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“ Imperatives for Peace & Prosperity in South Asia - Pakistan 's Perspective ”

Dr. John Chipman, Distinguished Scholars, Ladies & Gentlemen,

It is a pleasure being here. Allow me first of all to express my deep appreciation to Dr. John Chipman, Director General and Chief Executive of the International Institute for Strategic Studies for inviting me. I am also grateful for the very warm welcome accorded to me in this prestigious institution. The IISS is renowned the world over for its scholarly work and analysis.

I am happy to note that my presence today at this august gathering coincides with the 50 th anniversary of the International Institute of Strategic Studies. I may also add that we are pleased to be a dialogue partner of the IISS. The IISS entered into this partnership with our Ministry of Foreign Affairs last year and we already have had our first round of discussions. We are keen to closely cooperate with the IISS and to benefit from its expertise and analysis.

Distinguished Guests, Today I have the pleasure to share my thoughts with you on “Imperatives for Peace & Prosperity in South Asia ” from our perspective. I will be glad to answer all your questions at the end. But first a few words on our excellent and long standing relations with the United Kingdom .

Our friendly relations are rooted in a long historical association, which predates our independence. We share many parallels in institutions—political, administrative, military and in the education field. These provide a sound basis for mutual understanding and cooperation. Nurturing relations with the UK is a corner stone of our foreign policy. Pakistan views the UK as a key industrialized country with sound opportunities for trade and investment, an important member of the G-8 and the EU, and a comrade in the Commonwealth. The UK is Pakistan 's largest trading partner within the EU and the second largest foreign investor. Last but not the least, the presence of around one million Pakistanis in Britain gives added strength to the traditional relationship.

Since 9/11 new chapters have been added to Pakistan-UK relations. These new dimensions include our strategic partnership in the fight against terrorism and extremism and the common endeavour to bring peace and stability to Afghanistan . Our relationship is characterized by numerous exchanges at the political level. New and revived institutional forums for interaction include annual summits, annual bilateral consultations between the Foreign Ministries, Pakistan-UK Defence Cooperation Forum, Joint Judicial Cooperation Working Group, Pakistan-Britain Trade and Investment Forum and Working Group on Counter Terrorism Cooperation. All these forums have held meetings regularly. It is worth mentioning that the UK was the first European country to establish high level contacts with the new democratic government in Pakistan . Several Ministerial level visits have since taken place. I came to the UK in the same spirit of friendship and camaraderie.

Ladies & Gentlemen,

Reverting to our topic of discussion today, let me mention that the South Asian region has a concentration of about 1.5 billion people with its woes that are deep-rooted and a cause for human sufferings for decades. Mired in poverty and backwardness, its people have suffered for long and have paid in terms of economic deprivation, adversely affecting the very social fabric of South Asian societies.

I need not elaborate before this gathering of scholars and intellectuals, how poverty and societal fragmentation impact upon the overall security situation in the region.

The issues and challenges, which are as much of concern to us as they are to you and the world community, are poverty, food and energy security, rampant inflation, rise in oil prices, environmental degradation, illiteracy, unemployment, terrorism and extremism, regional rivalries and conflicts and nuclear non-proliferation.

The new democratic government which took office in Pakistan only a few months back is faced with daunting challenges that it inherited from the previous government. The tragic assassination of our leader Mohtarma Benazir Bhutto Shaheed underscored the serious situation facing the country in terms of extremism and terrorism.

The country is now passing through a transition phase with the government laying the foundation of a long term strategy to address the complexities and challenges that I just mentioned. The government is working out short, medium and long term strategies to grapple with these issues. We are confident that we will overcome these problems with the support and resolve of the people as well as our allies and partners.

Food & Oil Crises

For the first time since 1973, the world has been hit by a combination of record high oil prices and food shortages. This has had a destabilizing effect on the global economy which was already facing a slow-down. Food shortages have a severe impact on income distribution, inflation and the incidence of poverty. The challenge to craft appropriate policy responses to the food crisis is made even more difficult by the grave nature of the crisis we face today.

According to FAO statistics, 527 million people are suffering from chronic hunger in South and East Asia . 60% of the world's undernourished population lives in this region. The issue is exacerbated in South Asia where Afghanistan has already appealed for foreign help to combat a wheat shortage while Bangladesh recently warned that it faced a crisis over rice supplies. The United Nations reported in June that Nepal , which imports much of its rice, has 2.5 million people in immediate need of assistance and 3.9 million more whose welfare may be compromised by rising prices.

The paradox is that most of the economies of South Asia are agro-based economies, which have been suffering because of a shift away from agriculture.

Wheat is Pakistanis' staple food. Until the 1980s we were a wheat exporting country. Now, we have to import wheat for domestic consumption. Rising food prices and low purchasing power are leading to increased food insecurity in our country. The situation had been aggravating due to poor government policies in the past, incoherent market prices and exploitation by the traders. The situation in other South Asian countries is no better.

To address this issue the government has announced effective measures such as maintaining price uniformity, checking smuggling and hoarding, providing agricultural incentives, crop insurance and wheat monitoring. Wheat demand from the disadvantaged provinces of NWFP and Balochistan have been given priority.

Ladies & Gentlemen,

South Asia is also gravely affected by the energy crisis. The world wide quest for accelerated growth in industry, services and agriculture gives rise to increase in demand for energy.

In this context Pakistan is seeking to pursue international gas-pipeline options, with which we hope we will position ourselves as an energy hub for South Asia and possibly China through the port of Gwadar .

We have a planned gas pipeline from Iran , crossing Pakistan and heading on to India . This project offers not just energy to both nations but could also serve as an incentive for stability in the region. Another pipeline project is from Turkmenistan through Afghanistan into Pakistan and, possibly, onward to India .

We are also making a major endeavour to exploit our substantial coal and hydel resources to meet our energy needs. This is being done both through indigenous and foreign sources. In addition, we are also exploiting, as outlined in our Medium Term Development Framework, wind and solar energy.

Extremism & Terrorism

Ladies & Gentlemen,

We are playing an active role in the international campaign against terrorism as a frontline State. Pakistan has been a victim of terrorism for decades. Our counter terrorism efforts predate the events of 9/11.

Our commitment to fight terrorism has been unswerving notwithstanding the threats terrorism poses today and the terrorist attacks Pakistan has had to face due to its principled position.

Since last year we have suffered thousands of casualties in various terrorist incidents across Pakistan . In the armed confrontation with the militants more than a thousand of our soldiers have sacrificed their lives.

Our message to terrorists is clear and unequivocal. We will not allow our territory to be used by terrorists and we will not be daunted by the threats of terrorism. At the same time, let me also make clear that Pakistan will not allow foreign troops to operate inside its territory. Military action within our territory is the sole prerogative of the Pakistani armed forces.

We have subscribed to a comprehensive strategy to counter terrorism that includes political, economic and military measures to find immediate and long term solutions to the problem. We wish to address the root causes of terrorism and to suppress it for the long term.

The threat of terrorism transcends national borders. It requires a coordinated and cooperative approach from all States. A long-term strategy needs to be evolved to address the factors which contribute to the growth of terrorism. In my view, primary among these factors are poverty, economic deprivation and denial of rights, which fuel extremist tendencies.

The international community will have to ensure that the right of peoples to self-determination is not de-legitimized by associating it with terrorism. The two are clearly distinct and this distinction needs to be maintained through an agreed legal definition of terrorism.

Afghanistan

Regionally, Pakistan is faced with challenges mainly on two counts; the conflict in Afghanistan and the unresolved Kashmir dispute. Resolution of these issues is an imperative for peace and economic prosperity of the region and its people.

Afghanistan is a country with which we share ties of religion, history, culture and language. Peace and stability in Afghanistan is of vital interest to Pakistan as it impinges on our own well being and development.

Afghanistan came to centre stage following the Soviet military intervention in 1979. With the exit of the Soviets in 1990, the world attention shifted to Eastern Europe and the disintegration of the Soviet Union . Afghanistan suffered international neglect. Internecine conflict led the country into chaos. As a consequence of thirty years of war a whole generation of Afghans has missed out on education. Pakistan also suffered the consequences of the Afghan war. Firstly, we were burdened with 4 million Afghan refugees. Secondly, Afghanistan became a base for extremist forces, comprising mostly of foreign elements who had come to oust the Soviet Union .

In the transformed post - 9/11 circumstances, the international community has recommitted itself to assist Afghanistan . We have all along supported the Bonn Process and the government of President Karzai and his efforts to help restore normalcy and stability in Afghanistan . An Afghanistan at peace with itself is important for Pakistan and vital for the stability and economic progress of the entire region. We therefore call upon the international community to help restore Afghanistan 's past glory and to help in its reconstruction and rehabilitation.

Despite our limited resources, we are contributing to this process and have accorded unrestricted transit access to land-locked Afghanistan , invested heavily in the Afghan economy and are helping to re-build its infrastructure. We recently responded to their call to meet their wheat requirements despite shortage in our own country.

Pakistan is fully aware of the threat to Afghanistan 's sovereignty and territorial integrity. We are doing all we can to ensure that our territory is not used as a staging ground for attacks into Afghanistan . We have deployed more than 100,000 troops on our common border for this purpose. We have good intelligence sharing cooperation with Afghanistan in order to apprehend terrorists on both sides of the border.

However, it deeply hurts us when there are accusatory statements from Afghanistan that we are endangering their peace and sovereignty. Nothing can be far from the truth. We want a stable and viable Afghanistan to play its due role in the betterment and development of the region.

India

Distinguished Ladies & Gentlemen,

Our quest for enhancing peace and security in South Asia remains unflinching, sincere and steadfast. In the interest of peace and progress in South Asia there has to be a normalization of relations between Pakistan and India . We are working with India through a composite dialogue process to resolve all issues including Kashmir to ensure durable peace in the region. We have demonstrated an unwavering commitment to the dialogue process with India . It was due to our sustained efforts that this process was resumed in January 2004 and has contributed towards an appreciable improvement in the atmospherics between the two countries.

The improved state of relations between Pakistan and India provide a precious opportunity for our two countries to work for resolution of the difficult issues between us, in particular the unresolved Kashmir dispute. This outstanding issue must be resolved keeping in view the aspirations of the Kashmiri people.

We have demonstrated sufficient resolve and flexibility in order to seek a peaceful solution of this problem. It is upto India to do same so that the people of South Asia can have the opportunity to live in an atmosphere of peace, stability and prosperity.

The international community can help the process by encouraging all parties to stay the course and to demonstrate courage, determination and sincerity.

It would not be out of context to mention that Pakistan-India relations have in the past been a major impediment in the progress and prosperity of the South Asian region.

Asia is the emerging engine of growth for the global economy, with China in the lead. We favour economic integration of the various sub-regions of Asia for shared prosperity for all regions and all societies. It is our effort to link up with the important processes of regional cooperation in the Asia-Pacific region.

We would like to see regional groupings such as the South Asian Association for Regional Cooperation (SAARC) and the Economic Cooperation Organization (ECO), to which we belong, become effective. We have offered an energy corridor to India . We are developing roads and infrastructure linkages to provide Central Asia the shortest access to the sea. The construction of Gwadar Port is an important landmark in that direction. In short we are working on a multi-pronged approach to inspire regional progress and development.

Pakistan 's capacity to play an effective role in promoting regional peace and security has been enhanced by our close relations with the countries of the region.

Nuclear Non-Proliferation

Ladies & Gentlemen,

Pakistan 's nuclear capability must be viewed in the context of India 's pursuit of the nuclear option and our overall security concerns. Pakistan does not seek regional domination or great power status. We do not threaten any country and wish to live in peace. Our strategic capabilities have been

developed in self-defense following the Indian nuclear test of 1974 that disrupted the security balance in South Asia and provided a nuclear edge to India .

The establishment of deterrence was important. Pakistan 's atomic tests made South Asia more secure and helped prod India and Pakistan to better relations and to commence talks on Kashmir .

As a nuclear weapon state, we adhere to a doctrine of minimum credible deterrence and are opposed to any nuclear proliferation as well as arms race in the region. Accordingly, we have proposed a Strategic Restraint Regime to India . We also believe that induction of antiballistic missiles would have a destabilizing impact on the entire region.

Pakistan is committed to the prevention of nuclear proliferation and has developed a fool proof command and control structure to protect our strategic assets. Furthermore effective export controls are in place. At the same time, we believe that no restrictions should be imposed on civilian nuclear cooperation under appropriate safeguards. As a fossil fuel deficit country, we need nuclear power generation to meet the growing needs of energy for our growing economy. We are prepared to accept all safeguards on our civilian nuclear power sector.

Ladies & Gentlemen,

Allow me to conclude by emphasizing that South Asia is not a unique region. The imperatives for peace and prosperity in South Asia are not different from other regions across the world.

The first step is to acknowledge the root causes of conflicts. Then, we must have the will to address them peacefully. Difficult decisions cannot be put on hold forever. Unless there is tangible progress towards settling core issues, confidence building measures are bound to collapse under their own weight.

Big or small, rich or poor, states are sensitive to their sovereignty and expect to be treated with respect. It is only through mutual respect that inter-state relations can be built and nourished.

South Asia faces many serious challenges of all kinds, which individual countries cannot address on their own. Even the level of current economic growths will be difficult to sustain unless the countries of the region are at peace. This dilemma is real and cannot be wished away.

Let me say that it is time for action. Pakistan is ready to play its part seriously and sincerely in building a peaceful and prosperous South Asia . We have lost many years in mutual acrimony and contention, squandering our energies and resources.

The people of South Asia deserve a far better future. To this end, you will find the democratic government in Pakistan fully committed and dedicated.

I thank you for your patience.

Islamabad

24 July 2008