and Asia. As part of the idea of the new Silk Road, Kyrgyzstan supports the China-Kyrgyzstan-Uzbekistan railway construction project. It seems appropriate to connect it with the Kara-Korum Highway, in Pakistan. Pakistan could build a railway together with China along with this highway. In this case, the most appropriate option is that the specified railways in Kyrgyzstan would pass through the route "Torugart-Kochkor-Seagulls-Kazarman-Jalal-Abad". This plan, if implemented, will connect the Silk Road with the existing railway "Balykchy-Bishkek" and further with Kazakhstan and Russia, on the one hand, with Pakistan on the other. This road will contribute to the development of transport infrastructure in Central Asia and provide direct and convenient access to the ports of the Persian Gulf and the Pacific Ocean. And, in addition, in general, this project is fully consistent with the objectives of the "One Belt-One Road" in terms of creation of the new and alternative transport corridors.

In the future, the laying of the railway along this route would allow to bring it to a large iron Deposit "Jetim–Too" of the Naryn region of Kyrgyzstan, where there are more than 10 billion tons of iron ore. It would be advisable to build a joint plant there for the production of iron ore products (steel, iron) and export them to the countries of the Eurasian continent. The revival of the Great Silk Road implies, first, will introduce the broad development of trade and economic relations between the countries of the East and the West. During his speech, the head of our state emphasized that "the Growth of globalization, the intensification of integration processes brings great hopes, long-term prospects and at the same time difficult problems. In this sense, it is difficult to overestimate the role and importance of the idea proposed by President Xi Jinping that the "One belt, one road" opens up new opportunities and great prospects for all of us". For Kyrgyzstan it gives an opportunity to access the sea and the world markets.

Thus, the revival of the Great Silk Road allows parallel development of natural resources of the high-mountain Tien Shan and Kara-Korum gorge. Of course, along the entire route of the China–Kyrgyzstan-Uzbekistan railway and the Kara-Korum highway of Pakistan, shopping centers, tourist bases and campsites may be organized.

In this case, the starting point of the transition from narrowly linear (European), to broadly linear rails of the railway "China–Kyrgyzstan-Uzbekistan" planned to start from the city of Kashgar and Artush city of the People's Republic of China.

At the same time, in addition to solving purely logistical and transport problems, our country supported the idea of President Xi Jinping to build a digital silk road. In this regard, it is planned to develop a specific program of economic cooperation between Kyrgyzstan and China. It is very important and appropriate to consider the establishment of a number of joint ventures for the environmental development of natural resources of the high mountains, Tian Shan. We must take into account the experience gained during the years of Independence when contracts with foreign investors were concluded that were unprofitable for the country, and the country had no profit except to pay taxes.

Another important point, in our country, the ratio of Turkish entrepreneurs was set at 1:10, that is, 10% of workers and specialists are Turkish citizens, and 90% are Kyrgyz. Similar proportions should be applied to Chinese entrepreneurs.

All this will make it possible to develop a set of measures for the effective implementation of the project 'One Belt-One Road'. At the same time, it is very important to use China's experience in the functioning of free economic zones in various parts of the revived Silk Road.



# PRESENTATION BY DR. SEYIT ALI AVCU\*

# THREE INTEGRATION PROJECTS BY THREE POWERS IN CENTRAL ASIA

# Globalization vs. Regionalization

- -Two main trends in international relations in last 30 years
- Globalization refers to the growing interdependencies of countries worldwide through the increasing volume and variety of crossborder transactions in goods and services, and of international capital flows; and also through the rapid and widespread diffusion of all kinds of technology. (IMF 1997)
- Globalization: Extending and deepening the economic interdependence between nations;

### Regionalization

-a grouping of states that, at that moment, have a common interest in coming together for a specific purpose. EU, NAFTA, ASEAN,

-Debate on relations between globalization and regionalization:

- -Is regionalization (regional integration) a part of globalization process?
- Or rather it is a way to balance and to control globalization?

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### What is integration?

-Establishment of linkages between different, and geographically near polities in the political, economic, social and military areas. (Tavares &Schulz 2006)

-Nye(1987) distinguishes between *economic*, *political and social integration*. "Economic integration would constitute high trade; social integration would include the unification of masses, special groups or elites; political integration would encompass a wide array of phenomena, including more decisions on the international level, international bureaucracies, and attitudinal similarity among nations".

### **Economic Integration**

- Economic integration is concerned with:
  - The removal of trade barriers or impediments between at least two participating nations
  - Thus boosting the free movement of trade, investment, and services across national boundaries

### **Regional Economic Integration**

- Partial Trade
  - Free trade in "select "industries
- Free Trade Area (FTA):
  - No <u>internal</u> tariffs at all
  - Customs union:
  - ... & ... common <u>external</u> tariffs
- Common market:
  - ... & ... Factor (labor, capital, technology) mobility
- Economic union:
  - ... & ... one macroeconomic policy, Common currency
- Political union:
  - ... & ... Political integration

### **Integration Processes in Central Asia**

- Iccal integration attempts without great powers failed
- -currently three main integration processes in Central Asia
  - -the Eurasian Economic Union: First, the last fifteen years re-unification and integration efforts in the territory of the former Soviet Union finally yielded results with Russia's reassertion and ending its isolation. In Eastern Europe Eurasian Economic Union (EEU) has become an alternative to the European Union and a center of gravity. For many Central Asian countries the Eurasian Economic Union has also emerged as an alternative; Kazakhstan is the founding member, Kyrgyzstan joined in 2015 and

130

Tajikistan is expected to join. Logic behind is to establish a power around Russia to balance western powers.

## EEU



### **EEA Zone Crisis**

- Russian-Western confrontation, sanctions
- Russia's ability to make good on economic commitments in the region is increasingly in doubt.
- Moscow's economic leverage on the region is waning, as the value of remittances drop and some migrant workers return home since 2014.
- Russia had backed out of financing Kyrgyzstan's large-scale hydropower projects: the Upper Naryn cascade and the Kambar-Ata 1 dam

### U.S.A "the New Silk Road Initiative"

The New Silk Road Initiative was first envisioned in 2011 as a means for Afghanistan to integrate further into the region by resuming traditional trading routes and reconstructing significant infrastructure links broken by decades of conflict. With multiple transitions underway in Afghanistan, the United States and its allies can bolster peace and stability in the region by supporting a transition to trade and helping open new markets connecting Afghanistan to Central Asia, Pakistan, India and beyond.

132 Presentation by Dr. Seyit Ali Avcu, Gumilov Eurasian National University, Nursultan, Astana, Kazakhstan / Ankara Yildirim Beyazit University, Turkey

# The New Silk Road initiative linking Central and South Asia in four key areas:

# **1-Regional Energy Markets:**

- Support for CASA-1000 regional electricity grid, total \$460 million World Bank commitment of \$360 million and support for the CASA Secretariat; Afghan govt. 80\$
- More than \$1.7 billion in support of energy transmission lines, hydropower plants, and associated reforms in Afghanistan since 2010; and
- Adding 1,000 megawatts to Pakistan's power grid, supplying power to more than 16 million people
- currently under construction that will allow for the export of surplus hydroelectricity from Tajikistan and Kyrgyzstan to Pakistan and Afghanistan. Groundbreaking for the project took place on May 12, 2016 in Tajikistan in a ceremony attended by the Kyrgyz, Tajik, and Pakistani Prime Ministers,<sup>[2]</sup> and is delayed many times. Maybe in 2022.

# 2-Trade and Transport:

- More than 3,000 kilometers of roads built or rehabilitated in Afghanistan;
- Support for Kazakhstan and Afghanistan's accession to the WTO;
- Technical assistance for the passage of the 2010 Afghanistan-Pakistan Transit-Trade Agreement (APTTA), and support for the Cross-Border Transport Agreement (CBTA) between Kyrgyzstan, Tajikistan, and Afghanistan.

# **3- Customs and Border Operations:**

- Since 2009, intraregional trade in Central Asia has increased by 49 percent;
- Since 2011, the average cost of crossing regional borders decreased by 15 percent;
- Customs procedures have been streamlined at seven Afghan border crossing points, resulting in expedited trade with average release time down from eight days in 2009 to three and a half hours in 2013, saving \$38 million annually.

### 4- Businesses and People-to-People:

- Funded university studies for hundreds of Afghan students across Central Asia;
- Sponsored the Central Asia-Afghanistan Women's Economic Symposium and South Asia Women's Entrepreneurship

Symposium in support of thousands of women entrepreneurs and business owners;

Organized trade delegations, meetings and conferences in Almaty, Islamabad, Kabul, Mazar-i-Sharif and Termez resulting in over \$15 million in trade deals.

## **TAPI** Pipeline

The pipeline will transport natural gas from the Galkynysh Gas Field in Turkmenistan through Afghanistan into Pakistan and then to India. Construction on the project started in Turkmenistan on December 13th, 2015, in Afghanistan on Feb14, 2018, and in Pakistan will start in Oct 2019. The pipeline is expected to be operational by 2020. Taliban will not disrupt. Supported partly by ADB (Asian Development Bank)

### How Serious is the US

- Compared to BRI, US commitment in terms of money is minimal.
- Minimal funding vehicles such as WB ( ), compared to Chinese AIIB ( ) and Silk Road Fund
- US New Silk Road is more like a vision rather than policy.
- Coincided with the regional withdrawal and indecision.

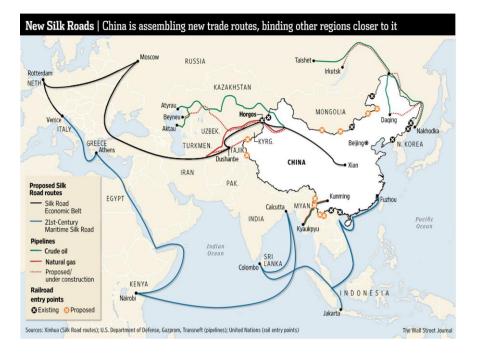
### "Silk Road Economic Belt" (SREB) or Belt and Road Initiative (BRI)

In September 2013, President Xi Jinping visited four Central Asian nations and unveiled the "Silk Road Economic Belt" initiative, which is a grandiose project of pipelines infrastructures, and economic development linking China with Western Europe through Central Asia. China's wider effort to bind surrounding regions more closely to it through pipelines, roads, railways and ports

# **Belt and Road Initiative**

- 80 countries involved
- liken China's push to the U.S. Marshall Plan that helped rebuild Europe after 1945.
- Asian-Pacific free-trade deal,
- Initial investment:
- A \$50 billion Asian Infrastructure Investment Bank. 20 countries, WB.
- A \$40 billion Silk Road Fund
- Investment from Chinese private and State's firms.

Presentation by Dr. Seyit Ali Avcu, Gumilov Eurasian National University, Nursultan, Astana, Kazakhstan / Ankara Yildirim Beyazit University, Turkey



Qamchiq Tunnel on the Angren-Pap railway line in Uzbekistan. The tunnel, the longest in Central Asia, was built by the China Railway Tunnel Group



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# Comparing Eurasian Economic(EAEU) Union with Belt and Road Initiative(BRI)

- EAEU is a real integration project following the example of EU, while BRI is bilateral agreements between China and not an integration projects.
- -EAEU is multilateral agreements while SREB is bilateral agreements between China and Central Asian States
- -EAEU is institutionalized while BRI is not.
- The EEU is an effort to fence-in economic activity within a regional block whereas the BRI is about connectivity between regions of Asia and Europe. Chinese BRI projects cover much larger areas including the Eurasian Economic Union countries. Therefore, if EAEU will continue as a one economic union, China will deal with it as a single unit as it has been dealing with the European Union.
- The southern Central Asian countries, such as Uzbekistan and Turkmenistan stated that they would never join EAEU. Therefore, there is no institutional structure challenges to Chinese BRI projects in dealing with these countries.

### The Puzzle

Can these three integration processes exist and develop at the same time? Which one will prevail in long term?

#### Working Thesis

- Since the economic and political relations between Russia and China has never been so good, not all CA (Central Asian) countries are part of EAEU and Chinese influence over Central Asia purely economic rather than political, Eurasian Economic Union and BRI initiative will coexist and prosper side by side.
- On the other hand, The New Silk Road Initiative of the US will have negative affect since the United States is withdrawing from the region and not committing enough fund to make the initiative sustainable.

Presentation by Dr. Seyit Ali Avcu, Gumilov Eurasian National University, Nursultan, Astana, Kazakhstan / Ankara Yildirim Beyazit University, Turkey

# Kazakhstan



### Tokayev's visit

- Kazakhstan President is in China, NOW on a state visit.
- Pledge to deepen the cooperation in finance, energy, agriculture, transportation, logistics and high- tech under the BRI.
- Kazakh export of agricultural product, soybeans

# Trade

- \$19.8 billion in 2018, 10 % increase yearly
- 550 000 tons of wheat export to China. Want to increase 1 million and salt
- Chinese investment in KZ \$ 20 billion
- HUAWEI for 5G
- Shanghai Stock Exchange owns 25% share in Astana int. financial center. Offshore Yuan trading center

# **KZ in BRI Strengths**

- BRI was launched in Astana in 2013.
- Its location, vast landmass, natural resources
- 5 railways and 6 motorways passes KZ to connect China to rest of the world.
- -Through KZ it takes 15 days to Europe.
- -8000 km uninterrupted railroad in west of KZ.
- 2015 agreement 55 projects worth 27\$ b.
- 12 projects were completed in 2019, 5 more projects will be launched, solar power plants, hydroelectric power station, and meat factory. 20000 new jobs

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136

# The Khorgos Eastern Gates Special Economic Zone at the border, new rail lines

- 2015 agreement, 55 projects worth 27\$ b.
- 12 projects were completed in 2019, 5 more projects will be launched, solar power plants, hydroelectric power station, and meat factory. 20000 new jobs
- The Khorgos Eastern Gates Special Economic Zone at the border, new rail lines.

### Khorgos Gateway



Kazakh shoppers can purchase duty-free items on the Chinese side



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Presentation by Dr. Seyit Ali Avcu, Gumilov Eurasian National University, Nursultan, Astana, Kazakhstan / Ankara Yildirim Beyazit University, Turkey

### Weaknesses

- China and Kazakhstan use different rail gauges. Its cost time & money
- The Khorgos Eastern Gates Special Economic Zone, as the project is formally known, is still tiny. Its annual shipping volume is equal to what a small Chinese port handles in a month.

The Kazakh government, meanwhile, is leery about accepting Chinese financing for the project. The national rail company, Kazakhstan Temir Zholy, sold a 49% stake in the dry port operator to two Chinese companies in 2017.

- the dry port handled 133,922 twenty-foot-equivalent units in 2018, up 44% from a year earlier, but a significant slowdown from the 113% growth it logged in 2017 because of problems at border between Poland and Belarus
- -containers returning from Europe are often empty. Glowing slowdown, trade wars.
- No other investors other than China

### Threats

- Anti-Chinese sentiment: moving old Chinese factories, Chinese migrant workers
- 3 reasons for anti-Chinese sentiment: -historical memory, xenophobia – fear of over indebting to China while misusing its own finances
- -re-education camps in Xinjiang caused uproar.

138



# CONCLUDING DISCUSSION/ CONFERENCE OUTCOMES / VOTE OF THANKS MODERATED BY DIRECTOR AREA STUDY CENTRE (RUSSIA, CHINA AND CENTRAL ASIA), UNIVERSITY OF PESHAWAR

It is a matter of great satisfaction that we reached to the concluding session of this historical event here at Area Study Centre in Peshawar. Inter and intra-regional integration under BRI and CPEC has been thoroughly deliberated upon from all aspects. The aim and objective of regional integration is always to enable developing regional countries to compete successfully and efficiently in the global economic system. Regional integration i.e. harmonization and coordination of political and economic policies can only be achieved when cross border connectivity infrastructure is developed. It is here that the roles of BRI and CPEC come to centrality by developing cross border connectivity infrastructure inter and intraregionally. Regional integration is a multi-dimensional states led process and therefore political will of regional states is vital in this regard. The participation of the Ambassadors, Counsellor General and Diplomats from China, Central Asian Republics, Iran and Russia endorses the will and

resolve of all regional countries for closer cooperation towards regional integration. I believe the deliberations and research conducted on the subject matter will help and guide the regional states in finding and promoting ways and means for inter and intra-regional politico-economic integration. There are already talks and writings in the West regarding the notion of Asian Century. As for instance Michael Auslin author of the 'End of Asian Century' assesses that the 'Asian Century' is over as Asia is full of disputes, political troubles and Asian Nations could not resolve their issues and conflicts. Let me mention here that if these regions of Asia could not resolve the political issues and could not develop both the soft and hard components of cross border infrastructure for effective trans-regional integration, the notion of Asian Century will remain a dream. It is therefore imperative for all the regional states to work towards this end for shared growth and prosperity.

I am grateful to His Excellency Yao Jing, Ambassador of People's Republic of China to Pakistan for financial support and also sparing time to participate in the Conference. Holding of this Conference would have been impossible without the support from the Embassy of the People's Republic of China to Pakistan. I am also grateful to His Excellency Furgat A. Sidikov, Ambassador of the Republic of Uzbekistan to Pakistan, His Excellency Erik Beishembiev, Ambassador of the Republic of Kyrgyzstan to Pakistan, His Excellency Ismatulla Nasreddin, Ambassador of the Republic of Tajikistan to Pakistan, His Excellency Akan Rakhmetullin, Ambassador of the Republic of Kazakhstan to Pakistan, His Excellency Muhammad Bagir Beigi, Counselor General of the Islamic Republic of Iran in Peshawar, His Excellency Ivan Filatov from the Embassy of Russian Federation in Islamabad for participation and presentations during the "Envoy Session" of the Conference. I am also grateful to the Scholars from China, Russia, Kazakhstan, Uzbekistan, Tajikistan, Kyrgyzstan, Afghanistan, and Iran for coming to Peshawar all the way for presenting their research papers in the Conference. I must thank all the national speakers and all chairs of various sessions. I must appreciate the efforts of all the staff/faculty and Scholars of Area Study Centre who worked day and night for making the event a success. I must thank Col (R) Khalid Taimur, Executive Director Centre for Global & Strategic Studies, Islamabad (CGSS), Madam Mehreen Gul, Director CGSS and Maj. Gen (R) Khalid Amir Jaffery, President CGSS for the unwavering support in planning and organizing the conference. I am also grateful to the Director Institute of Management Sciences, Havatabad, Peshawar and Executive Director, CPEC Centre of Excellence, Islamabad for their financial support as well as backing in preparations of the event. I am also grateful to the Administration University of Peshawar for their support and arrangements for conference. I thank you all, dear scholars, for participation and attendance.

## **CONFERENCE HIGHLIGHTS**



Prof. Dr. Shabir Ahmad Khan, Director, Area Study Centre welcomes the Chief Guest H.E Mr. Yao Jing, Ambassador of People's Republic of China to Pakistan



Prof. Dr. Shabir Ahmad Khan, Director, Area Study Centre welcomes H.E Mr. Erik Beishembiev, Ambassador of Republic of Kyrgyzstan to Pakistan



Prof. Dr. Shabir Ahmad Khan, Director, Area Study Centre welcomes H.E Mr. Muhammad Baqir Baigi, Councilor General, Islamic Republic of Iran



H.E. Mr. Akan Rakhmetullin, Ambassador Republic of Kazakhstan to Pakistan arriving at the conference



Prof. Dr. Shabir Ahmad Khan, Director, Area Study Centre welcomes H.E. Mr. Akan Rakhmetullin, Ambassador Republic of Kazakhstan to Pakistan



H.E. Mr. Ivan Filatov, Second Secretary, Embassy of the Russian Federation, Islamabad arriving at the Conference



Foreign Scholars arrival at the International Conference, BRI, CPEC & Trans-Regional Integration



Prof. Dr. Muhammad Asif Khan, Vice Chancellor University of Peshawar arriaval at the Conference Hall



Prof. Dr. Muhammad Asif Khan, Vice Chancellor University of Peshawar Welcomes the Distinguehed Guests and Dignitries





H.E. Mr. Yao Jing, Ambassador of People's Republic of China to Pakistan and H.E. Mr. Erik Beishembiev, Ambassador of Republic of Kyrgyzstan to Pakistan in Pleasant Mode



MS. Mehreen Gul, Director, Centre for Global & Strategic Studies Islamabad/ Stage Secretary of Conference



Conference Started with Recitation of Verses from the Holy Quran



Conference Delegates , Scholars and Participants





Conference Delegates, Scholars and Participants





Major General Syed Khalid Amir Jaffery Hi(M), (Retd), President CGSS, Islamabad receives Memento from H.E. Mr. Yao Jing, Chief Guest of the Conference



Dr. Liaqat Ali Shah, E.D. CPEC Centre Islamabad, receivesMemento from H.E. Mr. Yao Jing, Chief Guest of the Conference



Prof. Dr. Muhammad Asif Khan, VC, University of Peshawar, receives Memento from H.E. Mr. Yao Jing, Chief Guest of the Conference



H.E. Mr. Muhammad Mudassir Tipu, D.G-China, Ministry of Foreign Affairs, Islamabad, receives Memento from H.E. Mr. Yao Jing, Chief Guest of the Conference



Prof. Dr. Shabir Ahmad Khan, Director, Area Study Centre, University of Peshawar, receives Memento from H.E. Mr. Yao Jing, Chief Guest of the Conference



H.E. Mr. Yao Jing, Ambassador of the People's Republic of China receives Memento from Prof. Dr. Muhammad Asif Khan



Prof. Dr. Shabir Ahmad Khan, Director, Area Study Centre, University of Peshawar, Presents Conference Memento to H.E. Mr. Furqat A. Sidikov, Ambassador of Republic of Uzbekistan



Prof. Dr. Shabir Ahmad Khan, Director, Area Study Centre, University of Peshawar, presents Conference Memento to H.E. Mr. Erik Beishembiev, Ambassador of Republic of Kyrgyzstan



Prof. Dr. Shabir Ahmad Khan, Director, Area Study Centre, University of Peshawar, presents Conference Memento to H.E. Mr. Akan Rakhmetullin, Ambassador of Republic of Kazakhstan



Prof. Dr. Shabir Ahmad Khan, Director, Area Study Centre, University of Peshawar, presents Conference Memento to H.E. Mr. Ismatullah Nasriddin, Ambassador of Republic of Tajikistan



Prof. Dr. Shabir Ahmad Khan, Director, Area Study Centre, University of Peshawar, presents Conference Memento to H.E. Mr. Muhammad Baqir Baigi, Councilor General, Embassy of Iran



Prof. Dr. Shabir Ahmad Khan, Director, Area Study Centre, University of Peshawar, presents Conference Memento to H.E. Mr. Ivan Filatov, Second Secretary, Embassy of the Russian Federation, Islamabad



H.E. Mr. Akan Rakhmetullin, Ambassador of Republic of Kazakhstan inaugurates Pakistan-Kazakhstan Academic and Cultural Centre at Area Study Centre, University of Peshawar, Peshawar, Pakistan





Mr. Sadullo Rasulove (Scholar from Uzbekistan) receives Conference Memento from Prof. Dr. Azmat Hayat Khan, Former VC, University of Peshawar



Prof. Kaana Aidarkul (Scholar form Kyrgyzstan) receives Conference Memento from Prof. Dr. Azmat Hayat Khan, Former VC, University of Peshawar



Dr. Parisa Shahmohammadi (Scholar form Iran) receives Conference Memento from Prof. Dr. Azmat Hayat Khan, Former VC, University of Peshawar



Prof. Dr. Zafar Nawaz Jaspal, Quaid-I-Azam University, Islamabad, receives Conference Memento from Prof. Dr. Azmat Hayat Khan, Former VC, University of Peshawar





Mr. Leonid Savin (Scholar from Russian Federation), receives Conference Memento from Dr. Muhammad Mohsin Khan, Director, IMS, Hayatabad, Peshawar



Dr. Abdul Baqi Amin (Scholar from Afghanistan), receives Conference Memento from Dr. Muhammad Mohsin Khan, Director, IMS, Hayatabad, Peshawar



Mr. Shakil Durrani (Scholar from Pakistan), receives Conference Memento from Dr. Muhammad Mohsin Khan, Director, IMS, Hayatabad, Peshawar



Mr. Suleman Yousaf (Ph.D. Scholar National Defence University Islamabad), receives Conference Memento from Dr. Muhammad Mohsin Khan, Director, IMS, Hayatabad, Peshawar



Dr. Seyit Ali Avcu (Scholar from Kazakhstan), receives Conference Memento from Prof. Dr. Muhammad Khan, International Islamic University, Islamabad



Brigadier Akhtar Nawaz Janjua (Retd.) (Scholar form Pakistan), receives Conference Memento from Prof. Dr. Muhammad Khan, International Islamic University, Islamabad



Mr. Idinov Kubanychbek (Research Scholar from Kyrgyzstan), receives Conference Memento from Prof. Dr. Muhammad Khan, International Islamic University, Islamabad



Mr. Kholikov Bakhtiyor (Research Scholar from Tajikistan), receives Conference Memento from Prof. Dr. Muhammad Khan, International Islamic University, Islamabad



Prof. Amir Khan (Research Scholar from Tajikistan), receives Conference Memento from Prof. Dr. Muhammad Khan, International Islamic University, Islamabad



Prof. Dr. Shabir Ahmad Khan presents Conference Memento to Chair of the Session Prof. Dr. Muhammad Khan, International Islamic University, Islamabad



Group Photo of Prof. Dr. Shabir Ahmad Khan with Research Scholars Who Presented Papers at the Conference

### WELCOME DINNER HOSTED BY DIRECTOR, AREA STUDY CENTRE, UNIVERSITY OF PESHWAR















