

## Pakistan - Afghanistan Relations

By M. Ansari

Pakistan attaches high priority to close friendly and cooperative relations with Afghanistan and wants to maintain a broad-based, mutually beneficial relationship. A peaceful, stable and prosperous Afghanistan remains in Pakistan's best interests.

The Government in Pakistan has heralded a new era of cooperation and understanding between the two brotherly countries. Consistent with the Prime Minister Nawaz Sharif's vision of a "peaceful neighbourhood", Pakistan has been making serious and sustained efforts to build a stable and cooperative relationship with Afghanistan. The key principles of Pakistan's policy include non-interference and non-favouritism. Since taking office, the Prime Minister has personally remained constructively engaged with the Afghan leadership to rebuild mutual trust and understanding to create space for a cooperative relationship.

The relationship between Afghanistan and Pakistan has entered a new phase, with the inauguration of Government of National Unity in Afghanistan. President Mamnoon Hussain visited Afghanistan to attend the inauguration ceremony of newly elected Afghan President Mohammad Ashraf Ghani on October 29, 2014. Shortly afterwards, Mr. Sartaj Aziz, Advisor to the PM on Foreign Affairs and National Security visited Afghanistan on October 19, 2014.

The visit of President Ashraf Ghani in November 2014 and several other high-level exchanges and the multi-track constructive engagement with Afghanistan's new government has helped restore the climate of trust and confidence. The bilateral relations between the two countries have seen positive trajectory during the last six months and new avenues of cooperation are being explored.

Pakistan - Afghanistan bilateral trade currently stands at US \$ 2.25 billion with our exports reaching US \$ 1.92 billion. The two Finance Ministers met in Islamabad in November 2014 and took more than forty decisions to strengthen bilateral economic relations and facilitate Afghan transit trade. The 5th Meeting of Afghanistan - Pakistan Transit Trade Coordination Authority (APTITCA) was held in Islamabad on January 1-2, 2015.

An Afghan delegation led by Mr. Muzammil Shinwari, the Acting Commerce Minister attended the Meeting. The Pak-Afghan Joint Economic Commission (JEC) has held 9 sessions, the last being in February 2014 in Kabul. The Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline and Central Asia South Asia electricity transmission project (CASA-1000) are important for both Pakistan and Afghanistan. These trans-regional initiatives are also win-win propositions, offering dividends to all participants including Afghanistan. The projects could also build greater stake in peace and stability and thus help reinforce the stabilization process in Afghanistan.

The Finance Ministers of Afghanistan and Pakistan signed an agreement on electricity transit fees during the Annual Meetings of the World Bank and IMF in Washington DC on October 11, 2014. It will help to establish the commercial arrangements for 1,300 megawatts (MW) of sustainable, regional electricity trade between Kyrgyz Republic, Tajikistan, Afghanistan and Pakistan as part of the CASA-1000.

### Pakistan - Funded Projects:

Despite financial constraints, Pakistan is providing bilateral assistance of \$ 500 million to Afghanistan in infrastructure, health and education projects. This includes a total of 29 projects: 21 have already been completed while work is ongoing on another 8 projects. The most important one is the Torkham-Jalalabad Additional Carriageway on which work is going to resume soon.

Pakistan is offering 3,000 fully funded scholarships to Afghan students. Over 2000 Afghan students are currently benefiting from this scholarship program, while 7,000 Afghan students are getting higher education under other arrangements. 30,000 Afghan graduates from Pakistan's professional colleges and universities form the backbone of Afghan bureaucracy.

As an expression of support to the brotherly Afghan people, Pakistan has offered to host the 5th Ministerial Meeting of Heart of Asia - Istanbul Process in Islamabad. This decision greatly appreciated by the participating and supporting countries of the Istanbul Process, is yet another reflection of the strengthening relations between the two countries.

## Pakistan is Making Economic Headway

By A. Munir

Pakistan is facing enormous security, economic and energy challenges. The present government is struggling hard to overcome these challenges and put the country on the fast track economic and social development. Pakistan's economy suffered US\$ 110 billion losses due to the war on terror during the last 13 years. Despite all these challenges, the government initiated structural reform programmes for improving the economy which ultimately started paying dividends. It is due to the prudent policies of the government that the economy of the country started growing and would expand 5 percent this year. The inflation has been declined into single digit of 6 percent and revenue collection increased by 13 percent. The government has also taken coordinated measures to promote Foreign Director Investment (FDI) in the country and it is hoped that the investors from all over the world will take full benefits of the investment opportunities in Pakistan. The economic indicators of the country are improving and the leading international institutions have also recognized this fact. It is really encouraging that the International Monetary Fund (IMF) forecasts Pakistan's economy to expand 4.3 percent this year, compared with five years average of 3.6 percent. Similarly, Bloomberg, an international credible economic monitoring organization, in its recent report has also lauded the Nawaz Sharif Government for successfully turning the economy of Pakistan around. The report says that the civilian government faced challenges on the political and security fronts yet but was able to improve income and decrease budget deficit.

Owing to the prudent policies of the government, Pakistan's exports to European countries increased by more than one billion after a landmark deal last year with the European Union (EU) which made its products more competitive. European Union signed the law in late 2013 granting Pakistan GSP

status which allows tax exemption to Pakistan on certain categories of goods exported to European countries. The foreign remittances of the country also witnessed a surge around 15 percent this year as 11.75 billion dollars were sent by overseas Pakistanis during July to February of the current financial year. The growth during the same period of 2013-14, over previous year, was 11 percent.

The Government has taken certain steps for stabilizing the economy, including raising of US\$ 2 billion through Eurobond after 7 years; US\$ 1 billion through International Sukuk after 9 years and successful auction of 3G-4G licenses. The successful policies of the government resulted in regaining the confidence of the international financial institutions making Pakistan eligible to borrow from the International Bank for Reconstruction and Development US\$2 billion of credit over the next four years. The IMF also is optimistic it will meet the conditions of the \$6.6 billion loan it received two years ago.

Pakistan has initiated a number of projects in the energy and infrastructure sectors which would unprecedentedly boost its economy. For example, the Pak-China Economic Corridor, which will be built with the Chinese assistance, will change the destiny of the region in terms of social and economic development as China has to invest US\$ 45 billion in the project. The corridor would connect Gwadar to Khunjab which would generate a lot of economic activities in the region. The corridor is not going to benefit Pakistan and China alone but it would also benefit Central Asian States, Afghanistan and other countries of region.

In order to bring economic stability in the country, the government has embarked upon an ambitious programme for energy generation through various means including hydro, thermal, coal, renewable and alternate resources. Plans are afoot to generate 10,000 mega watts electricity by the end of next three years which will help eliminate power load shedding and give a boom to economic growth.



Prime Minister Muhammad Nawaz Sharif in a meeting with President of Afghanistan Ashraf Ghani at the PM's House, Islamabad on November 15, 2014.



PAKISTAN'S AMBASSADOR TO AFGHANISTAN, SYED ABRAR HUSSAIN, AWARDED CERTIFICATES TO AFGHAN STUDENTS WHO COMPLETED THEIR COURSES FROM THE VOCATIONAL INSTITUTE OF EMBASSY OF PAKISTAN, KABUL, ON 26/02/14 ABOUT 300 AFGHAN STUDENTS HAVE GRADUATED FROM THE INSTITUTE SO FAR.



PAKISTAN'S AMBASSADOR TO AFGHANISTAN, SYED ABRAR HUSSAIN, ADDRESSING THE AFGHAN STUDENTS ON THE OCCASION OF SCHOLARSHIP CEREMONY HELD IN THE EMBASSY OF PAKISTAN, KABUL, ON 11.11.2014. PAKISTAN IS AWARDED A TOTAL OF 3000 SCHOLARSHIP (FULLY FUNDED) TO AFGHAN STUDENTS IN VARIOUS PAKISTANI UNIVERSITIES AND PROFESSIONAL COLLEGES.



SECRETARY OF PAKISTAN, MR. AZIZ AHMAD CHAUDHRY, MEETING WITH AFGHAN FOREIGN MINISTER, MR. SALAHUDDIN RAZAEE, IN KABUL ON 09.02.2015.



Advisor to the Prime Minister on Foreign Affairs and National Security, Mr. Sartaj Aziz, called on Afghan Chief Executive, Dr. Abdullah Abdullah, in Kabul on 19.10.2014.



TWO PLANES OF RELIEF GOODS WERE SENT BY THE GOVERNMENT OF PAKISTAN FOR THE VICTIMS OF AVALANCH IN AFGHANISTAN. THESE GOODS WERE HANDED OVER TO AFGHANISTAN AUTHORITIES AT KABUL AIRPORT ON 28.2.2015.



CHIEF OF ARMY STAFF, GENERAL RAHEEL SHARIF MEETING WITH AFGHAN PRESIDENT MUHAMMAD ASHRAF GHANI IN KABUL ON 09.02.2015.



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### تسهیلات و خدمات

- \* افتتاح حسابات افغانی، داری، یورو و پوند استرلنگ
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- \* انتقال و دریافت سریع پول از طریق شبکه جهانی سوئیفت
- \* خدمات تبادلہ اسعار
- \* دریافت چک ها و غیره تسهیلات قابل تبدیل به پول نقد
- \* انتقال پول در داخل افغانستان از طریق سیستم ACSS بین المللی
- \* صدور لیتراف کریدت وارداتی و صادراتی
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