

## DOCUMENTS (JULY-DECEMBER 2008)

### DOCUMENT 1

#### YOUSUF RAZA GILANI AT THE SIXTH D-8 SUMMIT, KUALA LUMPUR, MALAYSIA

His Excellency Dato Seri Abdullah Ahmad Badawi, Prime Minister of Malaysia, Honourable Heads of Delegation,

Dr. Dipo Alam, Secretary General D-8,  
Excellencies,  
Ladies and Gentlemen,

It is an honour for me to address this eminent and distinguished gathering. I wish to congratulate you, Mr. Prime Minister, on assuming the Chairmanship of the Developing-8. We are confident that under your able and dynamic leadership, this organization will make further progress in achieving our common objective of development cooperation.

We are thankful to the people and the Government of Malaysia for the warm welcome and gracious hospitality extended to us since our arrival in this beautiful city.

I avail myself of this opportunity to express my deep appreciation to Indonesia for providing excellent leadership to this organization over the last two years.

Our Secretary General H. E. Dr. Dipo Alam deserves our commendation for his strenuous efforts in promoting the objectives of the organization.

Excellencies,  
Ladies and Gentlemen,

The sapling of the D-8 planted eleven years ago in Ankara, is growing steadily. Our vision in 1997, under the leadership of Turkey, was to make collective efforts for development cooperation among us. Though we are spread over in three continents, we have the bonds of affinity through close friendship.

Today, as we gather in this beautiful city of Kuala Lumpur, we renew our collective pledge and determination to build a better, peaceful and prosperous future for our people. Ours is an organization with a global reach, with abundant natural resources, and youthful population.

We are happy to see progress in promoting economic cooperation by promoting trade among D-8 countries. The signing of Agreements on Preferential Trade Agreement, Mutual Assistance in Customs Matters, and Simplification of Visa Procedures for Businessmen of Member States, are commendable steps in the right direction. Early implementation of these agreements will give impetus to promotion of intra D-8 trade, which is at present only US\$ 60.5 billion.

Today, as we enter into the second decade of D-8, it is important to review our achievements and lay down a clear roadmap for adding value to our endeavours. Let me share my views in this regard.

In the last 11 years, the D-8 has made steady progress. However, the progress achieved so far does not reflect the true potential of D-8 countries. We need to look into the challenges before us, analyze them and convert them into opportunities to the advantage and betterment of our people.

Excellencies,

Ladies and Gentlemen,

Pakistan is committed to the success of D-8. Pakistan's trade with D-8 countries accounts for 8.14 percent of its overall trade, which is the highest as compared to the trade of other D-8 States with members of the organization. We need to do more to enhance economic opportunities that exist amongst us.

The D-8 can become a model of progress, development, cooperation and partnership. This organization has a great promise with more than 930 million people and vast natural resources. We need to build knowledge-based societies, promoting human resource development, skill development, education and research, and learning from each other's experiences and good practices. We need to promote greater connectivity, people-to-people contacts, networking and linkages exploiting the opportunities rendered by the Information Age.

We have the D-8 Roadmap for Economic Cooperation in the Second Decade of Cooperation among Member States. This is a useful document containing a blue print of D-8 cooperation in diverse fields. I would like to suggest that we should prioritize areas of cooperation and focus on some selected projects with timelines and verifiable indicators for effective monitoring and evaluation. Our first and foremost priority should be the promotion of intra D-8 trade. We hope all of us will soon implement the three agreements that we have signed for facilitation of trade promotion.

Pakistan would like the D-8 to rapidly grow and become a vibrant and effective organization. In order to achieve success and move forward, we need to provide the requisite human and financial resources to the D-8 Secretariat. We support the endeavours of the Secretary General in strengthening of the Secretariat that is commensurate with its mandate.

We welcome the association of private sector with the D-8, which will enrich our cooperation in various fields. The holding of Business Forum on the sidelines of this Summit to deliberate on issues like biotechnology, halal industry, and renewable energy, is commendable. This offers an occasion for the private sector and businessmen from D-8 countries to interact with each other and explore ways and means to further enhance intra D-8 trade.

Excellencies,

Ladies and Gentlemen,

The top most priority of my Government, which is democratically elected and enjoys overwhelming mandate of the people, is economic development for poverty alleviation in Pakistan. This overarching objective determines our economic reform process. Today we have a liberalized market oriented economy with abundant opportunities for businessmen and investors. We have established special economic zones with special incentives for foreign companies to invest in Pakistan.

Pakistan is strategically located at the confluence of South Asia, Central Asia and South-West Asia, with immense human and natural capital. It can serve as an energy, trade and communication corridor for the entire region. The wealth of our human and material resources is available to our brothers in the D-8 for enhancing mutually beneficial cooperation and integration of our fast growing economies.

Excellencies,

Ladies and Gentlemen,

The world is facing today the menace of extremism and terrorism, which has affected our socio-economic development. Pakistan has suffered the most due to this scourge. Our great leader former Prime Minister Shaheed Mohtarma Benazir Bhutto was martyred by terrorists. However, such cowardly acts will never dampen our firm resolve to fight terrorism and extremism with iron fist. We are following a multi-pronged approach in dealing with extremism that combines use of political, economic, administrative, and military measures.

Peace and stability are indispensable for socio-economic progress. We have made positive progress in recent years in our dialogue with India. We are seeking peaceful resolution of all our outstanding issues, including the core issue of Jammu and Kashmir in accordance with the aspirations of the Kashmiri people. Pakistan is committed to peace and stability in our region. However, we are of the view that there is a need to move from conflict management to conflict resolution to achieve durable peace and security in South Asia.

Mr. Chairman,

On behalf of the Government and the people of Pakistan, I avail myself of this opportunity to assure your government and the people of Malaysia of our full cooperation in our collective efforts within D-8 to achieve tangible results in socio-economic development of our people.■

Thank you.

Ministry of Foreign Affairs Pakistan, July 9, 2008

[http://www.mofa.gov.pk/Press\\_Releases/2008/July/PR\\_206\\_08.htm](http://www.mofa.gov.pk/Press_Releases/2008/July/PR_206_08.htm)

## DOCUMENT 2

### **STATEMENT BY MAKHDOOM SHAH MAHMOOD QURESHI, FOREIGN MINISTER OF PAKISTAN, IN THE MEETING OF THE SECURITY COUNCIL ON THE SITUATION IN AFGHANISTAN**

Mr. President,

We wish Vietnam, a friendly developing country of Asia, great success in its presidency of Council this month. Let me also congratulate Ambassador Zalmay Khalilzad and the United States delegation on their successful presidency of the Council in June.

Mr. President,

2. The new democratic government of Pakistan has inherited imposing political, economic and security challenges. We are addressing these challenges democratically and effectively. None among these challenges is as critical as the threat posed by terrorism and extremist violence – a threat we face in common with our neighbour, Afghanistan

3. I have condemned the terrorist attack against the Indian embassy in Kabul . We deeply regret the loss of life and damage caused by this unacceptable suicide bombing. Any attack on civilians or diplomatic missions is highly reprehensible. As you know, a day earlier, a suicide bomber in Islamabad, killed twelve policemen and civilians and wounded scores of people. Again, a day later, there was a series of terrorist bombings in Karachi. We welcome the condemnation of these terrorist attacks by the Security Council.

Mr. President,

4. I am, therefore, grateful for this opportunity to address the Security Council on the situation in Afghanistan. I would like to thank the Special Representative of the Secretary-General, Mr. Kai Eide, for his briefing this morning and to assure him of our cooperation. Pakistan supports the central coordinating role of the United Nations Mission in Afghanistan in accordance with its mandate, which is specific and limited to Afghanistan. Bilateral relations between Pakistan and Afghanistan will continue to be conducted between the democratically elected governments of the two countries.

5. Since the Bonn Agreement, considerable progress has been made in Afghanistan. We need to consolidate these gains and effectively address the outstanding challenges, in particular the intensifying threat posed by terrorist violence and militant insurgency. The continuing insecurity and violence in several parts of Afghanistan can be attributed to a complex interplay of several factors – Taliban, Al-Qaeda, lingering warlordism, factional rivalries and criminal activity including, but not limited to, the drug trade.

Mr. President,

6. Peace and Stability in Afghanistan are in Pakistan's vital interest. The bonds of geography, history, faith and culture inextricably link the destinies of our two nations. We face a common threat of extremism and terrorism. Peace and stability are essential to enable Pakistan and Afghanistan to serve as the hub and corridor for trade and economic cooperation between the dynamic regions of South Asia, Central Asia, China and the Gulf.

7. Apart from the Afghan people, the people of Pakistan have suffered the most from the decades of conflict in Afghanistan. We have hosted over 3 million refugees. We have been afflicted with drugs and arms. And our frontier regions, which were previously peaceful, have been inflamed by the three decades of war and instability in Afghanistan especially after 2001, when many Al-Qaeda and Taliban elements crossed the border into Pakistan.

8. Pakistan's contribution to the fight against terrorism and extremism is well known. Much of the success against Al-Qaeda and Taliban has been achieved with our support and cooperation. We have lost more soldiers than any other country in the effort. Yet, we remain determined to defeat and eliminate terrorism and its root

causes. An end to conflict in Afghanistan will help to restore normalcy on our side of the border and conversely, we recognize, that our efforts to stabilize, pacify and promote development in our frontier region will also have a positive impact on the situation across the border.

9. Pakistan has taken several measures to prevent cross-border infiltration by terrorists and insurgents. These measures have curbed such cross-border movement. But, the security environment on our side deteriorated sharply as a result of our role in the counter-terrorist campaign. In 2007, Al-Qaeda and some Taliban-linked groups turned on Pakistan and its security forces. Last year, there were a larger number of suicide bombings in Pakistan than Afghanistan, resulting in 2000 civilian casualties. Pakistan lost Mohtarma Benazir Bhutto – a leader of great stature and vision – to terrorist attack. This terrorist onslaught continues. The recent suicidal attack in Islamabad suggests that terrorist's threat to Pakistan is far from over. Naturally, this has led to growing popular concern and questioning by some of the excessive reliance on the military option. However, there is also popular disenchantment in Pakistan, including in our frontier region, with the terrorists and extremists, as evident from the success of mainstream political parties, in the region in our February 18 elections.

10. The new democratic government in Pakistan cannot but be sensitive to the sentiments of our people. The new holistic strategy we have evolved seeks to restore peace in our frontier regions, halt and reverse extremism, and eliminate terrorism and violence through political dialogue and socio-economic measures but retaining the option to use force, whenever required. We remain committed to cooperation with Afghanistan and the Coalition forces to stabilize Afghanistan. Political reconciliation and economic reconstruction and development are our priority options to win over the people, the tribes and the moderates, and to isolate the terrorists and violent extremists. In the context of these pacification efforts, it is important to note that the problems and threats in each area and region of our frontier – as across the border – differ from region to region. Pacification will, therefore, require painstaking efforts, region by region, to win the trust and support of local people and their leaders. We are negotiating with tribal leaders and other influentials in these regions; not with the terrorists, nor with those who do not eschew violence.

11. Reconciliation and reconstruction are the only sustainable solution to insurgent violence and instability. We plan massive investment for the reconstruction of the area and its incorporation into the domestic political mainstream of the country. We welcome the commitment by the U.S. to the creation of Reconstruction and Opportunity Zones in the region and its pledge to provide \$ 750 million over 3 years to support these Zones.

12. While we seek peace through dialogue and development, challenges to the authority of the government, acts of terrorism, or cross-border attacks in Afghanistan, will not be tolerated. Where such challenges and violations occur, the government will take forceful action to eliminate them. We are currently doing so in the Khyber Agency against certain violent and criminal extremist militias. The Chief of Army Staff has been given the authority to decide on the application of such military action when required. Pakistan will not allow its territory to be used against other countries. However, no foreign troops will be allowed to operate inside Pakistan.

Mr. President,

13. We can assure greater success in containing, terrorism and insurgency on both sides of the border through more effective cooperation and matching military measures. This is a joint responsibility. Pakistan will continue active cooperation within the Tripartite Commission. We are prepared to consider suggestions to enhance the effectiveness of such cooperation. At the same time, we feel that our partners too could contribute to enhancing operational cooperation by undertaking the following measures:

- expansion military deployments and check posts on the Afghan side of the border to match Pakistan 's 100,000 military personnel and 1200 check-posts;
- real time intelligence sharing;
- caution in the use of artillery and aerial attacks, to avoid accidents or territorial violations;
- supply of counter-insurgency equipment requested by Pakistan;
- more effective check of the 40,000 daily legal crossings, including through use of biometric I.D. cards;
- relocation of Afghan refugee camps close to the border from Pakistan to controlled sites in Afghanistan.

Mr. President,

14. The bonds that bind the peoples of Pakistan and Afghanistan, the mutuality of our strategic interests, the democratic mandates of our governments dictate that political relations between our countries should be much better than have been in recent months. Foreign Minister Spanta and I have made a beginning, by exchanging visits during the last two months. President Karzai, who I had the honour to meet in Kabul, was one of the last people to see our martyred leader, Benazir Bhutto, hours before her tragic assassination.

15. Yet, clearly, we need to do more to overcome suspicion and distrust. We will do our best to reassure our Afghan brothers and sisters that our government is inspired by nothing but goodwill towards them. They too should make every effort to address our concerns.

16. I would suggest that we take some initial steps such as:

- declaring mutual respect for each other's sovereignty and territorial integrity, in accordance with the Kabul Declaration;
- not allow our respective territories to be used against each other;
- avoid provocative statements;
- intensify the frequency of mutual visits at all levels;
- revive and reinvigorate the Jirga process. Pakistan will soon convene the smaller Jirga meeting we have agreed on;
- support the Ankara Process as well as the Afghanistan – Iran – Pakistan Tripartite cooperation;

Mr. President,

17. The economic relationship and cooperation between Pakistan and Afghanistan is already intimate and intense. Our trade amounts to around one billion. Its potential is far more. We want to realize its full potential. Most of Afghanistan's trade transits through Pakistan. Pakistan has committed US\$ 300 million for Afghanistan's reconstruction. We have pledged additional US\$ 20 million for the resettlement of Afghan refugees. Responding to the food crisis, and despite shortage in Pakistan, we have authorized the export of 50,000 tons of wheat to Afghanistan at subsidized rates. Pakistan supports the Afghan National Development Strategy, endorsed in Paris, as the engine for economic growth and equitable development. We will host the next meeting of the Afghan Regional Economic Cooperation forum in Islamabad from 28-30 August, this year.

18. Pakistan and Afghanistan must press forward on all possible avenues to exploit the significant potential for mutual economic cooperation, for example by:

- jointly establishing Reconstruction Opportunity Zones along the border, in which Pakistan entrepreneurs would be prepared to invest;
- implementing Pakistan's plans to import electricity from Central Asia;
- implementing the Turkmenistan-Afghanistan-Pakistan-India gas pipeline project.

Mr. President,

19. Afghanistan and Pakistan can succeed in achieving their objective of peace, stability and prosperity through mutual cooperation. They can succeed only if they enjoy the unconditional support of the international community.

Mr. President,

20. This debate is a good opportunity to commence an honest and objective evaluation of the challenges we face in Afghanistan and to devise a cooperative strategy for success. This strategy must combine military containment with political reconciliation, administrative control and rapid socio-economic development. The military option should be used but as a last, and not the first, resort. Military tactics should not create more alienation, more opposition and more enemies. We are convinced that dialogue and reconciliation together with calibrated use of force, are the best means to promote peace. To win this war, it is vital to win the hearts and minds of the people. We must build peace in Afghanistan in a bottom-up approach – village by village, district by district – offering incentives and disincentives to win the cooperation and support of the local population. Most importantly, our strategy for success must accelerate reconstruction and development. It must offer hope to the people – hope for peace, for jobs, for better lives, for themselves and their children.

Thank You. ■

Ministry of Foreign Affairs Pakistan, July 10, 2008

[http://www.mofa.gov.pk/Press\\_Releases/2008/July/PR\\_208\\_08.htm](http://www.mofa.gov.pk/Press_Releases/2008/July/PR_208_08.htm)

## DOCUMENT 3

### TEXT OF TRADE POLICY 2008-09 SPEECH

“It is a privilege for me to present before you the trade policy for the year 2008-09; the first by a democratic government after a period of nine years. This is your government and it carries the hopes and aspirations of all of you who have given us a very important mandate.

Even though your Government has been in office for less than 4 months, our endeavor has been to draw up a trade policy that has a new direction and vision, and will have an impact on the lives of those who are the most needy. In the recently announced Budget for 2008-09 and in this Trade Policy, the Government’s focus is to take the benefits of development to the common man. Our aim is to encourage our businessmen, entrepreneurs, manufacturers and investors to continue striving to do more in their respective fields; and we are also striving to ensure that the fruits of any development trickle down to the people at the grass roots level.

We have inherited a very difficult economic situation where the public is facing more hardships than it has in recent history. This was due to external and internal factors of the past year. On the external front the most difficult issues were;

The doubling of international oil prices from around \$ 68 per barrel to \$ 145 per barrel during the year. The increase in international prices of food items that Pakistan needed to import during the year, especially wheat and edible oil. The slow down in the US economy and turmoil in the international financial markets thereby reducing external demand for our exports.

On the internal front also we had more than our share of difficulties. This was a year of constant political instability sparked off by the judicial crisis in March 2007.

The law and order situation also assumed dangerous proportions in the form of the Lal Masjid affair, the increase in frequency and lethality of terrorist bomb blasts and of course the state of militancy and insurgency in FATA and the NWFP.

The saddest occurrence in this regard was the martyrdom of Mohtarma Benazir Bhutto on 27th December 2007 which cast a long and dark shadow on the economic and political health of the country. It is estimated that due to disturbances in the five days following this tragic event the loss of our export revenues was of the order of \$200 million.

Other challenges on the internal front that made it difficult for exporters to fulfill their export orders on time and at a competitive price during the year included:-

Power shortages and resultant load shedding of electricity and natural gas. Impact of monetary and exchange rate policies, plus supply side constraints.

Rising costs of salary bills and raw material, particularly rawcotton. Increasing competition in export markets,

Travel advisories of foreign governments discouraged importers to continue sourcing from Pakistan. Long term structural issues such as labour skills deficiency and poor infrastructure.

Not surprisingly and as a result of these multiple negative factors our economic growth rate dropped to 5.8% as compared to 6.8% last year. This slow

down was particularly evident in the commodity producing sectors such as agriculture and manufacturing with serious implications for exports.

In fact agriculture overall grew by only 1.5% as against 3.7% last year and in the two major crops i.e. cotton and wheat there was a negative growth of 9.3% and 6.6% respectively. The manufacturing sector also saw the weakest growth in a decade, since overall it grew by 5.4% as compared to 8.1% last year. Large scale manufacturing was even more dismal since it registered a growth of only 4.8% as compared to 8.6% last year.

What is remarkable however is that despite this gloomy picture on the production and supply side, and contrary to most other economic trends in the country, the export sector has performed well and registered a growth of 13.23% during the year 2007-08.

This is indeed an amazing achievement by our business community who faced the sea of challenges enumerated earlier.

Our exporters therefore deserve the gratitude and admiration of the nation for their dedication, resilience, patriotism, perseverance and contribution to the cause of the nation and the economy.

Credit is also due to the personnel of the Ministry of Commerce and its attached organizations for extending their full support to the private sector to facilitate them in achieving this national objective.

### **Export Performance**

Last year the Ministry of Commerce was assigned an export target of US \$ 19.2 billion, which was indeed ambitious since it was pitched US \$ 2.2 billion higher than the US \$ 17 billion achieved in 2006-07. I am happy to inform you that the total merchandise exports for the year 2007-08 were \$ 19.22 billion, with a net increase between 2006-07 and 2007-08 of \$ 2.246 billion which is a record. In addition during the year the export of services to the extent that they have been disaggregated in the national accounts were \$ 2.9b and defence related exports amounted to \$ 63.9 million.

Looking at the performance of various export sectors while comparing the available detailed figures for 11 months i.e for July to May 2007-08 with the same period of the previous year we see an overall increase of \$1.755b.

Food Group items accounted for \$561 million of this increase included rice [\$480m], sugar [\$72m], fruits [\$32m] and fish products [\$15m].

Textile group performed poorly since the cumulative exports were \$9591.9 million i.e. \$245.8 million or 2.5% less than last year. There was a decline in cotton cloth [\$128m], cotton yarn [\$124m], bed wear [\$94m] and ready made garments [\$39m]. Some textile items registered growth and they were art silk and synthetic textiles [\$81m] and knitwear [\$31m].

The 2.5% decrease in the textile group which constitutes a major chunk of about 57% of our total exports has significantly impacted our overall exports growth. Some reasons for this poor performance are that

Bed wear a major item declined in the US market due to stiff competition from India and China, as well as preferential tariffs available to our other competitors under arrangements such as NAFTA, CAFTA and AGOA etc.

In the European Union our bed linen exports suffered due to an average anti dumping duty of 5.7%. Moreover our competitors such as Bangladesh, Cambodia and

Sri Lanka have duty free access whereas our textiles attract on average a duty of 17-23%. The happy news is that the anti dumping duty will run its course by January-February 2009 and our bed linen exports should pick up after that.

Towels exports have decreased due to higher cotton and yarn prices. The marketing of our textiles is hampered by visa restrictions for our businessmen and travel advisories preventing buyers coming to Pakistan.

Less emphasis on quality and compliance issues is also hurting our textile exports.

### **Diversification**

Our export growth is hampered due to lack of diversification in export products as well as export markets. In terms of products our exports are concentrated in a few categories such as cotton manufactures and synthetic textiles, leather, rice and sports goods.

In the first eleven months of 2007-08, they collectively accounted for around 72.4% of our total exports. In terms of markets also, traditionally 50% of our exports are to only seven countries namely USA, Germany, Japan, UK, Hong Kong, Dubai and Saudi Arabia.

Thus past trade policies have consistently tried to promote diversification on both counts through a variety of measures and we are now beginning to see significant progress in this regard.

From the global perspective, Pakistan's top 200 exported products account for 91% of its exports but these products have only 19% share in the world market. This means that Pakistan does not figure at all in 81% of products traded in the world. In 2006, 5085 products were traded worldwide of which Pakistan only traded in 1365 products. It is encouraging however that the markets in which Pakistan does figure, it is ranked very high in world market shares. For example, in cotton yarn and woven cotton fabrics it is No. 1, while in cotton bed linen, toilet & kitchen linen and cotton knitted shirts it is No. 2 and in rice it is No. 3 in terms of world market shares.

A good trend is the growth in the non traditional category of exports. Some of the non textile items whose export has increased include the petroleum group [\$286m], cement [\$226m], chemicals and pharmaceuticals [\$210m], jewelry [\$140m], Leather products [\$188m], surgical and medical instruments [\$57m]. In the category of "others" the increase in exports during this period was US \$ 337 million. Some of the items included in this category are marble, matches, plastic items, wood items, ceramics, tiles and sanitary fixtures and various household commodities. Increase in this category is good evidence of progress in diversification and movement towards export of value added items.

In terms of market diversification in 1998-99 the seven markets I had mentioned earlier accounted for 53.4% of our exports whereas in 2007-08 this share has reduced to around 44.4%. The three regional groupings that are significant from our growth point of view are Latin American countries such as Brazil, Chile, Colombia, Mexico and Nicaragua, African countries including South Africa, Kenya, Madagascar and Mozambique.

Non traditional European markets including those belonging to the former Soviet bloc such as Scandinavian countries, Poland and Greece.

If one looks at the trend from 2003-04 to 2006-07 one sees that the growth of exports during this period was around 114% in Latin America, 81% in Africa and 60% in this European group of countries.

This diversification trend is healthy and needs to be sustained, but in the immediate future we cannot afford not to shift our focus from textile exports since they constitute around 57% of our total exports. It is noteworthy however that the share of textile and clothing exports in global trade is 4.5% and Pakistan's share in global exports of this sector is a mere 2.15%.

This indicates that Pakistan is facing fierce competition in this sector from a number of countries. On the other hand new opportunities are emerging since some of our competitors like China are losing their competitive edge due to higher input costs.

Therefore our textile producers need to exploit this opportunity by entering into joint ventures with Chinese companies and setting up production facilities in the China Specific Industrial Zones being established in Pakistan.

### **Annual Imports and Trade Gap**

While the Ministry of Commerce works constantly to enhance exports and sets ambitious targets in this regard, the import projection mentioned in the annual trade policy is more of an educated guesstimate based on foreseeable trends. Moreover the Ministry of Commerce cannot actively try to manage the volume of imports since these happen due to circumstances and government requirements arising outside its area of jurisdiction. That notwithstanding the total imports during the year 2007-08 amounted to \$ 39.97 billion giving rise to a trade deficit of \$ 20.7 billion. The underlying causes for this year's trade deficit were:

Increase in oil prices raising its import bill to over \$ 11.3 billion as against \$7.3 billion last year.

Import of wheat at higher than previous prices adding \$ 820 million to the import bill to cope with the wheat crisis.

The increase in price of palm oil from \$502.7 PMT to \$839.3 PMT added another \$ 558 million to the import bill.

Raw cotton imports due to crop shortfall increased by \$ 687 million.

Increase in import of machinery by \$ 493 million and within that power generating machinery registered a growth of \$ 315 million.

Import of fertilizers increased by \$ 491 million and chemicals by \$577million.

In other words around 86% of our import basket consists of machinery, raw material and other essential products such as petroleum and food items making it inelastic. Remaining 14% is made up of transport [6%] and others [8%]. It is noteworthy that import of tea, mobile phones, textile machinery and automobiles [both CBU and CKD] has shown negative growth during the last 11 months.

If one looks at the trend since 2003-04 we see for the first two years exports rising by around \$2 billion each year, then in 2006-07 by only around half a billion dollars.

Imports on the other hand increased by around \$5 billion in 2004-05, by \$ 8 billion in 2005-06 and then dipped to register an increase of only \$ 2 billion in 2006-

07. Thus the year 2006-07 saw a decrease of growth of both imports and exports hence confirming a correlation between higher imports and exports.

This year again the imports compared to last year have increased by \$ 9.428 billion whereas exports have also increased by \$ 2.246 billion.

### **Structural Challenges**

Our proposed export strategy needs to cope with the current challenges that I have indicated in my introductory remarks, as well as work on minimizing the longer term structural handicaps that we are faced with. Some of these structural challenges relating to both the demand and supply side are:-

Our low ranking on the competitiveness scale due to our internal inefficiencies thus making the cost of doing business in Pakistan relatively higher.

Poor governance coupled with excessive red tape results in extra costs for producers and exporters.

Power supplies are inadequate and a costly input for producers.

Infrastructure especially relating to transportation is substandard resulting in extra costs for exporters. ■

Commerce Minister Chaudhry Ahmed Mukhtar, *Nation*, July 19, 2008  
<http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/Business/19-Jul-2008/Text-of-Trade-Policy-200809-speech>

## **DOCUMENT 4**

### **JOINT STATEMENT ON UNITED STATES-PAKISTAN STRATEGIC PARTNERSHIP**

President George W. Bush welcomed Prime Minister Syed Yousaf Raza Gillani to Washington today for his first visit to the United States as the leader of Pakistan's democratically-elected civilian government. The President and Prime Minister reaffirmed their commitment to the long-term Strategic Partnership between the United States and Pakistan, which is based on shared values and holds immense potential for the enduring peace, security, stability, freedom, and prosperity of Pakistan and of the region. The President affirmed his support for Pakistan's sovereignty, independence, unity, and territorial integrity. The two leaders agreed that the focus of the broad-based Pakistan-U.S. relationship should remain on ensuring the well being of the people by assisting Pakistan to implement its national development agenda in a comprehensive manner. Pakistan and the United States. will work together to eliminate the threat of extremism, build strong democratic institutions, modernize education, and increase economic growth and opportunity.

President Bush and Prime Minister Gillani reaffirmed their condemnation of terrorism in all its forms and manifestations. They acknowledged that terrorism and violent extremism pose a common threat to Pakistan, the United States, and the international community. The two leaders pledged to work together to address this threat and to deny any space to militants or terrorists through increased cooperation.

The President recognized the sacrifices the people of Pakistan and the Pakistani security forces have made in the ongoing fight. The President and Prime Minister reiterated that success in countering terrorism will require a comprehensive strategy, including increased security, improved governance, and opportunity for socio-economic development for the people especially in the less-developed regions of Pakistan. The President and the Prime Minister expressed deep sympathy for the families of those who have fallen victim to suicide and other terrorist attacks in Pakistan. The Prime Minister expressed appreciation for U.S. efforts to promote peace and stability in the region. The United States is dedicated to providing Pakistan with the support and tools it needs to lead the fight against terrorism.

The two leaders also committed to increased bilateral economic cooperation to include expanded trade, an improved investment climate, promoting cooperation in the public and private sectors, and agreed to work together to ensure food and energy security as well as facilitate investment in infrastructure and social sectors in Pakistan.

In reaffirming the Strategic Partnership, President Bush and Prime Minister Gillani attached importance to the next round of the Strategic Dialogue, which will be co-chaired by the U.S. Deputy Secretary of State and Pakistan's Foreign Minister, in September 2008 and regularly thereafter to review issues of mutual interest. In addition, the two leaders committed both countries to undertake the following steps in development, counterterrorism, economic, and regional cooperation:

Focus on the needs of the Pakistani people: Food, Health, Education, Energy, and Democratic Governance.

- The two leaders welcomed recent efforts in the U.S. Congress to extend the United States' assistance commitment to Pakistan to help address Pakistan's most urgent needs, including education, agriculture, and energy. The President will continue to work with Congress to ensure the continued support of the United States to Pakistan over the long term.
- The two leaders agreed to institute a separate track for agricultural cooperation under the Strategic Dialogue.
- The United States will provide \$115.5 million in food security assistance to Pakistan, including \$42.5 million over the next nine months.
- The United States will assist with disease control activities in Pakistan to augment the Prime Minister's initiative to combat the spread of hepatitis and other infectious diseases.
- The United States highlighted its \$30 million Pakistan Energy Development program focused on improving power availability, affordability, and efficiency.
- The United States and Pakistan will hold the next round of the U.S.-Pakistan Energy Dialogue this fall to help Pakistan meet its vast and growing energy needs.
- The two leaders agreed to hold the next round of the U.S.-Pakistan Education Dialogue later this year.
- The two leaders agreed to continue and enhance robust collaboration in science and technology under the successful bilateral Science and Technology Framework Agreement.

- The United States highlighted its support for democracy-building and improved governance through project funding.
- Expand Bilateral Trade and Improve the Business Climate
- The two leaders renewed a joint commitment to pursue steps to establish Reconstruction Opportunity Zones that will expand trade opportunities in parts of Pakistan and Afghanistan.
- The United States and Pakistan will work together toward a goal of establishing direct non-stop flights between the two countries before the end of 2008, expanding people-to-people ties and improving the investment climate to the benefit of the people of both countries.
- The United States and Pakistan agree to convene officials promptly to review the status of bilateral investment treaty negotiations.
- The two countries will reconvene the Joint Council under the Trade and Investment Framework Agreement in September 2008.
- The U.S.-Pakistan Economic Dialogue will be held on August 11 in Islamabad.
- Expand Security and Counterterrorism Cooperation
- The two leaders agreed to strengthen the long-term security relationship with a view to enhancing Pakistan's defense capabilities, especially in the field of counterterrorism, through training and equipment.
- Reconvene the bilateral Defense Consultative Group this fall with a renewed focus on counterinsurgency and counterterrorism.
- Renew cooperative efforts to root out extremism along the Pakistan-Afghanistan border, including the Northwest Frontier Province, the Federally Administered Tribal Areas, and Balochistan.
- Expand cooperation between the United States and the Pakistani Frontier Corps and other Pakistani security forces on the front lines in the fight against violent extremism.
- Focus U.S. security assistance on efforts to enhance the counterterrorism capability of Pakistan's military forces.
- Work Together to Enhance Regional Peace, Security, and Stability
- Strengthen the Tripartite Commission between the International Security Assistance Force, Pakistan, and Afghanistan.
- Support the efforts of Pakistan and Afghanistan to hold the next joint jirga this fall.
- Hold the next Regional Economic Cooperation Conference in Islamabad this fall.
- Encourage the Pakistan-India Composite Dialogue process to reduce tensions, build trust, and resolve all outstanding issues.

Prime Minister Gillani thanked President Bush and the people of the United States for the hospitality accorded to him, Mrs. Gillani, and the members of the Prime Ministerial delegation during their stay in the United States. ■

Office of the Press Secretary, White House( Washington), July 28, 2008  
<http://www.whitehouse.gov/news/releases/2008/07/20080728-5.html>

## DOCUMENT 5

### ADDRESS OF THE PRIME MINISTER OF PAKISTAN, SYED YOUSUF RAZA GILANI AT THE 15TH SAARC SUMMIT

Your Excellency President Mahinda Rajapaksa,  
Your Excellencies the Heads of State and Governments of SAARC Member States,  
Distinguished Representatives of Observers,  
Mr. Secretary General,  
Ladies and Gentlemen

It is a great honour for me to represent the Islamic Republic of Pakistan at the fifteenth SAARC Summit. I wish to congratulate you, Mr. President, on your assumption of the office of the Chairperson of SAARC. We are confident that under your dynamic leadership, SAARC will move rapidly towards realization of its cherished goals. I assure you of Pakistan's full support to your endeavours in this direction.

We are thankful to the people and the Government of Sri Lanka for the warm welcome and the gracious hospitality extended to us since our arrival in this beautiful city.

I avail myself of this opportunity to express our deep gratitude to His Excellency Dr. Manmohan Singh, the Prime Minister of India, for providing excellent leadership to SAARC during the last one year.

I would also like to thank the Secretary General, His Excellency Dr. Sheel Kant Sharma, and his dedicated team, for their important contribution to the preparatory work of the Summit.

SAARC Charter bestows upon us the onerous responsibility to promote the welfare of the people of South Asia. The theme of the Summit "Partnership for growth for our people" is a welcome reminder of our joint responsibility to place people at the center of the SAARC process. No society can realize its full potential without improving the socio-economic conditions of its people.

We must follow a comprehensive approach, paying urgent attention to poverty alleviation. We must also take steps to ensure full implementation of the SAARC Social Charter and the SAARC Conventions on Women and Children.

Economic development of South Asia is contingent upon assured and inexpensive availability of energy. The contemporary global fossil fuel crisis has exacerbated the need for the South Asia region to look for alternate energy sources. We must harness region's indigenous energy potential, particularly solar, wind, biomass and hydro energy. We should also envisage a net-work of intra-regional and trans-regional oil and gas pipelines, Within SAARC, an enabling environment for regional energy cooperation can be facilitated by concluding a regional framework agreement on energy cooperation.

Humankind lives here. We have a vast pool of talent. We have fertile lands and developed irrigation systems. Our societies are agrarian. We export agro based products to the world. Yet, the region faces food shortages from time to time. Sadly, the region has to look to the outside world for its food security. We must address this issue on priority. We should share and learn from best practices in the region and

beyond, modernize our irrigation systems, use appropriate technology, and expand our agricultural research and resource base.

The contemporary global food crisis has underscored the need for SAARC countries to develop a comprehensive regional strategy to ensure food security. This is our common responsibility to the people of South Asia. Together with other Asian countries, we should consider launching a Greater Asia Food Security Programme.

Pakistan supports greater regional economic cooperation. In the last two decades, SAARC has made considerable progress in this area, including SAFTA. We must enable these arrangements to deliver real dividends and create a win-win situation for all. Towards this end, a number of steps can be taken including trade facilitation measures, elimination of non-tariff barriers, reduction of sensitive lists of member states, and strengthening of the existing transportation and communication links across the region.

Closer cooperation in the area of finance and banking is essential to promote economic and commercial cooperation in the region. Under the mechanism of SAARCFINANCE, the Governors of the Central Banks of the Member States can make solid contribution to improve macro-economic policy coordination. The SAARC Development Fund (SDF) could underwrite financial support for important development projects of mutual benefit to SAARC members.

Historically, the arteries of transport and communications have enriched this region. As we attempt to connect our region anew, a people-centered approach can ensure the success of our endeavours.

The rich civilizational and cultural heritage of the people of South Asia is our shared pride. Our arts and craft, cultural traditions, diverse landscape, and magnificent historical monuments are our invaluable assets" We must give priority to promoting tourism, including religious and third country tourism, in our region.

Another pressing issue for SAARC is to enhance cooperation in the field of environment. In this regard, the Dhaka Declaration of the SAARC Environment Ministers is a welcome step. We must take appropriate measures to preserve our environment, including the glaciers of Himalayas and Karakorum, which are the largest source of fresh water in the region.

We must also encourage a move towards project-based cooperation under SAARC. The focus should be on implementing regional and sub-regional projects in the agreed priority areas. Each Member State could take one or two projects as "lead country". We may also involve SAARC Observers and other international development institutions in these efforts. Public-private sector collaboration should also be another venue to achieve our development objectives.

The world is facing today the menace of extremism and terrorism, which has challenged our entire value system and impacted our socio-economic development. Though Pakistan has suffered the most, terrorism afflicts all countries of our region. It is our joint responsibility to rid our region of this scourge. We need to fight terrorism individually as well as collectively. The forthcoming meetings of the SAARC Police Chiefs and Home/Interior Ministers in Islamabad later this year should focus on strengthening regional cooperation against terrorism. We welcome the finalization of the text of the SAARC Convention on Mutual Assistance in Criminal Matters.

In an interdependent, fast globalizing world, no regional grouping can hope to function in isolation. SAARC should develop positive links with the adjoining

regions and beyond. We must adopt an inclusive approach. We should be open to mutually beneficial interactions, especially with our larger Asian neighbourhood. Such linkages and interdependencies would create a win-win support system.

I take this opportunity to extend a very warm welcome to the representatives of the SAARC Observers present here in this meeting. We look forward to their valued contribution towards SAARC programmes, activities and projects. We also welcome the interest expressed by Australia and Myanmar to be associated with our organization as Observers.

As we seek to evolve modalities to associate observers with the work of the Organization, we should consider the option of granting "dialogue partnership" status to those Observer states which wish to deepen their relationship with SAARC for mutual benefits.

SAARC has to its credit some notable achievements. We can justifiably take pride in the progress we have made thus far. However, we cannot be complacent. We must recognize in all candour that the gap between the promise of SAARC and the reality of its accomplishment remains wide. We need concerted efforts to build on areas of convergence. Let's minimize divergences and augment complementarities for the greater good of the people of this region. Pakistan for its part will spare no effort to translate the vision of the SAARC Charter into a reality.

Greater economic integration is inextricably linked to the creation of requisite political climate of peace and stability. SAARC meetings provide a good opportunity not only to deepen trust and understanding but also create the enabling environment for resolution of political disputes and outstanding Issues. We believe that the imperatives of South Asia's socio-economic development demand greater political commitment to build on convergences and resolve our differences.

Pakistan and India are engaged in a peace process. Since the induction of elected government in Pakistan, the peace process has registered noteworthy progress. Success of the process will augur well for the region and SAARC.

It is time to place people at the center of the SAARC processes. Our people are our greatest strength. If SAARC becomes relevant to the lives of our people, we could be assured of our success.

As we look ahead, let the Colombo Summit be remembered as the turning point in SAARC's history. Let this Summit infuse new dynamism in SAARC. Let us pledge to lay a solid foundation of mutual cooperation and trust.

I am confident that the Colombo Summit would provide a fresh impetus to reinvigorating regional cooperation in South Asia. ■

August 2, 2008

<http://www.saarc-sec.org/data/summit15/Pakistan%20Prime%20Minister-%20Statement%20on%202nd%20Aug%2008.doc>

## DOCUMENT 6

### FIFTEENTH SAARC SUMMIT COLOMBO, 2-3 AUGUST 2008 DECLARATION OF PARTNERSHIP FOR GROWTH FOR OUR PEOPLE

#### **Introduction**

The President of the Islamic Republic of Afghanistan, His Excellency Mr. Hamid Karzai; the Chief Adviser of the Government of the People's Republic of Bangladesh, His Excellency Dr. Fakhruddin Ahmed; the Prime Minister of the Kingdom of Bhutan, His Excellency Lyonchhen Jigmi Y. Thinley; the Prime Minister of the Republic of India, His Excellency Dr. Manmohan Singh; the President of the Republic of Maldives, His Excellency Mr. Maumoon Abdul Gayoom; the Prime Minister of the Federal Democratic Republic of Nepal, the Rt. Hon'ble Girija Prasad Koirala; the Prime Minister of the Islamic Republic of Pakistan, His Excellency Syed Yousuf Raza Gilani; and the President of the Democratic Socialist Republic of Sri Lanka, His Excellency Mr. Mahinda Rajapaksa, met at the Fifteenth Summit meeting of the South Asian Association for Regional Cooperation (SAARC) held in Colombo, Sri Lanka on August 2-3, 2008.

#### **Regional cooperation**

2. The Heads of State or Government reaffirmed their commitment to the principles and objectives enshrined in the SAARC Charter. They renewed their resolve for collective regional efforts to accelerate economic growth, social progress and cultural development which would promote the welfare of the peoples of South Asia and improve their quality of life, thereby contributing to peace, stability, amity and progress in the region.

3. The Heads of State or Government recognized that SAARC has been making steady and incremental progress over the years, in particular since the last Summit held in New Delhi in April 2007, towards realizing the objectives of the Charter. They accordingly emphasized the importance of maintaining the momentum, through clear links of continuity between the work already underway and future activities. The Heads of State or Government recognized the need for SAARC to further strengthen its focus on developing and implementing regional and sub-regional projects in the agreed areas on a priority basis. Each Member State may consider taking up at least one regional/sub-regional SAARC project as the lead country.

4. The Leaders noted with satisfaction the considerable progress made in various domains of partnership among SAARC Member States and emphasized the need to consolidate and ensure effective implementation of all SAARC programs and mechanisms by rationalization and performance evaluation on a regular basis.

#### **A Partnership for Growth for the Peoples of South Asia**

5. The Heads of State or Government were convinced that the process of regional cooperation must be truly people-centered, so that SAARC continues to strengthen in keeping with expectations as a robust partnership for growth for the peoples of South Asia. They accordingly directed all SAARC mechanisms to abide by the Charter objective of promoting the welfare of the people and improving their

quality of life. In this regard they directed the Council of Ministers to ensure that SAARC mechanisms identify further areas of cooperation where people-centric partnership projects could be initiated.

6. The Heads of State or Government observed that an effective and economical regional tele-communication regime is an essential factor of connectivity, encouraging the growth of people-centric partnerships. They stressed the need for the Member States to endeavour to move towards a uniformly applicable low tariff, for international direct dial calls within the region.

### **Connectivity**

7. The Heads of State or Government recognized the importance of connectivity for realizing the objectives of SAARC. They accordingly directed the SAARC mechanisms to continue to embody in their programs and projects a strong focus on better connectivity not only within South Asia, but also between the region and the rest of the world. They further stressed the necessity of fast-tracking projects for improving intra-regional connectivity and facilitating economic, social and people-to-people contacts.

### **Energy**

8. The Heads of State or Government noted that increased access to energy is critical for fulfilling the legitimate expectations of growth and development in South Asia. They observed in this regard that the escalation of oil prices threatens both the energy security of the region, as well as the economic growth witnessed in South Asia. In this context, they recognized the need to expeditiously develop and conserve the conventional sources of energy and to build up renewable alternative energy resources including indigenous hydro power, solar, wind and bio, while introducing energy reforms, energy efficiency and the trade and sharing of technology and expertise. They also noted that there is tremendous potential for developing regional and sub-regional energy resources in an integrated manner and noted the efforts being made to strengthen regional cooperation in capacity development, technology transfer and the trade in energy. While expressing satisfaction at the progress over the recent years to strengthen energy cooperation, the Leaders directed that the recommendations of the Energy Dialogue be implemented through an appropriate work plan.

9. The Heads of State or Government stressed the urgent need to develop the regional hydro potential, grid connectivity and gas pipelines. They noted that the possibility of evolving an appropriate regional inter-governmental framework may be explored to facilitate such an endeavour. They welcomed Sri Lanka's offer to host the Third Meeting of SAARC Energy Ministers in Colombo in 2009.

### **Environment**

10. Being increasingly aware of global warming, climate change and environmental challenges facing the region, which mainly include sea-level rise, deforestation, soil erosion, siltation, droughts, storms, cyclones, floods, glacier melt and resultant glacial lake outburst floods and urban pollution, the Heads of State or Government reiterated the need to intensify cooperation within an expanded regional environmental protection framework, to deal in particular with climate change issues. They were of the view that SAARC should contribute to restoring harmony with

nature, drawing on the ancient South Asian cultural values and traditions of environmental responsibility and sustainability.

11. The Leaders expressed satisfaction at the adoption of SAARC Action Plan and Dhaka Declaration on Climate Change by the SAARC Environment Ministers at the SAARC Ministerial Meeting on Climate Change held at Dhaka on 3 July 2008. In this context they stressed the need for close cooperation for capacity building, development of CDM projects and promotion of programs for advocacy and mass awareness raising on climate change. They also expressed satisfaction at the adoption of a SAARC Declaration on Climate Change for the United Nations Framework Convention on Climate Change (UNFCCC) by the Twenty-ninth Session of the Council of Ministers.

12. The Heads of State or Government expressed deep concern over global climate change and its impact on the lives and livelihoods in the region. They also noted the urgency of the immediate need for dealing with the onslaught of climate change including sea level rise, on meeting food, water and energy needs, and taking measures to ensure the livelihood security of the peoples in the SAARC region. They resolved to work together to prevent and address the threats to the livelihoods of the peoples and to provide access to remedies when these rights are violated and also to find an equitable distribution of responsibilities and rights among the Member States. They also emphasised the need for assessing and managing its risks and impacts. In this regard, they called for an in-depth study on “Climate Justice: The Human Dimension of Climate Change,” to come up with a rights-based approach that would highlight the human impact when responding to the impacts of climate change.

13. The Heads of State or Government affirmed that every citizen of this planet must have an equal share of the planetary atmospheric space. In this context, they endorsed the convergence of per capita emissions of developing and developed countries on an equitable basis for tackling climate change. They were of the view that any effort at addressing climate change should take into account historical responsibility, per capita emissions and respective country capabilities.

14. The Heads of State or Government expressed concern at the human loss suffered through natural disasters in the region and stressed the need for the timely provision of relief in humanitarian emergencies. In this regard they directed that a Natural Disaster Rapid Response Mechanism be created to adopt a coordinated and planned approach to meet such emergencies under the aegis of the SAARC Disaster Management Centre.

### **Water Resources**

15. The Heads of State or Government expressing their deep concern at the looming global water crisis, recognized that South Asia must be at the forefront of bringing a new focus to the conservation of water resources. For this purpose they directed initiation of processes of capacity building and the encouragement of research, combining conservation practices such as rain water harvesting and river basin management, in order to ensure sustainability of water resources in South Asia.

### **Poverty Alleviation**

16. The Heads of State or Government while acknowledging the significant steps taken to alleviate poverty in the region, resolved to continue to combat poverty

through all available means, including especially through people's empowerment. They committed themselves to continuing to share each other's experiences and success stories of pro-poor poverty reduction strategies such as micro-credit systems, community-driven initiatives and the raising of the consciousness of the poor on their right to resources and development.

17. In this respect, they emphasized on undertaking sustained efforts, including developing and implementing regional and sub-regional projects towards the attainment of SAARC Development Goals (SDGs). They noted the decision by the Ministers on Poverty Alleviation to obtain an inter-governmental mid-term review of the attainment of the SDGs to be completed by 2009.

18. The Leaders welcomed the offer of Nepal to host next Ministerial Meeting on Poverty Alleviation.

### **SAARC Development Fund (SDF)**

19. The Heads of State or Government expressed satisfaction at the signing of the Charter of the SAARC Development Fund (SDF), and finalization of its Bye-laws, and called for an early ratification of the SDF Charter. They also welcomed early operationalization of the Fund from the available funds. They expressed satisfaction at the launching and identification of the projects on women empowerment, maternal & child health and teachers' training under the social window of the SDF, as directed by the Finance Ministers. They reiterated their commitment to expedite their financial contributions to the Fund. In this regard, the Heads of State or Government accepted with appreciation the offer of the Kingdom of Bhutan to host the SAARC Development Fund Secretariat in Thimphu.

### **Transport**

20. The Heads of State or Government expressed satisfaction at the progress through the Meetings of the Ministers of Transport. They reiterated the critical importance of an efficient multi-modal transport system in the region for integration and for sustaining the region's economic growth and competitiveness. They urged early implementation in a gradual and phased manner of the proposals of the SAARC Regional Multimodal Transport Study (SRMTS).

21. They noted the progress made in the consideration of the draft Motor Vehicle Agreement (MVA) by Member States. They also noted that technical inputs related to Regional Transport and Transit Agreement and Regional Multilateral Railway Agreement were being examined by the Member States. In this context, they directed the next Transport Ministers Meeting to expedite work in this regard. They appreciated the offer of Sri Lanka to hold the Second Meeting of SAARC Ministers of Transport in Colombo in 2008.

### **Information and Communications Technology (ICT) Development**

22. The Heads of State or Government urged the need for even more expeditious and close regional cooperation in information and communication technology. They welcomed the enhanced digital connectivity among the Member States and the ongoing work to upgrade the regional telecommunication infrastructure. They directed that the arrangements needed to implement the proposed collaborative tele-projects such as those for health care and education, be expedited.

**Science and Technology**

23. The Heads of State or Government acknowledged the ongoing contribution of Science & Technology including cutting edge technology in information and biotechnology in improving the quality of life of the peoples of South Asia. They noted the offer of India to host the Ministerial Meeting on Science & Technology on September 15-16, 2008 for development of a roadmap on identifying implementable focused regional and sub-regional projects in SAARC.

**Tourism**

24. The Heads of State or Government underscored the vital contribution that tourism could afford to the economic development of the SAARC region. They agreed to make every effort to implement the comprehensive action plan adopted by the Second Ministerial Meeting held at Cox's Bazaar, Bangladesh. These efforts would include facilitating the movement of people through improved travel infrastructure and air, sea and land connectivity among the SAARC countries, collaboration in human resource development and the promotion of SAARC as a common destination through public-private partnerships and joint campaigns.

**Culture**

25. The Heads of State or Government emphasized the role of cultural connectivity in bringing the peoples of South Asia closer, while reinforcing and projecting a distinct South Asian identity. They directed that the Agenda for Culture be implemented in full.

**SAFTA and Trade Facilitation**

26. The Heads of State or Government emphasized their commitment to implement SAFTA in letter and in spirit, thereby enabling SAARC to contribute as well to the dynamic process of Asia's emergence as the power house of the world. Recognizing the need to continue to address the major barriers hindering effective trade liberalization in the region, which include sensitive lists of items and Non-Trade Barriers (NTBs), they directed that the decision to revise the sensitive lists by the SAFTA Ministerial Council (SMC) be implemented early. They also recommended that while revising the Sensitive Lists, special consideration be given to the LDCs. The Leaders directed that SAFTA Committee of Experts (SCoE) to expeditiously resolve the issue of Non Tariff Measures (NTMs) and Para Tariff Measures (PTMs) in order to facilitate and enhance the trade under SAFTA.

27. The Heads of State or Government underlined the need for taking concrete measures to improve trade facilitation in terms of the mutual recognition of standards, the adoption of common tariff nomenclatures, the harmonization of customs procedures. They directed the relevant SAARC bodies to expedite their work in these areas. They also recognized the importance of development of communication system and transport infrastructure and transit facilities specially for the landlocked countries to promote intra-SAARC trade.

28. The Heads of State or Government observed that the SAARC legal instruments on trade liberalization and the measures and initiatives for trade facilitation are increasingly affording significant openings for mutually beneficial trade, investments and economic co-operation within South Asia. These openings are

complemented by the uniformly sound levels of national economic growth being attained by the Member States of SAARC. The Leaders accordingly noted the growing and urgent need for enhancing capacity within SAARC dedicated to encouraging national and regional strategies that would further maximize the positive trade, investments and economic cooperation climate in South Asia. In this regard they welcomed the offer of Sri Lanka to prepare a Concept Paper and a Working Paper on the subject and directed that the Paper be discussed at a Session of the Standing Committee specially convened for this purpose, to enable the adoption of appropriate follow-up measures.

29. The Heads of State or Government welcomed the signing of the text of the Agreement on the Establishment of the South Asian Regional Standards Organization. The Heads of State or Government welcomed the signing of the Protocol on Afghanistan for Accession to SAFTA.

### **Trade in Services**

30. The Heads of State or Government expressed satisfaction at the conclusion of the Study on Trade in Services and welcomed the decision of SAFTA Ministerial Council to commence negotiation on the Framework Agreement on Trade in Services. Towards achieving further economic integration, they directed that the Draft Agreement on Investment Promotion and Protection be finalized early and the SAARC Arbitration Council be operationalized.

### **SAARC Social Charter**

31. The Heads of State or Government underscored the imperative to make steady progress in the implementation of the SAARC Social Charter and directed the Member States to complete the National Plans of Action with a perspective of seeking to transform current challenges into opportunities. They further directed the National Coordination Committees (NCCs) to recommend activities in conformity with the Social Charter and to introduce an efficient and effective monitoring and evaluation mechanism for reviewing the progress in the implementation of the Social Charter. The Leaders emphasized the need to implement the selected regional and sub regional programs and projects to complement national implementation efforts. They urged that such activities be suitably accommodated in the SAARC Calendar. They called for people's participation in strategy initiatives, planning and implementation to ensure people's responsibility and ownership. The Leaders directed to develop a policy on the protection of rights of the senior citizens for their geriatric care taking into account existing national policies of the Member States.

### **Women and Children**

32. The Heads of State or Government noted with satisfaction the increased cooperation in the region towards achieving the all important goal of bringing women fully into the mainstream of development, on the basis of gender equality. They called for focused attention on women's economic empowerment and skills development, while addressing key health issues and violence against women. The Leaders directed to work for a regional cooperation for the elimination of all forms of discrimination and abuse against women in general and widows in particular and guarantee their rights to live in the society in a dignified manner.

The leaders of the SAARC countries concluded their Summit, held at the Bandaranaike Memorial International Conference Hall (BMICH) on 03rd August 2008. They adopted the Colombo Declaration focusing on combating terrorism, energy, environment, water resources, poverty alleviation energy, transport, science and technology and education.

### **Education**

33. The Heads of State or Government welcomed the substantial progress made in the establishment of the South Asian University in New Delhi and directed that the University should begin its Session from 2010. They also directed that increased interaction between students should be encouraged through institutionalization of students, academics, teachers and youth exchange programs. They further directed early institutionalization of an elaborate SAARC Scholarship Scheme in ICT and related areas.

### **Combating Terrorism**

34. The Heads of State or Government strongly condemned all forms of terrorist violence and expressed deep concern over the serious threat posed by terrorism to the peace, stability and security of the region.

35. They further recognized the growing linkages between the phenomenon of terrorism, illegal trafficking in narcotic and psychotropic substances, illegal trafficking of persons and firearms and underscored the need to address the problem in a comprehensive manner. They reiterated their commitment to strengthen the legal regime against terrorism, including by undertaking to implement all international conventions relating to combating terrorism to which Member States are parties, as well as the SAARC Regional Convention on Suppression of Terrorism and the Additional Protocol to the SAARC Regional Convention on the Suppression of Terrorism. The Head of States or Government while recalling United Nations Security Council Resolution 1373 (2001) emphasized the importance of criminalizing any act for the provision, collection and acquisition of funds for the purpose of committing terrorist acts.

36. The Heads of State or Government recognized in this regard the value of the proposed UN Comprehensive Convention on International Terrorism. They noted the progress made during recent rounds of negotiations and called for an early conclusion of the Convention.

37. They emphasized the need for strongest possible cooperation in the fight against terrorism and transnational organized crime amongst the relevant agencies of the Member States especially in the area of information exchange. The Heads of State or Government further emphasized the importance of completing all legislative and other relevant measures to implement within Member States, the provisions of the Regional Convention on Narcotic Drugs and Psychotropic Substances. The Leaders noted the considerable work done to promote cooperation in Police matters. They appreciated the offer of Pakistan to host the Third Meeting of SAARC Ministers of Interior/Home in Islamabad during 2008.

38. The Heads of State or Government expressed satisfaction on the finalization of the text of the SAARC Convention on Mutual Legal Assistance in Criminal Matters at the Fifteenth Summit and its signing. They expressed appreciation at the

accommodating manner in which the negotiations were conducted by the Member States to provide each other the widest measures of mutual assistance in criminal matters to ensure a greater sense of security within the region, the Heads of State or Government urged for early ratification and implementation of the Convention.

### **Joint Positions**

39. The Heads of State or Government resolved to encourage consultations among delegations of SAARC Member States at the appropriate international forums and agreed to cooperate accordingly.

### **Observers**

40. The Heads of State or Government welcomed the Observers namely the People's Republic of China, the Islamic Republic of Iran, Japan, the Republic of Korea, Mauritius, the United States of America and the European Union and appreciated their participation in the Summit. They also welcomed Australia and Myanmar to be associated as Observers to SAARC. They approved the guidelines for cooperation with Observers and looked forward to working with them in the common pursuit of the partnership for growth for our people.

### **Sixteenth Summit**

41. The Heads of State or Government welcomed with appreciation the offer of the Maldives to host the Sixteenth Summit Meeting of the Heads of State or Government of the South Asian Association for Regional Cooperation (SAARC).■

August 3, 2008

<http://www.slmission.com/statements/88-ministry-statements/109-colombo-declaration-of-the-15th-saarc-summit.html?showall=1>

## **DOCUMENT 7**

### **JOINT COMMUNIQUÉ: UNITED STATES - PAKISTAN ECONOMIC DIALOGUE**

Islamabad - Following is the text of the Joint Communiqué issued at the conclusion of the U.S.-Pakistan Economic Dialogue here today:

Joint Communiqué

United States - Pakistan Economic Dialogue

August 11, 2008, Islamabad, Pakistan

The third Pakistan-U.S. Economic Dialogue was held today under the co-chairmanship of Pakistan's Minister of Finance, Revenue, Economic Affairs, and Statistics, Syed Naveed Qamar, and U.S. Assistant Secretary of State for Economic, Energy and Business Affairs Daniel S. Sullivan. The Dialogue sought to deepen the U.S.-Pakistan economic partnership and further develop a long-term, broad-based economic relationship that mutually benefits the citizens of our two countries. The two sides discussed a wide-ranging agenda, including macroeconomic policy, labor, intellectual property rights, energy, agricultural cooperation, eliminating terrorism

finance networks, Reconstruction Opportunity Zones, a GOP scholarship proposal, foreign assistance and FATA development, regional cooperation and transit trade, private sector cooperation, and a Bilateral Investment Treaty (BIT). Representatives from Pakistan's Ministries of Finance, Commerce, Foreign Affairs, Agriculture, Interior, Labor, Law and Justice, Water and Power, Education, the Board of Investment, and the State Bank of Pakistan, as well as Pakistan's Economic Minister to the United States, participated. They were joined by officials from the U.S. Departments of State, Commerce, Treasury, the Office of the U.S. Trade Representative, the U.S. Agency for International Development, and the U.S. Embassy.

The two delegations discussed Pakistan's macroeconomic policies, including fiscal and monetary reforms and social safety net measures the GOP has taken and plans to take to promote economic growth, provide protection to vulnerable groups, and increase prosperity of all Pakistanis. The United States and Pakistan agreed on the importance of GOP measures to stabilize the economy, to adhere to the announced macroeconomic policy and targets, and to continue Pakistan's structural reforms, including monetary and fiscal policy adjustments. A fruitful discussion was held on establishing Reconstruction Opportunity Zones, which will facilitate job creation and economic development in the Federally Administered Tribal Areas, North West Frontier Province, the earthquake-affected areas of Azad Jammu and Kashmir, and Balochistan within 100 miles of the Afghan border. The Reconstruction Opportunity Zones will provide greater market access to exports from businesses in these areas and create employment opportunities for the border regions.

Trade liberalization, protection of intellectual property rights, and labor issues, all aimed at fostering increased economic opportunities, were also discussed. Useful discussions about the issues that remain in concluding a BIT, which would promote a more open, transparent, and predictable business climate, were discussed as well. We agreed that the United States and Pakistan have a strong interest in resuming BIT negotiations and that our investment experts should meet as soon as possible to do so. Ways to increase the opportunity for Pakistani students to study at U.S. universities, including through expanding scholarship opportunities, were considered, and we agreed to pursue the matter further.

Recognizing rising world fuel and food prices, policy measures already taken by the GOP to cope with rising prices and ways in which bilateral cooperation in energy and agriculture could be strengthened, in particular increasing capacity and attracting greater U.S. investment in the these areas. The two parties spoke of positive steps to better address matters relating to eliminating terrorism financing networks and strengthening Pakistan's Money Laundering Ordinance. There was also discussion about ways to strengthen GOP efforts for sustainable socio-economic development of the border areas.

The two delegations agreed to meet again in 2009 in the United States.■

United States Embassy, Islamabad, August 11, 2008  
<http://islamabad.usembassy.gov/pr-08081103.html>

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## DOCUMENT 8

### TEXT OF PAKISTAN PRESIDENT PERVEZ MUSHARRAF'S RESIGNATION SPEECH

Following is the text of Pakistan President Pervez Musharraf address to the nation and his announcement that he was resigning from office.

“Today is a day of an important decision for me.” Proceedings began with recitation from the Holy Quran at 13.10 pm. President Pervez Musharraf said the nation is aware of the crisis it is going through.”

“When I assumed charge nine years ago the country was about to be branded a failed state and a terrorist state. He asid assumed charge with the aim of rescuing the country. In the last nine years I have tried my best to serve the country to the best of my ability during confrontation with India, 9/11 and its aftermath and the devastating earthquake.”

”In all these crises we stood up thanks to the Grace of Gof and saved Pakistan from the crises. In handling the problems the sole aim was the well-being of the people and the safety and security of Pakistan.

I have taken part in two wars which Pakistan fought. [The coalition government] They deceived the people. Never did they realize that they may win against me but how adversely the contry was affected did not concern them. Economic decline and energy crisis we're experiencing is being attributed to my policies.

I would like to put some facts before the nation, especially the economy. The economy was doing well, in fact very well before Deb 2007. The GDP growth was 7 percent. Revenue collection had reached one trillion dollars. The KSE index was around 15,000 points. All these indicators are of eight months ago. Pakistan's economy was poised to take off. How did the economic probkem start all of a sudden? Why has the stock exchange lost 5,000 points. Why has the rupee lost almost 30 percent of its value?

Surely, the present economic crisis is owing to rising oil prices and similar other developments on a global basis. But it is wholly incorrect to put blame on these global factors alone. It is our own failures during the last 8 months.

Power Sector: We were producing 14,000 MW in June 2007 but are now producing just about 10,000 MW. Why? In a nutshell, the people are being fooled. Let us now look forward to find solutions to take the country out of the woods. During the past nine years, we addressed all sectors and accelerated development in the country. In these 9 years, we constructed several roads and bypasses and worked on several other developmental projects. You can see for yourself how much we have done, including all the dams that have been constructed (such as the Mirani Dam). Several canals are also being constructed. These developments will help irrigate 3 million acre fields in the country.

There was massive industrialisation during the last nine years. There was a lot done for higher education. Nice universities from different foreign countries had agreed to set up campuses in the country. In the health sector primary and secondary

healthcare was given priority. Safe drinking water was a sector that was addressed on priority and 6000 water purification plants were set up. Women were given political empowerment and now you see a lot more women in the assemblies. Honour killing was discouraged and Hudood Ordinance laws were revamped. The minorities were given opportunities and culture and heritage was given due importance.

Democracy: We incorporated the essence of democracy into the system through a highly progressive Local Bodies system. Anyone harming it will harm Pakistan. We held two successful general elections. Global Image: We introduced Pakistan's true image all over the world which proves the success of our policies.

I'm proud of all the achievements. If you look at the donor's conference, we were given 6.5 billion dollars in donations when we needed 5 billion. I'll come to the current economic scenario now. From the beginning, I wanted to create a reconciliatory atmosphere in Pakistan's politics on a personal and institutional level. I talked about the 3-phase transition to democracy in Pakistan. The third phase was achieved last year when I doffed my uniform and held free and fair elections in Pakistan. After the elections, people had hopes from their leaders in the govt. Pakistanis have been looking forward toward prosperity and stability in the political atmosphere.

Is unfortunate my appeals to strive for reconciliation and a resolution of economic issues facing the people went unheeded. Some sections of the political forces chose confrontation rather than reconciliation. The President's office was accused of conspiring against the new democratic setup. You should remember it was I who held free and fair elections. Look at the PM's election the coalition setup in Sindh. The opposition cooperated with the govt. in getting the budget passed. I have publicly announced my support to the govt. I have offered the govt. my services. Unfortunately the coalition govt. thinks me a problem and wants to impeach. What are they scared of and why do they want to do this?

Impeachment and chargesheet is the right of the Parliament and I have the right to defend myself against these charges. I am confident that no charge can be proved against me. All my actions were for the good of the people and the country. All my major decisions were the consent of all concerned and all stake-holders, e.g. services, bureaucracy, civil society, etc. I am not at all worried about the Charge-Sheet because nothing can be proved. But the larger issue is what is it going to cost Pakistan its economy, political and social order, honour and prestige of the highest office of the state. Such are the considerations upper-most in my mind.

Whether I'm impeached or not, the country's stability will be compromised. The office of the president will also be insulted. Pakistan is my love; now and always, my life is for Pakistan. I have defended and will continue to defend Pakistan. I want to be able to bring Pakistan out of the current crisis so I think perhaps should do something. But I also do not want to do something that may generate uncertainty in the country. I also want to save the Parliament from horse-trading. Even if the impeachment is defeated, the relations between the President's office and the coalition govt. will not heal. Institutions will be endangered. Therefore, with this situation in view and having consulted my legal and political advisors, I have decided to resign from my post.

I have decided to resign from the office of President and my resignation will be handed over to the Speaker of the National Assembly. I want the people to be the

judges and let them decide my fate. I am a human being and may have committed follies. (ANI)■

August 18, 2008

[http://www.thaindian.com/newsportal/world-news/text-of-pakistan-president-pervez-musharraf-resignation-speech\\_10085464.html](http://www.thaindian.com/newsportal/world-news/text-of-pakistan-president-pervez-musharraf-resignation-speech_10085464.html)

## DOCUMENT 9

### UK-PAKISTAN JOINT STATEMENT

The Prime Minister met the newly-elected President Zardari of the Islamic Republic of Pakistan on 16 September during his private visit to the United Kingdom.

The Prime Minister congratulated President Zardari on his election and welcomed this as a significant step in Pakistan's democratic transition. They discussed the bilateral relationship, as well as regional and international issues and agreed to strengthen co-operation in various fields, including trade, defence, health and education. They both underlined the value they placed on the contribution being made by the one million British citizens of Pakistani origin in strengthening friendship between the two countries.

The Prime Minister and President discussed the challenges that Pakistan faces. The Prime Minister commended President Zardari on his speech at his inauguration and his seven point Roadmap for a Better Future for Pakistan. The Prime Minister emphasised the UK's support for the establishment of democracy in Pakistan, including the strengthening of democratic institutions in the country.

The Prime Minister took this opportunity to remember the death of Benazir Bhutto. His sympathies remained with the Bhutto family and the people of Pakistan.

The Prime Minister and President Zardari agreed that the UK and Pakistan had a shared agenda in tackling violent extremism in both countries. They noted that there was a particularly acute problem with extremism emanating from the Afghanistan/Pakistan border region. This had an impact on Pakistan as much as anywhere else, but was also impacting on UK forces in Afghanistan.

The Prime Minister and President Zardari noted that it was the peoples of Pakistan and Afghanistan who suffered most directly from such extremism. It was for the Governments of Pakistan and Afghanistan to lead the efforts to combat this extremism, with the support of the international community. In this context, the Prime Minister welcomed the early meeting between Presidents Zardari and Karzai and the prospect of improved practical co-operation between the Governments of Pakistan and Afghanistan on their mutual vulnerability to violent extremism. The Prime Minister and President agreed that a stable and strong democracy in Pakistan would play an important role in promoting peace in the region.

The Prime Minister and President Zardari welcomed the on-going collaboration between the UK and Pakistani Governments to tackle violent extremism and radicalisation. They agreed to enhance this cooperation in support of a comprehensive approach by the Government of Pakistan.■

September 16, 2008

<http://www.number10.gov.uk/Page16850>

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## DOCUMENT 10

### TEXT OF PRESIDENT'S ADDRESS TO PARLIAMENT

Following is the text of the address made by President Asif Ali Zardari at the joint sitting of the parliament here on Saturday.

Text Begins

“Madam Speaker,

Bismillah-e-Rehman-ur-Rahim

Honourable Members of the Parliament

Assalam-o-Alaikum

I bow my head in gratitude before Allah for standing here today to address the joint session of the Parliament. I thank the Members of Parliament and of all the provincial Assemblies for reposing confidence in me and electing me to this high office.

I have been given this singular honour and privilege in the name of Shaheed Mohtarma Benazir Bhutto and I am humbled to be standing here in front of the seat of democratic power in Pakistan

On this important day our thoughts go to Shaheed Mohtarma Benazir Bhutto, the first woman Prime Minister of the Muslim World and the twice-elected Prime Minister of Pakistan whose personal sacrifice and courage has made democracy possible. We are here, this parliament is here because of the historic choices she made. It is indeed her day. I wish she was addressing the Parliament today and not me.

Our thoughts also go to the shuhada of Karsaz, to the martyrs of Liaquat Bagh tragedy of December 27; to those who were martyred on July 17th in Islamabad and on May 12th in Karachi and indeed to all those martyred and injured for the cause.

At this moment in time I also pay homage to the brave soldiers who have embraced martyrdom on our borders and mountains as well as those who gave their lives. Today I ask this august house to join me in prayers for all the Shaheeds including Shaheed Zulfikar Ali Bhutto, Shaheed Mohtarma Benazir Bhutto and especially Mir Murtaza Bhutto whose death anniversary is observed today. They are our real heroes.

For myself, I can only say that I stand here after crossing a river of blood and tears. I have been a prisoner of conscience, but will never let that make me a prisoner of history. This means that while I will learn from history, I will never allow my decisions to be dictated by the politics of vengeance and bitter memories.

It is time for us to move on. God has given us a unique opportunity and we must not waste it.

I wish to congratulate all the elected Members of the Parliament. I also congratulate the Prime Minister, the federal and provincial governments on assuming their responsibilities.

The mandate you have is both an honour and a great responsibility.

Madam Speaker,

To address the Joint Session of the Parliament in less than two weeks after my election as President shows that we hold the Parliament in the highest esteem, and accord the highest priority to the fulfillment of its obligations under the Constitution and law.

Under dictatorship, the Parliament was stripped of its powers, and not given due respect. The Constitution requires that the President address the Joint sitting of the Parliament after every election and at the beginning of every Parliamentary year. Yet in the last eight years, the Head of the State only once addressed the Joint sitting of the Parliament.

But let me assure you, that the days of constitutional deviation and bypassing the Parliament while taking decisions of national importance are over.

As head of the state I wish to make it very clear that the President and the government must always seek guidance from the Parliament in carrying out our duties. We are committed to upholding the sanctity of the Constitution, supremacy of the Parliament, and, rule of law.

The cardinal principle of our governance is respect for the mandate of the people as manifested in the February 18 elections.

Madam Speaker, Honourable Members of the Parliament

I have a dream for Pakistan. My dream is to free this great country from the shackles of poverty, hunger, terrorism and disunity. And I know that as law makers, you too share that dream.

For every hope, we need a plan, and for every plan we need an agenda. Without a doubt, a heavy national agenda challenges your government. It is the agenda of moving quickly to heal the wounds of the past and restore the trust in the federation.

Tendering an apology to the people of Balochistan was a long overdue step. The release from captivity of former Chief Minister Balochistan is also a positive move. The resolution recently, of a longstanding dispute and payment of billions of rupees to Balochistan is a step in the right direction. But much more needs to be done.

Successive blows have weakened the federation. It needs to be strengthened. For this, the bitterness of the past must give way to reconciliation and harmony. I believe that the 1973 constitution is the only consensus document that can fashion such a social contract.

I also request the government to start consensus building process on provincial autonomy and the allocation of resources through a new formula that meets the needs of a united federation.

We must root out terrorism and extremism wherever and whenever they may rear their ugly heads.

Reforming the tribal areas and bringing them into the mainstream of national life can no longer be delayed. They must be treated at par with the rest of their Pakistani brethren.

The people of the Northern Areas must also get their basic rights, representative rule and an independent judiciary.

We believe in the independence of the judiciary and all matters concerning the judiciary shall be resolved in accordance with the constitution and law.

Another great responsibility rests on your shoulders. That is the removal of distortions in the Constitution, made by successive dictators to prolong their rule.

As the democratically elected President of Pakistan I call upon the Parliament to form an all parties committee to revisit the Seventeenth Amendment and Article 58(2)b. Never before in the history of this country has a President stood here and given away his powers.

Madam Speaker, Members of the Parliament  
Pakistan is at a critical security juncture today.

In order to meet the challenge posed by the extremist and terrorist elements in the Tribal Areas and the adjoining regions, the Government has devised a comprehensive three-pronged strategy.

First, to make peace with those who are willing to keep the peace and renounce violence;

Second, to invest in the development and social uplift of the local people; and

Third, to use force only as a last resort against those who refuse to surrender their arms, take the law into their hands, challenge the writ of the Government and attack security forces.

For all stakeholders to have ownership of this policy, I will request the Government to hold a national security briefing for an in-camera joint session of Parliament. Let everyone have an opportunity to make an informed judgment about the risks to our beloved country and about how we should move forward with responsibility and clarity of vision.

I ask of the Government that it should be firm in its resolve to not allow the use of its soil for carrying out terrorist activities against any foreign country.

We will not tolerate the violation of our sovereignty and territorial integrity by any power in the name of combating terrorism.

Madam Speaker, Honourable Members of Parliament

I believe that the world has become a dangerous place for nations with conflict on their borders.

So we need peace not only within Pakistan but also in our neighbourhood. At all times, we must keep our national interest in mind.

This means understanding the limits of confrontation. Under this strategy, President of Afghanistan Hamid Karzai was especially invited to my oath taking ceremony as a mark of Pakistan's sincere desire and consistent efforts to promote close relations and strengthen cooperation with the brotherly country of Afghanistan.

On the other side with India, the government believes that the relations between the two countries can and should be creatively reinvented.

As Shaheed Mohtarma Benazir Bhutto said, "It is time for new ideas. It is time for bold commitment. And it is time for honesty, both among people and between people. There has been enough pain. It is time for reconciliation."

For these ideas and for seeking peaceful relations in the region, we were once called, a "security risk" by our critics.

But ideas cannot be killed by repression.

The Charter of Democracy binds the government to a framework of peace and justice for the people of Pakistan and peace and friendship with India.

Pakistan has decided to resume the composite-dialogue process with India, driving our relations through enhanced trade.

We express our complete commitment to the Kashmiri people in their just struggle for the restoration of their fundamental rights. We will continue to seek the settlement of all outstanding disputes, including the dispute over Jammu and Kashmir so that the main hurdle in the way towards peace and full normalization of relations between Pakistan and India is removed.

As a new initiative we will start a cross-LoC trade as a pioneering CBM in Kashmir. We also propose a more liberal visa regime to further expand people-to-people contacts and friendly exchanges, and establish new facilities for the visiting Sikh and Hindu pilgrims.

As another initiative in our relationship with India, I would urge the Parliament to form a bipartisan caucus for the purpose of resolving outstanding disputes relating to Kashmir and the Indus Water head works. All parties must be represented on this caucus so that the nation is united on this key issue and draws strength by speaking in one voice.

Madame Speaker, Honourable Members of Parliament

The greatest challenge this government faces is an economic one. No elected government can survive the prospect of its people going hungry. The immediate and most urgent task before the Government is to provide food security to the common man burdened with the rising prices of food items.

But we must realize that given the global oil and food shocks we face today, and the neglect of the Agricultural sector over the past nine years, this will not be enough to take the edge off the growing poverty our people face. To provide immediate relief to the poorest of the poor, the government has introduced welfare schemes across the board, with no political strings attached, like the Benazir Income Support Scheme for which a budgetary allocation of Rs. 34 billion has been made in the current Financial Year.

The ban on trade unions has been removed and the minimum wage of an unskilled worker has been increased.

Madam Speaker

I do realize that all of this is not enough.

Undoubtedly, your government inherited an economy that was driven by pure consumption, and as such was saddled with huge liabilities of unpaid subsidy-claims on account of petroleum products, power tariffs and luxury imports. The subsidies on oil and gas that we have removed is something no political government wants to shift, but this bitter pill we had to swallow because our balance of payments account could not sustain the expenditures of the last regime.

I see a new beginning for our economy, marked by a program of restoring investors' confidence, resumption of foreign investment, gradual build-up of reserves, exchange rate stability and, above all, revival of sustainable growth.

Madam Speaker

I am aware of the harsh reality that Pakistan is passing through an acute energy crisis due to a serious shortfall of electricity. Unlike the last government, which did not install a single new Megawatt in seven years, our Government has taken immediate short and medium term measures to address the issue. We cannot take Pakistan out of darkness in one month, but we can certainly do it by the end of the next year.

Madam Speaker

The government needs to set core priorities.

I believe that the vast and rapidly changing agriculture sector offers enormous opportunities to hundreds of thousands of rural poor to break the vicious cycle of poverty.

Agriculture-led growth will raise farm incomes, lower food prices and generate the surplus for exports that we so urgently need. Therefore, agriculture needs to be placed at the top of the agenda for ensuring food security on a long term basis, generating jobs and income for a vast majority of people living in the rural areas of the country. For the first time in the history of Pakistan, the government is looking at crop-insurance schemes.

Madam Speaker

Just development is not possible without justice for women.

I note with pain that despite legislation that protects women, the women of this great nation continue to suffer crimes against them with disturbing frequency.

I will request the Government to do its utmost to not just provide protection to women, but to empower them at every step of the long road to their just entitlements as full citizens of this state.

We cannot reverse decades of social backwardness by one stroke of the pen, but we can, and we will turn this tide slowly but surely. For the first time ever, all state allotments, both in income support or land, will be made in the name of the women of this country, as my late wife Shaheed Mohtarma Benazir Bhutto would have wanted. This is a first step on a long journey, but let me assure you, the women of Pakistan will stand with me in this venture.

I also note that the minorities of Pakistan have played a crucial role in the development of the country but have not received their social and political dues. We will further draw them into the mainstream of national life and make full use of their potential.

Madam Speaker, Members of the Parliament

The media has come a long way from the first day the PPP government opened up the airwaves to private networks. Our Government lost no time to dismantle the infrastructure of violence that the last regime had left behind in repealing the Pemra and Print media ordinances which hung over the media's head like a sword. We will soon be bringing other fundamental laws, such as the Freedom of Information Bill, and work with stakeholders toward an open atmosphere of self regulation with no interference from the state. I have requested the Government of the day to look into providing wage support and housing colonies in every province on a low-cost basis, for all journalists.

Madam Speaker

Under the new set up, the Parliament is asserting its role as a sovereign body. For the first time in more than 44 years, the Defence Budget was discussed in the National Assembly.

Also for the first time in the history of Pakistan, we have appointed a Chairman of Public Accounts Committee as per our commitment in the Charter of Democracy.

And we all know that across the board and transparent accountability forms a key pillar of good governance.

Unfortunately accountability has been grossly misused as an instrument of political witch hunting. I believe the government has decided to repeal the NAB Ordinance and replace it with a system that is across the board, transparent and within the accepted norms of the mainstream judicial system.

The harsh provisions in the FCR are being done away with. A committee for PATA and another committee on FCR set up by the government are finalizing their recommendations. I have recommended to the Government that they change the name of the NWFP to Pukhtunkhwa, in response to a long-standing demand of the people of that Province.

Madam Speaker, Members of the Parliament

In the realm of foreign policy it would be our endeavour to promote regional and international peace and security as well as the economic and social development of our people.

The world has changed to market democracy. Our foreign policy would be geared to not only defense of territorial integrity and sovereignty but also promotion of commercial and economic interests.

Pakistan can position itself as the trade and energy hub for South and Central Asia.

We will strengthen our brotherly relations with Iran and take our time-tested and all-weather friendship and strategic partnership with China to greater heights. With the United States and our European partners we will endeavour to build a long-term partnership that is broad-based and mutually beneficial.

Pakistan will continue to extend full support to the Palestinian cause of self-determination.

We value our ties with Saudi Arabia, the UAE, and Libya.

We will rejuvenate our relations with the Arab League, the OIC and ASEAN to promote bilateral trade and investment.

With the Islamic and Arab countries we enjoy excellent relations. We will further develop our friendship with the countries of Asia, Latin America and Africa.

We underscore our commitment to the principles of the UN Charter, international law and values of our common humanity.

Madam Speaker, Honourable Parliamentarians

Democracy in Pakistan has finally been restored; but it is still a tender sapling which needs nurturing before it becomes a great sheltering tree.

There are still elements, who want to derail it yet once again.

With faith in democracy and national reconciliation as envisaged by Shaheed Mohtrama Banazir Bhutto we must remain vigilant against such elements.

The people of Pakistan have great hopes and expectations from this Parliament.

To help them realise their dreams we need to join hands and work together in harmony and not in discord.

We need to banish forever the politics of destruction and confrontation.

The people yearn for a better future.

They long for a Pakistan that was envisaged by the Quaid-e-Azam Mohammad Ali Jinnah and Qauid-e-Awam Shaheed Zulfiqar Ali Bhutto.

That indeed is the Pakistan for which Shaheed Mohtarma Benazir Bhutto gave her life.

That is the Pakistan for which we will live.

And that is the Pakistan for which I, as President, will lend you all support. As someone who has walked from a death cell to the Presidency, let me assure you, nothing is impossible. I can steer the country out of darkness with the help of this Government.

I am confident that you will rise to their expectations and not disappoint our people.

Let us pledge to help build together a secure, strong and prosperous Pakistan.

May Allah help us in this noble mission.

Pakistan khappay!

Pakistan khappay!

Pakistan paindabad!"■

September 20, 2008

[http://www.app.com.pk/en\\_/index.php?option=com\\_content&task=view&id=53416&Itemid=151](http://www.app.com.pk/en_/index.php?option=com_content&task=view&id=53416&Itemid=151)

## DOCUMENT 11

### JOINT PRESS STATEMENT ISSUED AFTER MEETING BETWEEN PRESIDENT ASIF ALI ZARDARI AND PRIME MINISTER MANMOHAN SINGH ON THE SIDELINES OF 63RD UNGA SESSION

The President of Pakistan and the Prime Minister of India met during the 63rd UNGA session in New York.

Prime Minister Singh congratulated President Zardari on his election and the victory of democracy in Pakistan. He expressed the hope that this would pave the way for a profound transformation of the bilateral relationship, so that India and Pakistan could work together on their shared objectives of peace, prosperity and security.

Both leaders welcomed the several positive outcomes of the four rounds of the Composite Dialogue, which have brought their people, businesses and institutions closer, while permitting sustained efforts to be made to resolve all outstanding issues;

these gains need to be consolidated. They agreed to work for an early and full normalization of relations between India and Pakistan, on the basis of mutual respect, peaceful coexistence and noninterference.

Both leaders acknowledged that the peace process has been under strain in recent months. They agreed that violence, hostility and terrorism have no place in the vision they share of the bilateral relationship, and must be visibly and verifiably prevented. Severe action would be taken against any elements directing or involved in terrorist acts. President Zardari reassured Prime Minister Singh that the Government of Pakistan stands by its commitments of January 6, 2004.

Both leaders agreed that the forces that have tried to derail the peace process must be defeated. This would allow the continuation and deepening of a constructive dialogue for the peaceful resolution and satisfactory settlement of all bilateral issues, including Jammu and Kashmir.

The two leaders agreed that:

- The Foreign Secretaries of both countries will schedule meetings of the Fifth round of the Composite Dialogue in the next three months which will focus on deliverables and concrete achievements.
- The ceasefire should be stabilized. To this end, the DGMOs and Sector Commanders will stay in regular contact.
- A special meeting of the Joint Anti-Terror Mechanism will be held in October 2008 to address mutual concerns including the bombing of the Indian Embassy in Kabul .
- The expansion of people to people contacts, trade, commerce and economic cooperation provides an effective platform to develop and strengthen bilateral relations. Towards this end it was decided to:
  - Open the Wagah-Attari road link to all permissible items of trade
  - Open the Khokrapar-Munabao rail route to all permissible items of trade.
- Continue interaction between the Planning Commissions of both countries to develop mutually beneficial cooperation including the energy sector.
- Commence cross-LoC trade on the Srinagar-Muzaffarabad and Poonch-Rawalakot roads on October 21, 2008.
- Modalities for the opening of the Skardu-Kargil route will be discussed soon.

Ministry of Foreign Affairs, Pakistan, September 24, 2008  
[http://www.mofa.gov.pk/Press\\_Releases/2008/Sep/Joint\\_statement.htm](http://www.mofa.gov.pk/Press_Releases/2008/Sep/Joint_statement.htm)

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## DOCUMENT 12

### TEXT OF PRESIDENT ZARDARI'S ADDRESS TO UN GENERAL ASSEMBLY

Following is the text of the address of President Asif Ali Zardari to the UN General Assembly:-

Text Begins

“Mr. President, Excellencies,

Distinguished delegates,

Ladies and Gentlemen,

Assalaam Alaykum

May peace be with you.

Excellencies,

I come before you today in the name of my late wife, Shaheed Mohtarma Benazir Bhutto, as a victim of terrorism representing a nation that is a victim of terrorism.

I am a husband, who has seen the mother of my children give her life fighting the menaces of terrorism and fanaticism that haunt the entire civilized world.

In her place and in her honor, I come before you as the elected President of a democratic Pakistan who received a two-third mandate of our Parliament and assemblies. That extraordinary mandate of our Parliament and assemblies. That extraordinary mandate of support was a vote of confidence in her, in her doctrine and in her message. That vote was an act of love and a demand for a democratic, moderate, modern, tolerant and economically just Pakistan, the essence of the Bhutto Doctrine.

It has been eleven months since the first attack on my wife on October 18, 2007 was followed by a United Nations resolution calling for an inquiry into that crime against humanity. That UN resolution has so far been ineffective. After her assassination on December 27, the international community demanded an independent inquiry - a demand supported by resolutions in Pakistan's parliament and four provincial legislatures.

Today we still do not know what forces and institutions were involved, who plotted and planned and coordinated and trained and paid for the murder of my wife and my nation's beloved leader. A UN investigation into the murder of their leader would reassure the people of Pakistan that the international community cares about them, that the UN's charter of justice is more than rhetoric. We owe it to her. We owe it to history.

If the President of a country and his children cannot get justice through the United Nations, how would the poor and the dispossessed around the world find reassurance that the UN is capable of protecting the weak and the suffering?

Ladies and Gentlemen,

In the name of humanity and in the name of justice, move forward quickly on the investigation of the assassination of Shaheed Benazir Bhutto, let the people of Pakistan and the world know once and for all, whose bloody hands took away one of the greatest women of history.

My wife courageously returned to Pakistan last year, openly confronting the forces of terror. Three million people turned out to welcome Benazir, and to welcome the return of democracy to Pakistan. She was a brave woman who understood the dynamics of our region and the world, who understood the interrelationship between politics and economics, between social injustice and political dictatorship.

For years she told world leaders that dictatorship fuels extremism and poverty fuels fanaticism. She outlined the Bhutto Doctrine of Reconciliation so brilliantly presented in her last book, a dual mission to combat dictatorship and terrorism, while promoting social and economic reform and justice for the people of Pakistan. Benazir Bhutto understood that democracy was not an end, but a beginning: That a starving child has no human rights; that a father who can not support his family is someone ripe for extremism.

The Bhutto Doctrine of Reconciliation is a roadmap not only to a new Pakistan, but to a new era of peace and cooperation between East and West, between people of all faiths. It is a roadmap that if followed will avoid the clash of civilizations and clash of religions that is the terrorists' ultimate goal.

The Bhutto doctrine is the new century's equivalent of the Marshall Plan that saved Europe after World War II. And just as the Marshall Plan was centered on the principle that an economically sound Europe could and would resist communism, the Bhutto Doctrine's pillar is that an economically viable Pakistan will be the centerpiece of the victory of pluralism over terrorism. Ladies and gentlemen, the Bhutto doctrine will ultimately prove to be as critical to the victory of freedom in this century as the Marshall Plan was critical to the triumph of liberty in the last. Ours is the Doctrine of Reconciliation. Theirs is the Doctrine of Death.

Her killers thought her elimination would end her dream of a democratic Pakistan and the balkanization of our region would enable the forces of darkness to prevail.

But our nation rallied in the aftermath of her brutal and tragic assassination.

If Al Qaeda and the Taliban believed that by silencing Shaheed Mohtarma Benazir Bhutto, they were silencing her message, they were very wrong.

We have picked up the torch and will fight against terrorists who attack us, and fight against terrorists who use our territory to plan attacks against our neighbours or anywhere in the world.

Ladies and gentlemen,

Ours is a bloody fight, and the personal pain that my children and I feel cannot be fully expressed, nor the pain of a Nation that has been robbed of its greatest asset, its greatest leader. But the terrorists' lust for blood and hate has not been satisfied.

Only last week, the forces of evil struck against with a bloody and cowardly attack against my people.

A suicide truck bomb destroyed a great building in our capital barely a stone's throw away from my office and the house of Parliament.

Once again, Pakistan is the great victim in the war on terror. And once again our people wonder whether we stand alone. Thousands of our soldiers and civilians have died fighting against the common enemies of humanity. We have lost more soldiers than all 37 countries that have forces in Afghanistan put together.

The roots of today's terrorism can be traced to a war involving the world's superpowers in Afghanistan during the 1980s. Afghanistan and Pakistan, and increasingly the world, are reaping the bitter harvest sowed towards the end of the cold war.

The world turned its back on Afghanistan after the Soviet defeat. In Pakistan, we were left with three million refugees within our borders. Their camps that soon became the breeding grounds for intolerance and violence. The West left South and Central Asia. We were left to live with the consequences. And one of its greatest consequences was the birth of Al Qaeda and the talibanization of Afghanistan and parts of our tribal areas.

Yet we do not look back on history. We are victims but we will never be vanquished. On the contrary, the more of our children's blood they spill, the stronger is our determination to defeat them. We in Pakistan stand united and in defiance. We are resolved that our future will not be dictated by these who defy the spirit and laws of Islam for their sordid political goals.

We may be the targets of international terrorism, but we will never succumb to it. Toward that end, we reach out to you and to the entire civilized world.

Terrorism cannot be fought by military means alone. Fighting it requires political will, popular mobilization, and a socio-economic strategy that wins the hearts and minds of nations afflicted by it. Unilateral actions of great powers should not inflame the passions of allies. Violating our nation's sovereignty is not helpful in eliminating the terrorist menace. Indeed, this could have the opposite effect.

Many of you in this great hall read about terror, while we live with it. We do not learn about terror from reading newspapers or watching the evening news. We see our children and our wives being blown up before us. My cities, neighborhoods, streets, hotels and offices bear the brunt of the terrorist fanatic rage every single day. A democratic Pakistan is in the process of reaching the national consensus necessary to confront and defeat the terrorists. Only a democratic government can win this war.

We are fighting the menace and we will continue to fight. But this is the fight for the peace of the world. This is the fight for the future of generations to come.

Yes, we fight for ourselves, for our children, for our very soul. Yes, this is our war, but we need international support - moral, political and economical.

In our stability lies the world's security. Globalization is not just economic; it is also political. The terrorist vision strikes out at all continents and all nations. We must draw the line on their rampage. And we must draw that line in Pakistan.

The question I ask the world's leaders in this august chamber is whether you will stand with us, just as we stand for the entire civilized world on the front-lines of this epic struggle of the new millennium?

Ladies and gentlemen,

I stand before you as the President of a great nation that has just suffered under a decade of brutal military dictatorship, human rights abuses, and the systematic destruction of the foundations of democracy and civil society.

Sadly, all too often the world stood silent as dictators ruled our people with a bloody fist. Nations that were founded on democracy were silent for reasons of expediency. My wife would say that they "danced with dictators"

Today, as we meet here in New York, the democratically elected leader of Myanmar, Aung San Suu Kyi, continues to be imprisoned in Yangon. She has suffered year after year under house arrest. The world should demand that this great woman finally be freed.

We appreciate the efforts of Ms. Laura Bush in this regard.

Today, the horror of terrorism that plagues our region and threatens the world is a by-product of this lack of commitment to the values of democracy. When the world betrays democracy, it sets the table for disaster. We all continue to pay the price.

In the early years of the new millennium, there are two great battles before mankind. First there is the battle for democracy and liberty against dictators - the fight for universal human rights that is the hallmark of this body.

At the same time, we are fighting in the trenches of the battle that will determine the course of this century - the battle against extremism and terrorism - between the forces of ignorance and the forces of education, between bigotry and tolerance, between justice and discrimination, between confrontation and reconciliation.

Democracy is not like a switch that can be turned on and off when it's convenient. It is a universal value guaranteed to all men and women.

It is the outcome of these struggles that will determine whether the noble experiment embodied in these hallowed walls of the United Nations will succeed or fail. The struggle between the Bhutto Doctrine of Reconciliation and the Terrorists' Doctrine of Death will determine the future of mankind.

Let not the extremists who would manipulate Islam for their political ends define us to you. They are rabid but they are few.

Ladies and gentlemen,

It is time for the world to take notice. We are not the cause of the problem of terrorism, we are its victims.

We are an aggrieved nation NOT one that has caused grief.

We have fought this battle largely alone.

We have shared our air bases, our air space, our intelligence, and our armed forces in a coordinated effort to contain terrorism.

Ladies and gentlemen,

It is time for the developed world to step up to the plate to help us, and in turn help itself.

The fight against terrorism and extremism is a fight for the hearts and minds of people. It can't be won only by guns and bombs. The fight must be multifaceted.

The battleground must be economic and social as well as military. We will win when people are mobilized against the fanatics. To mobilize them we have to give them hope and opportunity for their future. They need jobs. Their children need education. They must be fed.

They must have energy.

We must give people a stake in their own government, and we must demonstrate to them that democracy does perform, that democratic governance can improve their everyday life.

Ladies and Gentlemen,

An economically viable Pakistan will be a stable Pakistan. And a stable Pakistan will suck the oxygen from the terrorists' agenda. Economic justice and political democracy are the worst nightmares of the terrorists.

We must all fight this epic battle together as allies and partners. But just as we will not let Pakistan's territory to be used by terrorists for attacks against our people and our neighbors, we cannot allow our territory and our sovereignty to be violated by our friends.

Attacks within Pakistan that violate our sovereignty actually serve to empower the forces against which we fight together.

I am a democratic President of a democratic country that intends to be a model to our region and to our religion, for a vibrant, modern, tolerant, peaceful, moderate democracy committed to economic and social justice. People, including my wife, died for this movement. We will not waste their sacrifices.

We will work patiently to convince leaders in FATA and our Pakhtunkhwa Province to accept the writ of government and turn their back on terrorists. The terrorists can blow up our girls' schools but we will rebuild them, brick by brick, inch by inch. We are in this battle to win. And we know how we have to do it.

We will work together with our neighbor Afghanistan, and the NATO forces stationed there, to ensure security of our common border. We will continue the composite dialogue with India so that our outstanding disputes are resolved, as I discussed with Prime Minister Manmohan Singh. Whether it is the core issue of Jammu and Kashmir, or cooperation on water resources, India and Pakistan must accommodate each other's concerns and interests; we must respect and work with each other to peacefully resolve our problems and build South Asia into a common market of trade and technology.

Better relations between Pakistan, Afghanistan and India would help create the regional environment that is more conducive to reducing militancy in our region.

But let be clear, to those in this hall, and to the terrorists lurking in their caves plotting their next assault on humanity. If necessary we will confront evil with force - our police, our army and our air force. We will turn the power of the state against the stateless terrorists. We will turn the power of justice against the chaos of anarchists. We will turn the power of right against the darkness of evil.

Ladies and Gentlemen,

I did not come to the office of President, to this moment, by design. As my wife once said about herself, I did not choose this life, it chose me. An extraordinary combination of circumstances brought me to this moment.

It has not been as easy road. I spent nine years in prison, in solitary confinement, as a hostage to my wife's struggle for democracy and to our party's future.

I was unjustly imprisoned under a judicial system manipulated and controlled by the forces of dictatorship. I refused to break under pressure.

My years in prison made me a stronger person and hardened my resolve to fight for democracy and justice. Those years prepared me for this moment.

Excellencies, Ladies and Gentlemen,

Terror took my wife's life. But the terrorists cannot kill my wife's dream. Her vision, her passion, her force is now our common task. The Benazir Bhutto Doctrine of Reconciliation lives on; it guides us in our endeavors. Her Reconciliation is the mantra of the new era, and I am dedicated to implementing what she has proposed. I wish I could do it at my wife's side. But now I will do it in my wife's place.

Pakistan will prove wrong all the negative predictions about its future. We will show the way in overcoming suspicions towards and from our neighbours, and building a future for our people.

Throughout her life, my wife struggled to make the world a better place for our children, the children of Pakistan and the children of the world.

I owe it to her memory, and to all of the martyrs of democracy to continue to do the same, until the Bhutto Doctrine of Reconciliation is not just her dream but the world's reality.

Thank you."■

September 26, 2008

<http://www.scribd.com/doc/6373853/Text-of-President-Zardari-UN-Speech>

## DOCUMENT 13

### UNITED STATES-PAKISTAN STRATEGIC PARTNERSHIP JOINT STATEMENT

Following is the text of a joint statement issued by U.S. Deputy Secretary of State John D. Negroponte and Pakistan Foreign Minister Makhdoom Shah Mahmood Qureshi following the third round of the United States-Pakistan Strategic Dialogue, held September 29, 2008, at the U.S. Department of State in Washington, D.C. The United States-Pakistan Strategic Dialogue was last held in Islamabad, Pakistan, in September 2007.

#### **Begin text**

Deputy Secretary Negroponte and Foreign Minister Qureshi reaffirmed their commitments to a wide-ranging, substantive, and long-term strategic partnership between the United States and Pakistan, which is based on shared values and a common effort to promote enduring peace, security, stability, freedom, and prosperity of Pakistan and of the region. Both sides exchanged views on ways to deepen their bilateral cooperation and to make the Strategic Dialogue more effective and productive.

The United States and Pakistan both strongly condemned the terrorist attack at the Marriott Hotel in Islamabad, on 20 September. Both Deputy Secretary Negroponte and Foreign Minister Qureshi offered their condolences to the families of all of those lost in the vicious attack. They acknowledged that terrorism and violent extremism pose a common threat to Pakistan, the United States, and the international community.

The United States affirmed its support for Pakistan's sovereignty, independence, unity, and territorial integrity. The United States is dedicated to

providing Pakistan with the training and equipment it needs to fight terrorism, including support to enhance Pakistan's counterinsurgency and counterterrorism capabilities and increased cooperation with Pakistani security forces. Both sides renewed their intention to work together to combat the threat of terrorism and violent extremism by expanding security cooperation, and to work together to develop and modernize the Federally Administered Tribal Areas. Pakistan expressed its appreciation for the \$4 million the U.S. has committed for flood relief and for humanitarian assistance to those displaced by fighting in Bajaur.

During the Strategic Dialogue, the two sides discussed regional and international issues of common interest. The U.S. expressed support for continued dialogue and improved relations between Pakistan and its neighbors. The U.S. expressed support for the resumption of the Jirga process with Afghanistan and for Pakistan's commitment to hold the next Regional Economic Cooperation Conference meeting in Islamabad later this year.

The Pakistani Government expressed its appreciation for the new Friends of Pakistan initiative, which will help Pakistan face its challenges in the years ahead.

Building on the August 2008 bilateral Economic Dialogue, both sides reaffirmed their commitment to increased bilateral economic cooperation. Pakistan outlined its economic stabilization measures and reforms to foster economic growth and opportunity. The U.S. expressed support for Pakistan's plan to stabilize its economy and welcomed Pakistan's commitment to implement comprehensive reform measures.

The U.S. expressed its determination to continue efforts to promote Reconstruction Opportunity Zones legislation, currently pending in Congress. The establishment of such zones would improve stability and security by stimulating jobs, infrastructure and legitimate economic alternatives in underdeveloped areas.

The two sides emphasized the need for improved regional cooperation and integration in the energy sector. They reaffirmed their commitment to address Pakistan's growing energy needs by expanding technical assistance and promoting investment in Pakistan's energy sector.

Cooperation in education and science and technology were reviewed, and both resolved to make best efforts to hold Energy and Education Dialogues by the end of the year.

In keeping with the commitment made by President Bush and Prime Minister Gillani during their July meeting in Washington, the delegations began discussions focused on agricultural cooperation that would help Pakistan strengthen its agricultural sector and enhance its food security.

The two sides committed to work together to realize their long-term vision of the U.S.-Pakistan Strategic Partnership. ■

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**DOCUMENT 14****JOINT STATEMENT ON PAKISTAN - UNITED STATES  
STRATEGIC DIALOGUE**

The Governments of Pakistan and the United States held the third round of the Pakistan - U.S. Strategic Dialogue on September 29 at the Department of State in Washington, D.C.

Foreign Minister Makhdoom Shah Mahmood Qureshi led the Pakistani delegation. Deputy Secretary of State John Negroponte led the U.S. delegation. The Pakistan - U.S. Strategic Dialogue was last held in Islamabad in September 2007.

Foreign Minister Qureshi and Deputy Secretary Negroponte reaffirmed their commitments to a wide-ranging, substantive, and long-term strategic partnership between Pakistan and the United States, which is based on shared values and a common effort to promote enduring peace, security, stability, freedom, and prosperity of Pakistan and of the region. Both sides exchanged views on ways to deepen their bilateral cooperation and to make the Strategic Dialogue more effective and productive.

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The two sides committed to work together to realize their long-term vision of the Pakistan - U.S. Strategic Partnership. ■

Ministry of Foreign Affairs Pakistan, September 30, 2008  
[http://www.mofa.gov.pk/Press\\_Releases/2008/Sep/PR\\_304\\_08.htm](http://www.mofa.gov.pk/Press_Releases/2008/Sep/PR_304_08.htm)

## DOCUMENT 15

### JOINT STATEMENT BETWEEN CHINA AND PAKISTAN

On the invitation of President Hu Jintao, President Asif Ali Zardari paid a state visit to China on 14-17 October 2008.

President Hu Jintao held talks with President Zardari. Mr. Wu Bangguo, chairman of the Standing Committee of the National People's Congress, Mr. Wen Jiabao, Premier of the State Council, and Mr. Jia Qinglin, Chairman of the National Committee of the Chinese People's Political Consultative Conference, met President Zardari respectively. Talks between the two presidents and President Asif Ali Zardari's meetings with other Chinese state leaders were characterized by traditional warmth, friendship and mutual understanding. The two leaders reached broad agreement on strengthening China-Pakistan strategic partnership of cooperation and on international and regional issues of mutual interest under the new circumstances. The President of Pakistan also held wide ranging discussions with the leaders of Chinese corporations and financial institutions.

The leaders of the two countries reviewed with satisfaction the growth of China-Pakistan relations over the past 57 years since the two countries established diplomatic ties. They agreed that the friendship between China and Pakistan has withstood the test of time and practice, notwithstanding changes in the international, regional and domestic environments. The all-weather friendship and all-round cooperation have become the distinctive feature of China-Pakistan relations.

Both sides agreed that, it is essential that the two sides make continuous efforts to strengthen good-neighborly relations and friendship, develop mutually beneficial cooperation and deepen strategic partnership of cooperation between China and Pakistan which serves the fundamental interests of the two peoples and contributes to peace and development in the region.

Both sides agreed that the Treaty of Friendship, Cooperation and Good-neighborly Relations between the People's Republic of China and the Islamic Republic of Pakistan (Treaty) signed in April 2005 is of great historic and immediate significance, laying a solid legal foundation for the long-term, stable and healthy growth of China-Pakistan relations. Both sides decided to abide by the policies and principles enshrined in the Treaty, earnestly implement the bilateral legal documents signed since the two countries established diplomatic ties and further intensify cooperation in the areas of economy, defense, science and technology, people-to-people contact, thus constantly advancing the China-Pakistan strategic partnership of cooperation.

China stressed that Pakistan is China's good neighbor, close friend, dear brother and trusted partner. China will continue to view China-Pakistan relations from a strategic and long-term perspective, and make joint efforts with Pakistan to lift China-Pakistan strategic partnership of cooperation to a new high.

Pakistan stressed that Pakistan-China relationship is the cornerstone of its foreign policy, and friendship with China represents the common desire of all Pakistani people. Pakistan appreciated the strong support and assistance provided by the government and people of China to Pakistan in its economic development. Pakistan remained committed to continuing its policy of friendship towards China and making unremitting efforts to promote the healthy and steady growth of relations between the two countries.

Pakistan unequivocally upholds the one-China policy and considers Taiwan as an inseparable part of the People's Republic of China and supports all efforts made by the Chinese government to realize national reunification.

China appreciated Pakistan's long-term and staunch support to China on issues concerning China's sovereignty and territorial integrity, reaffirmed its support for Pakistan's effort to uphold its sovereignty, independence and territorial integrity, and appreciated Pakistan's important role in promoting regional peace, stability and security and strengthening international counter-terrorism efforts.

Both sides opposed to all forms of terrorism, extremism and separatism, resolved to cooperate with each other to fight the above-mentioned three forces. China conveyed its complete support to Pakistan's commitment and efforts to fight terrorism and appreciated the sacrifices made by the government and people of Pakistan in this regard.

The two sides agreed that economic cooperation is an important part in the strategic partnership between the two countries. The two countries enjoy great economic complementarity and should fully tap the potential and comprehensively deepen mutually beneficial cooperation in the economic field.

Both sides agreed to fast track the implementation of the Five Year Development Programme on Economic Cooperation and make full use of the Free Trade Agreement in Goods and Investment and Pakistan-China Joint Investment Company. In this regard, they agree to convene a meeting of Pakistan-China

Economic Cooperation group under the Five Year Development Programme on Economic Cooperation at an early date. They also agreed to hold the next meeting of the Joint Economic Commission at the convenience of both countries.

Both sides agreed to enhance cooperation to further develop and boost Pakistan's mineral and energy sectors as well as broaden financial and banking sector cooperation. They also agreed to further enhance 'connectivity' by developing new communication links including fiber optic links. They agreed to explore the concept of Integrated Border Management, overland trade and development of trans-border economic zones.

Both sides agreed to maintain communication and coordination on major international and regional issue to safeguard their common interests. Both sides agreed to continue to cooperate closely on issues such as the reform of the United Nations, climate change and energy and food security to promote world peace and development.

President Asif Ali Zardari offered congratulations to the Chinese government and people on the successful hosting of the Beijing Olympic Games and the Paralympic Games and the successful completion of Shenzhou VII's mission. President Hu Jintao congratulated President Asif Ali Zardari on his election as the President of Pakistan and thanked Pakistan for its valuable assistance in the wake of the devastating earthquake in Wenchuan, China. He also appreciated Pakistan's support to ensure the success of the Beijing Olympic and Paralympic Games. Pakistan applauded the outstanding achievements China has made in the 30 years of reform and opening-up and believes that China's development will contribute to world peace and prosperity.

President Zardari invited President Hu Jintao to visit Pakistan once again at his convenience. President Hu Jintao thanked President Zardari for his kind invitation. Both sides signed the following agreement/MoUs during the visit:

1. Agreement on economic and technical cooperation between government of the People's Republic of China and government of the Islamic Republic of Pakistan.
2. Amending protocol to free trade agreement between government of the People's Republic of China and government of the Islamic Republic of Pakistan.
3. Exchanges of notes between the Ministry of Foreign Affairs of the People's Republic of China and the Ministry of Interior of the Islamic Republic of Pakistan regarding the exchange of properties of the Chinese embassy in Pakistan.
4. Framework agreement on cooperation in the field of minerals between the national development and reforms committee of the People's Republic of China and the Ministry of Petroleum & Natural Resources of Pakistan.
5. Memorandum of understanding on cooperation between the Ministry of Land Resources of the People's Republic of China and Ministry of Petroleum & Natural Resources of Pakistan.

6. Agreement on environmental protection cooperation between the Ministry of Environmental Protection of the People's Republic of China and the Ministry of Environment of Pakistan.
7. Framework agreement for cooperation in the field of radio, film & television between the State Administration of Radio, Film and Television, government of the People's Republic of China and the Ministry of Information and Broadcasting, government of the Islamic Republic of Pakistan.
8. Aksat-1R satellite procurement contract by & between China Great Wall Industry Corporation (CGWIC) and Pakistan Space & Upper Atmosphere Research Commission (SUPARCO).
9. Memorandum of understanding on scientific collaboration in agricultural research and technical cooperation between Chinese Academy of Agricultural Sciences and Agricultural Research Council of Pakistan.
10. Cooperation agreement between Beijing Museum of Natural History of the People's Republic of China and the Museum of Natural History of the Islamic Republic of Pakistan.
11. Memorandum of understanding on cooperation between the Cricket Association of the People's Republic of China and the Cricket Board of the Islamic Republic of Pakistan.
12. Memorandum of understanding regarding the project of X-ray container/vehicle inspection system between Nuctech Company Limited, Tsinghua University, Ministry of Education of the People's Republic of China and Ministry of Interior of the Islamic Republic of Pakistan. ■

October 16, 2008

[http://www.cfr.org/publication/17543/joint\\_statement\\_between\\_china\\_and\\_pakistan\\_october\\_2008.html](http://www.cfr.org/publication/17543/joint_statement_between_china_and_pakistan_october_2008.html)

## DOCUMENT 16

### RESOLUTION NO. 12 CONSENSUS RESOLUTION PASSED AT THE CONCLUSION OF THE IN-CAMERA JOINT SITTING OF PARLIAMENT

This in-camera joint session of Parliament has noted with great concern that extremism, militancy and terrorism in all forms and manifestations pose a grave danger to the stability and integrity of the nation-state. It was recalled that in the past the dictatorial regimes pursued policies aimed at perpetuating their own power at the cost of national interest.

This House, having considered the issue thoroughly and at great length is of the view that in terms of framing laws, building institutions; protecting our citizens from violence, eradication of terror at its roots, re-building our economy and developing opportunities for the disadvantaged, we all commit to the following:-

1. That we need an urgent review of our national security strategy and revisit the methodology of combating terrorism in order to restore peace and stability to Pakistan and the region through an independent foreign policy.
2. The challenge of militancy and extremism must be met through developing a consensus and dialogue with all genuine stakeholders.
3. The nation stands united to combat this growing menace, with a strong public message condemning all forms and manifestations of terrorism, including the spread of sectarian hatred and violence, with a firm resolve to combat it and to address its root causes.
4. That Pakistan's sovereignty and territorial integrity shall be safeguarded. The nation stands united against any incursions and invasions of the homeland, and calls upon the government to deal with it effectively.
5. That Pakistan's territory shall not be used for any kind of attacks on other countries and all foreign fighters, if found, shall be expelled from our soil.
6. That dialogue must now be the highest priority, as a principal instrument of conflict management and resolution. Dialogue will be encouraged with all those elements willing to abide by the Constitution of Pakistan and rule of law.
7. That the development of troubled zones, particularly the tribal areas, and NWFP (Pukhtoonkhwa), must also be pursued through all possible ways and legitimate means to create genuine stakeholders in peace. New economic opportunities shall be created in order to bring the less privileged areas at par with the rest of Pakistan.
8. That a political dialogue with the people of Balochistan, the redressal of grievances and redistribution of resources shall be enhanced and accelerated.
9. That the state shall maintain the rule of law, and that when it has to intervene to protect the lives of its citizens, caution must be exercised to avoid casualties of non-combatants in conflict zones.
10. That the federation must be strengthened through the process of democratic pluralism, social justice, religious values and tolerance, and equitable resource sharing between the provinces as enshrined in the Constitution of 1973.
11. That the state shall establish its writ in the troubled zones, and confidence building mechanisms by using customary and local communities (jirga) and that the military will be replaced as early as possible by civilian law enforcement agencies with enhanced capacity and a sustainable political system achieved through a consultative process.
12. That Pakistan's strategic interests be protected by developing stakes in regional peace and trade, both on the western and eastern borders.
13. That mechanisms for internal security be institutionalized by; paying compensation for victims of violence; and rehabilitate those displaced from their homes as soon as possible; that spill-over effects of terrorism

be contained throughout the country and that public consensus be built against terrorism through media and religious participation.

14. That a Special Committee of Parliament be constituted to periodically review, provide guidelines and monitor the implementation of the principles framed and roadmap given in this Resolution. This House authorizes the Speaker to constitute the said Committee in consultation with the parliamentary leaders of both Houses. The Committee will frame its own rules upon meeting.

National Assembly, October 8-22, 2008

<http://www.na.gov.pk/resolutions.htm#Oct%2022,%202008>

## DOCUMENT 17

### TRANSCRIPT OF SPEECH AND Q&A SESSION WITH PRESIDENT OF PAKISTAN ASIF ALI ZARDARI

Thank you, your excellencies! Thank you everybody, thank you Hindustan times and Assalamwaleikum India. Ladies and Gentlemen, today the fact that we are interactively talking, is in itself a modern marvel and modern miracle of today's technology and I am happy, I am honoured and I am pleased to be able to address the great nation of India, sitting in my own home in Islamabad.

Ladies and Gentlemen, we are at the crossroads of history. The world is in turmoil and there are challenges to be faced, but as somebody would have said and my wife would have said and I would say, as long as the challenge is building up we shall go through the challenge and inshallah with your help and with the help of the world, we intend to grow with this challenge. India and Pakistan especially face a special challenge and the challenge is right inside us rather than outside us like my wife once said - 'In every Pakistani there is a little Indian and in every Indian there is a little Pakistani'. The problem today is whether I am talking to the Indian in me and or I am talking to the Pakistani in me, the whole concept is the conflict of within rather than conflict of borders or conflicts of co-existence and then there is the fear that we are a small country and India is 10 times our size.

I have been on record saying I am not threatened by India, I repeat I do not feel threatened by India and India should not feel threatened by us.

We bring together peace and the message of love from Pakistan. Ladies and Gentlemen, those who don't know me, I happen to be the leader of the Pakistan People's Party. Today I am serving my great nation as the President of Pakistan, but I am also the carrier of legacy of Shaheed Zulfikar Ali Bhutto and Shaheed Mohatarma Benazir Bhutto.

Shaheed Zulfikar Ali Bhutto was the first architect of the India and Pakistan's treaty called the Shimla Treaty, which we all remember historically very well, and then of course, the treaty signed by my late wife Shaheed Mohatarma Benazir Bhutto and Rajiv Gandhi whom I remember fondly receiving in Islamabad. It was a great moment for me and my wife to receive a great leader of your country. I am sorry to say neither we have her with us nor you have Rajiv Gandhi alive today and in their memory, we

stand together in hope and promise that we shall take India's friendship to a new level. For the first time in the history of Pakistan, today we have a Parliament, which has already pre-agreed upon a friendly relationship with India. In spite of our disputes, we have a great future together.

Ladies and Gentlemen. We have problems, yes I will admit that -- but don't look at the challenges, look at the opportunities. I am the one who always looks at the opportunities. If somebody doesn't know me here, then let me remind you that I am the man who lived in solitary confinement in prison and was facing a charge that could have hung me from the gallows. From the gallows, I have since risen to the Presidency. That has been my walk in life. That has been my challenge in life.

Ladies and Gentlemen, I invite you to join us, help us, help each of yourself to outgrow this mindset, which keeps us away. We must embrace each other in the love that humanity has always preached from Gandhi to Budhdha to the holy Prophet Mohammed. They all talked about love. Lets live in the energy of love, which is the strongest force binding us today, tomorrow and forever.

Now ladies and gentleman I won't bore you with my bhashan on Politics.

Q: Who would you say is your political role model - Benazir Bhutto or Zulfikar Ali Bhutto?

(Ms Shobhna Bhartia, Chairperson, HT Media Ltd group)

A: First of all let me thank you for the effort that you have put personally in this occasion and it has brought us together. A little bit of both. A woman I lived with, a woman I shared my life with, a woman with three beautiful memory children. I can never forget because she is the love of my life and she remains the love of my life today and my leader. And then through her I got to see the real side of a great man, called Zulfikar Ali Bhutto, whom I had seen when I was a young boy but never got the opportunity to interact. I was too young to be able to interact with him at that age. I would say again, a little bit of both. See webcast

Q: Thank you president. It is very heartening to know that your attitude like any average Pakistani citizen is so affectionately disposed towards India. But now you must have realized that extremism is very bad. And in our country, you have said that you are in love with us. But we have experienced that love from Pakistan particularly in Kashmir valley was like this valley of sorrow...Will you please do something to stop this extremism which is perpetuated by ISI? (Amar Singh)

A: Let me remind you, we are standing here in hope and we are standing here in the light of love. I can assure you, I am myself the victim of terrorism. I lost my wife and my leader to terrorism. So, I am one who believes in change, who believes in reconciliation. Like her last book said, If I may quote her book and tell you. She ends it by saying that, "my death will be the catalyst of the change and the change I am talking about a change of the vision of the region." Hopefully, we have today an American President coming who has shown that the Americans can think in a different light and the world shall be in a different light tomorrow. We will take the world along and India along with us to hopefully complete the journey which my wife started that her death will be the catalyst of change.

Q: Humare Hindustan aur Pakistan ko kuch western takton ne divide and rule karke kafi time tak progress nahi karne diya. Hum aaj Hindustan aur Pakistan mil ke un takton ko kya hum dikhaa sakte hain ki hum kisi duniyaan ko aage conquer kar sakte hain aur hum kisi se kam nahi rahenege. Saath milke kaam kar sakte hain kya?

(Both India and Pakistan reeled under divide and rule policy of western powers which hampered their progress. Is it possible that both countries can team up and show we are no inferiors and conquer the world?)

(Name not clear)

A: Main aapse ittefaq karta hun ki duniya ki siyaset mein, us zamane ki siyaset mein jo aaj cold war kelati hai zarur divide kiye rakha aur ismein bhi main aapse agree karte hun ki aage ka safar hum dono saath chal ke duniyaan ko apni soch ki taraf mahil (divert) kar sakte hain. But conquer karne ki baat nahi karunga because I am not a conqueror.

(I agree with you that the politics at that time divided us but I also agree with the fact that in future together we can divert world's thinking towards us. [But I will not talk of conquest because I am nota conqueror])

Q: We have been listening to the messages of reconciliation from PM Manmohan Singh, from ex-UK Prime Minister Tony Blair. We have also seen how in the US, Barack Obama is taking on his own rivals on his team. Would you arrive considering bringing former president Pervez Musharraf into your Govt or as a part of it?

(Suhasini Haider)

A: That would be upto the Parliament to decide madam, but I can assure you this much he is having a comfortable time when he is busy playing, from last I heard, Golf.....which is more than what I was doing when he was in power.

Q: Asaf Ali Zardari do you wish Musharraf at the time of playing Golf.

A: Of course, Definitely because I wanted him to see us succeed.

Q: The economic situation in Pakistan is very worrisome and as Indians we worry about that as it weakens the economic stability of the whole region. Could you tell us what you looking at in terms of the plan for nation at the moment?

(Rupali)

A: Thank you mam, I appreciate the fact that you are worrying about our future because that is the way to think. Definitely, Pakistan is going through troubling times. The world is in recession not just Pakistan. We have some issues of management in the past, I am hoping to get into those issues and at the same time the world today is much more interactive and much more forthcoming to support Pakistan. Our concept of PPP's Govt today is to bring out the strengths of Pakistan itself. We believe in the concept of trade not aid. We feel by aid we have spoiled relations in the past. We are looking forward to trading partners in the world; I am looking forward to finding new markets for Pakistan. I am also looking forward; let's say hopefully, at the huge market of India, of a billion people and then 1.2 billion Chinese on my neighbourhood. So I am hoping to

interact with the region and take advantage of the region and take my country's development forward.

Q: Pakistan came into existence due to the stern leadership of Muslim leaders, that there was a separate country. Now it's been 61 years we had been fighting war, battles this and that. Is there any way where we can find peace for our future of all generations to come?

(Sunil)

A: Definitely sir and this is the beginning of what you are talking about because when the thought has come, half the work is done. So as long as we are thinking peace, we are making a progress.

Q: Main aapse yeh puchnaa chahtaan hun ki ab humare jo relation hain wo pichle chand saalon bohot acche ho gaye hain, bohot delegation humare udhar aa jaaa rahe hain and lekin ground pe jo ek trade ab tak shuru ho jaana chahiye tha wo abhi tak shuru nahi hua. In 70's we were the largest exporters from India to pak and vice-versa. Wo jo ek flow tha traffic ka, trade ka wo kab shuru hoga? Kahin lagta hai ki shayad abhi wo political will nahi ban paai hai jis karan se ground pe jo flow hai wo nazar nahi aata jabki wil nazar a rahi hai, delgations aa ja rahe hain. wo kab shuru hoga?

(The relations between the two countries have improved from the past few years, regular visits by delegations have also increased but the trade has not kicked off well. When will that happen?)

(name not clear)

A: Sir, I wish I could give you a specific date on that, I am looking for a time frame myself. I have requested your Prime Minister the last time we met that atleast let's open the movie industry, which we both can't stop, this is the accepted position, even that has been lost somehow in the bureaucracy in India. So, I am hoping and I request our fellow Indians to please let's make a small body. At my end, I have already moved to the parliament and have asked them to make a caucus to look ways and means of improving relations with India, specifically trade.

Q: Do you watch a Bollywood film, who's your favourite actress?

(Karan Thapar)

A: I am sorry to say I do not get time to watch movies but I'll that I remembered that when I had the time it was a lady called Madhuri Dixit.

Q: Sir, I am a student of the St. Stephen's college. I would like to begin with a couplet, "Dono desh goli barood kyun bote hain jab dono deshon mein bhooke bacche rote hain". Will Pakistan say that it will not use the nuclear weapon first?

(A student of St. Stephens College)

A: Most definitely, I am against nuclear warfare altogether, I do not appreciate it. Pakistan will not be the first country to use nuclear weapons.

Q: President Zardari, you have just given us the headline, you have just said that 'Pakistan will not be the first country to use the nuclear weapon'.

(Karan Thapar)

A: Most definitely, we do not hope to ever get to that position. Me and Pakistan have been advocating, let's sign the South Asia non- nuclear treaty. I can say this with full confidence, I am sure that i can get my parliament to agree upon that straight on. Can you do the same Karan?

Q: Now here is an opportunity because of piracy in the Northern Indian Oceans, would you consider a joint operation with India to fight piracy in that part of world?

(Name not clear)

A: Sir, we are a small country. If asked I would definitely join in my capacity or whatever we can do for it.

Q: My name is Ashok Rahi, the two Germanys finally agreed to unite, is that part of your plan somewhere in the future?

(Ashok Rahi)

A: For two Kashmirs or two Bengals or what are you asking about?

Q: If India and Pakistan re-emerging as one big country, one powerful country?

(Ashok Rahi)

A: Sir, I will not go into that debate, but definitely we would want to be an economical trade power like the Greater Europe. United, non-politically and economically.

Q: Mr. President sir, you have been sounding very very encouraging to all of us. The biggest hurdle between India and Pakistan is the issue of Kashmir and I personally feel that unless this issue is settled there will be some hiccups coming from here and there again and again. How do you propose to solve this issue?

(KN Miwani)

Karan Thapar: That's the question everyone would like President Zardari to answer.

A: Sir, I would like to appreciate that the Indian people started the dialogue rather than me. Let the people of Pakistan and the people of India decide. Let them force me and the Indian people force the Indian politicians to come together to find a peaceful solution and lets we can really grant justice to Kashmir and we take the fears away from each other.

Karan Thapar: The next question President Zardari comes from not just one of India's youngest MPs and most probably a future Minister Naveen Jindal.

Q: Mr. President my name is Naveen Jindal, I am Member of Parliament and a polo player and I know you are a Polo player too. My question to you is after becoming the President do you still find time to play Polo?

(Naveen Jindal)

A: Young man, I haven't rode on a horse for 15 years, I spent eight and a half years in prison and the rest trying to get where I am.

Q: And how is your polo team doing sir?

(Naveen Jindal)

Q: Mr. President, thank you very much good response, I was born in Lahore. The people of India like to go to Pakistan and Pakistanis want to come to India, but it takes a lot of time to get a visa. Is it possible that we can get a Visa for each other in a course of 3-4 days?

(Name not clear)

(Naveen Jindal)

A: I am hopeful that we will find a [way] where we won't need passport. You can have a special card of some sort just like an e-card which one can show at the border and walk in.

Karan Thapar: President Zardari, our next question comes from the political editor of Hindustan Times, Vinod Sharma who is responsible for arranging the invitation which brought you to us today.

Q: Mr. President welcome to the summit. You know that the first two phases of the Kashmir elections have been peaceful and a section in India believes that it is also on account of Pakistan's hands off policy. Will you assure that the remaining phase will be equally peaceful sir?

(Vinod Sharma)

A: Sir, I can assure you that the government of People's party, the government of Pakistan has a hands off policy with India for a long time and that shall continue.

Q: President Zardari, President elect Barrack Obama has mentioned in unequivocal terms that he will not hesitate to use US forces unilaterally in the North West Frontier Provinces and if required in any part on the Afghan Pakistan border. Do you see a dip in the US-Pakistan relationship?

(Name not clear)

A: Sir, if I remember rightly the quote is " if we were not doing enough, if we were found to be short on taking action as such then he believes in taking actions. In fact I am looking forward to interacting with him and asking him and sitting on the map and then revisiting the whole situation in the region and hopefully to find the solution to all the problems that we have, not just terrorism.

Q: President Zardari, Smita Sharma bol rahi hun IBN7 se, your positive comments are very encouraging. Sir, Pakistan mein unstable democracy ki wajah wahan government within government and administrative forces ko mana jaata hai like ISI. As president aap jamhooriyat ki jad ko kitna mazboot dekh rahe hain aur kya is tarah ki sabhi forces pe Presidency ka control hai is waqt?

(Smita Sharma)

A: Most definitely, I think democracy has travelled a great deal, although I can say it is only 73 days old but still it is a grass root democracy, a grass root party which is in power and the world environment today is very encouraging for democracy to flourish in Pakistan.

Q: My name is Ashutosh. Mr. President excuse me for asking a direct question, but my question is very simple. Whom do you think the Kashmir belongs to today?

(Ashutosh)

A: Sir, to the Kashmiri people.

Ashutosh: Which country does it belong?

Q: (Not audible) Sir, you have been very frank and forthright in your comments and just to take the question about the economic union of the two countries forward. Do you witness our endeavour in the future just as we have in the Europe that we may have one currency, if not one country could we have one currency?

A: Sir, I will not go into the futuristic concept but to say that all the SAARC countries will get together and become an economic unit is really a reality. As far as Europe is concerned Britain still holds its own currency.

Karan Thapar: I told that we have another 5 minutes only with President Zardari as he has a meeting in Islamabad in which he is already a little late. I think that he gives us time for just may be two or may be three more questions.

Q: President Sahab, Late Benazir Bhutto was a very respected and charismatic leader, the fact that you referred to her as your role model and you referred to her in the answers to first four to five questions as well the beautiful portrait behind you that everybody here can see. The politics nowadays is very complex and full of contradictions, conveniences etc. Does she ever come to you in your dreams and tell you that the decision you made was right or admonishes you for the any decision?

(Anonymous)

A: If I can say to you straight on spiritually I feel her with me all the time and I feel she is guiding us, not just me but all the political forces in the country.

Karan Thapar: The next question for Mr. Zardari comes from Mr. Rashid Alvi, the Congress member from the upper house of the Indian Parliament.

Q: I congratulate you on becoming the President of Pakistan. My question is in connection with Kashmir. You just mentioned, I do not think you have any specific resolution of this problem but you mentioned Shimla agreement. As I remember your father in law Late Zulfikar Ali Bhutto said that time that he signed that I advice India you rule your area and let us rule our area. If I analyse the situation with his statement it means that he agreed that this Kashmir should be the part of India and Azad Kashmir, although India still claiming on that part as also may be part of Kashmir. Do you agree with this?

(Rashid Alvi)

A: Sir, I am the President of Pakistan and I must remind you that ours is a democracy. So, I am susceptible to my Parliament. I have already asked to the Parliament to go into session and make the progress on the issues of India and Pakistan which includes Kashmir and hopefully we will encourage them from my side and I request you to encourage your politicians from your side. So that we can come together and find a solution for the positive.

Karan Thapar: President Zardari we have actually run out of time but there is actually one last question. Will you accept one last question from us?

Q: President Zardari, could you please tell us about the progress of talk you have with the IMF and what reforms you will make to help solve the economic woes

your country is suffering and finally would you tell us, India can help you in this regard?

(Financial Times correspondent in New Delhi)

Karan Thapar: I should tell you President Zardari that your answer will be on the front page of the Financial Times, London.

A: That would be welcome. But I was informed by my Finance Minister that they have already signed an LOI which has gone to the IMF to be waited. I think it is going through and we are hoping that it's going through. There are some conditionalities and issues but in today's time a lot of countries are going to the IMF and the world at large is in recession. And for India I will say, yes, please open up each others' borders for trade. So, I can trade with you and you can trade with me as a result we can mutually get benefit. To end with, If you can trade with China, then why not to trade with Pakistan?

Karan Thapar: Why not indeed sir.

Karan Thapar: President Zardari it is our honour to have you for this concluding session of the Hindustan Times Summit. On behalf of Ms. Bhartia I would like to say that I hope next year you might be able to join us in person. We can assure you of a very warm welcome in Delhi. My thanks to you make time for us and my apologies if I slightly delayed you for your meeting. Zardari sahab, Thank you for joining us. ■

*Hindustan Times*, November 24, 2008

<http://www.hindustantimes.com/StoryPage/StoryPage.aspx?sectionName=NLetter&id=bccd3fd2-1845-471e-b12d-d9ac3200d7b5&&Headline=Transcript+of+speech+and+Q%26amp%3bA+session+with+President+of+Pakistan+Asif+Ali+Zardari>

## DOCUMENT 18

### INDIA-PAKISTAN JOINT STATEMENT

Joint Statement issued at the end of the Home/Interior Secretary level talks between India and Pakistan in Islamabad on 25-26 November 2008

The fifth round of Interior/Home Secretary Level Talks between Pakistan and India on Terrorism and Drugs Trafficking was held in Islamabad on 25th and 26th November 2008 as a part of the Composite Dialogue. The Pakistan delegation was led by Syed Kamal Shah, Secretary, Ministry of Interior, while the Indian delegation was headed by Mr. Madhukar Gupta, Home Secretary of India.

2. The meeting was held in a cordial and friendly atmosphere.
3. Both sides discussed the issues related to terrorism and drug trafficking and reviewed the implementation of decisions taken during the last round. Both sides noted with satisfaction the progress made and identified ways to further promote cooperation in a number of areas.
4. Both sides condemned terrorism in all its forms and manifestations and affirmed their resolve to cooperate with each other to combat the menace of terrorism. It was agreed that terrorism must be prevented and as directed by the

leadership of the two countries at the meeting in New York on 24 September 2008, severe action be taken against any elements involved in terrorist acts.

5. Both sides welcomed the release of prisoners and fishermen by each other on the eve of these talks as a gesture of goodwill and on humane considerations. It was agreed to exchange by 31st December 2008, names of those civil prisoners, who have completed their sentence and whose national status has been confirmed, with a view to facilitating their release in January. It was further agreed that, henceforth, verification of nationality status would be completed within six weeks of provision of consular access. It was also agreed to facilitate the expeditious release of fishermen and boats.

6. Both sides welcomed the signing of Agreement on Consular Access during the review of the Fourth Round of Pakistan-India Composite Dialogue, and affirmed full implementation of the Agreement.

7. Both sides commended the work done by the Judicial Committee on Prisoners for the release, repatriation and humane treatment of prisoners and agreed on the need for the continuation of the work of the Committee.

8. Both sides underscored the need for visa liberalization. In this context, useful discussions were held on draft Visa Agreement. The Indian side would propose a draft Visa Agreement within four weeks, based on parameters discussed.

9. Both sides agreed that the issue of inadvertent crossers be viewed from a humanitarian dimension and recommended early finalization of the draft agreement regarding inadvertent crossings by the expert group on Conventional CBMs which is due to meet soon.

10. Both sides noted that Protocol of 1974 on visits to religious shrines was due for revision along with lists of religious shrines in both countries. The subject will be discussed under the segment of Secretary Culture level talks on Promotion of Friendly Exchanges which is likely to take place soon. It was recommended that a revised Protocol and the list of shrines should be finalized as early as possible and the Pakistan side agreed to furnish its comments on the lists before the talks on Friendly Exchanges.

11. Both sides assessed as positive the existing cooperation and information sharing between the Anti Narcotics Force of Pakistan and the Narcotics Control Bureau of India and agreed that both Agencies would enhance mutual cooperation in terms of effective and sustained steps to control drugs trafficking.

12. The MoU on Drug Demand Reduction and Prevention of Illicit Trafficking in Narcotics Drugs/Psychotropic Substances and Precursor Chemicals and Related Matters, was initialed. Both sides welcomed this development and agreed that the MoU will further promote bilateral cooperation in this field. It was agreed that Director General ANF of Pakistan and Director General of NCB of India will meet as early as possible to discuss ways of furthering cooperation.

13. It was decided that the Federal Investigation Agency of Pakistan and the Central Bureau of Investigation of India will schedule a meeting at an early date to discuss ways of cooperation in addressing the issues of human trafficking, illegal immigration, and counterfeit currency, along with Red Corner Notices (RCN) subjects.

14. The Home Secretary of India also called on the Advisor to the Prime Minister on Interior/Minister and discussed issues of mutual interest.

15. It was agreed to continue the discussions within the framework of the Composite Dialogue. ■

Ministry of External Affairs, India, November 26, 2008  
[http://www.satp.org/satporgtp/countries/india/document/papers/ind\\_pak\\_jstmnt\\_26nov2008.htm](http://www.satp.org/satporgtp/countries/india/document/papers/ind_pak_jstmnt_26nov2008.htm)

## DOCUMENT 19

### JOINT STATEMENT OF AFGHANISTAN-PAKISTAN-TURKEY

Following is the text of joint statement adopted at the conclusion of the Second Trilateral Summit held in Istanbul among the presidents of Pakistan, Afghanistan and Turkey

"His Excellency Hamid Karzai the President of the Islamic Republic of Afghanistan, Asif Ali Zardari, the President of the Islamic Republic of Pakistan, visited Istanbul on 5 December 2008 at the invitation of His Excellency Abdullah Gul, the President of the Republic of Turkey.

The three presidents, together with His Excellency Recep Tayyip Erdogan, Prime Minister of the Republic of Turkey, held cordial and fruitful talks on regional and international issues, and expressed their political will to expand and strengthen the scope of their cooperation within the framework of the trilateral Ankara Process, initiated on 30 April 2007.

During the meeting, Presidents Karzai and Zardari, mindful of the common future shared by their people, the commonality of interest of their countries, expressed satisfaction on increasing contacts and continuing cooperation in all areas between the two brotherly countries and their respective democratically elected governments, and committed themselves to continue their bilateral, political dialogue in a structured and comprehensive way.

The three Presidents

Reiterated their pledge to cooperate towards promoting security, stability, peace, and economic development in the region, with reference to the Ankara Declaration of 30 April 2007, the Joint Press Release of the Joint Working Group of 6 July 2007 and the Joint Declaration of 30 October 2008;

Reaffirmed the need to respect, preserve and support unity, territorial integrity and sovereignty of all countries in the region as well as the need to uphold principles of national intervention and national interference in the internal affairs of other States;

Expressed their determination to strengthen trilateral cooperation to confront the scourge of terrorism in all its forms and manifestations in an effective manner. They welcomed the decision of the Ministers of Foreign Affairs of Afghanistan and Pakistan to develop a joint comprehensive strategy for combating terrorism and strengthening bilateral cooperation;

Reiterated their full support and confidence to the peace Jirga and the Jirgagai as authentic, traditional and key processes for dialogue and enhanced cooperation between the two countries, and the promotion of peace in the region;

Expressed their support for the ongoing comprehensive process of constructive engagement between Afghanistan and Pakistan including security and counter terrorism as well as initiatives taken by both sides to promote future perspectives for common development and regional and trans regional economic/trade cooperation including joint projects between Afghanistan and

Pakistan in the energy, minerals, agriculture, manufacturing and other sectors, as well as to enhance physical connectivity, including road/rial links and communication links;

Welcoming the kind offer of Pakistan to host the next Regional Economic Cooperation Conference in Islamabad, expressed their appreciation for the progress achieved in the seventh meeting of the Afghanistan Pakistan Joint Economic Commission, held in Kabul on 25-26 November 2008, including deliberations on trade, economic coordination, transit trade, Pakistan's assistance for reconstruction in Afghanistan, health, education and cooperation between businessmen of the two counties;

Mindful that security peace and development are inter-linked and bearing in mind that sustainable development depends on fostering diversified local productive capacity, especially by motivating the private sector and increasing trade and investment, and that social economic development is essential to bringing lasting stability, aware of the challenges posed by the global financial crisis;

Affirmed that the trilateral process would promote economic and trade cooperation between Afghanistan, Pakistan and Turkey and that the three countries will work to promote regional/trans regional development cooperation and noted in this context the importance of the role played by the public and private sector companies and corporations;

Approved as a framework of cooperation the attached recommendations finalized by the Joint Working Group during its meeting on 4 December 2008, including:

Continuation of structured and comprehensive dialogue at different levels:

- continuation of structured and comprehensive dialogue at different levels;
- trilateral military cooperation, including military training;
- enhanced security cooperation in counter terrorism and counter narcotics;
- energy projects;
- transport corridors;
- establishment of organized industrial zones in Afghanistan and Pakistan, utilizing complementarities wherever possible;
- various social economic projects on education, health and vocational training;

Expressed their support for the Istanbul Forum mechanism comprising the apex organizations of the private sectors of the three countries, and their valuable

work in tandem with the trilateral process, as well as welcoming the convening of the Forum session on 4 December 2008.

The Presidents of the Islamic Republic of Afghanistan and the Islamic Republic of Pakistan expressed gratitude for the initiative of Turkey for hosting the Second Summit Meeting and agreed to hold further meetings in 2009.”■

Ministry of Foreign Affairs, Afghanistan, December 8, 2008  
<http://www.mfa.gov.af/detail.asp?Lang=e&Cat=1&ContID=905>