

## DOCUMENTS (JANUARY-JUNE 2007)

### DOCUMENT 1

#### PRESIDENT'S ADDRESS AT INAUGURAL CEREMONY OF DESTINATION PAKISTAN 2007

President PML, Minister for Tourism, All the Federal Ministers and specially the forty members delegation that has come from abroad, all the tour operators and hoteliers, all those involved in the touring business, excellencies, distinguish guests and ladies and gentlemen, it is indeed a very proud privilege for me to have been offered this opportunity to inaugurate this "Visit Pakistan 2007". I would like to congratulate, Ministry of Tourism and the Minister herself for organizing this mega event in such a wonderful way. And entertaining everyone who is here, I hope the forty members delegation that come from abroad enjoy their stay and take back very fond memories of their stay in Pakistan.

Minister for Tourism herself amply showed or demonstrated the true potential of Pakistan. I would like to convey my personal thoughts on where we stand what we ought to be doing and what is our potential for tourism. First of all I would like to say that the Government is making all out efforts to promote tourism for its economic growth and there are several reasons why we are doing that. Firstly we all know that Tourism is a multi dollar industry. And Pakistan happens to be nowhere on the Map in spite of the tremendous potential that we have which I would like to describe. I am also told that South Asia receives only 8% of world tourist. And from this 8%, I am really shocked to see that Pakistan got 4.1% of South Asia's share. So this situation certainly needs to improve. Tourism as I see it is a pro poor industry. It has the fastest trickle down to the grass root level to the people, and it involves huge employment generation potential. And this happens to go very much in line with the Government's strategy of poverty alleviation and job creation, and lastly may I say why we need to encourage tourism is the fact that the economic benefits from tourism reach out to the people in the remotest areas of Pakistan who may be happened to be the most poorest. Therefore ladies and gentlemen the Government's policy of encouraging tourism and backing it up all the way. I personally feel and I have said many times that Pakistan is the ideal destination fro tourism. Unfortunately it is the best kept secret of Pakistan. We need to give out the secret to the world and show the world that Pakistan is much more, much different than what it is perceived outside.

That the reality of Pakistan is very different from the perceptions that have been created in the outside world, our country Pakistan is full of diversities and variety and I would like to put across in my own form, look at the temperatures in Pakistan, there are few countries in the world which have temperatures ranging from + 52 centigrade to -50 centigrade. This is the span of temperatures in Pakistan. So you have all the weathers, all the temperature extremes in Pakistan. Look at the terrain of Pakistan, which is ideal for adventure tourism, and when we talk about terrain I would like to innumerate the mountains of Pakistan. We have the best mountains in the world. We have the K2, which [is] supposed to be the second highest mountain of the

world. We have the Nanga Parbat which is called the Killer Mountain. We have the fourteen highest peaks of the world in Pakistan. We have the largest number of glaciers in Pakistan outside the polar region. Therefore this makes an ideal venue for tracking and rock climbing. If you look at the deserts in Pakistan, we have the inhospitable deserts. The Thar desert, the Cholistan desert, which is an attraction to many of our brothers from Gulf and the Middle East. If you look at our coastline, it's a virgin coastline, unexplored. Now we have made the Coastal Highway. We [have] opened this coastline from Karachi to Gawadar, and we are going to extend it to Jiwani.

If you travel on this coastline, you will see the most beautiful sites and the sea which is open for any kind of water sports for tourism attraction. In the center, we have the plains of Punjab, the rivers; the biggest canal network of the world exists in Pakistan. Ladies and gentlemen this makes the terrain of Pakistan. Pakistan happens to be the cradle of three religions. Therefore it attracts religious tourism. Buddasim, if you talk of Taxila and Takht-Bahi, this is the source of Buddasim. If you talk of Hinduism, the Katas temple, near Kalar Kahar, it is said that it is the second most revered temple in Hinduism.

If you talk of Sikhism, the Nankana Sahib and Punjaba Sahab in Hasan Abdal, these two sites are the most revered temples of Sikhs and now of course an Islamic Republic of Pakistan. So you see the variety of religious tourism here in Pakistan. If you look at our heritage, ladies and gentlemen, it gets back to the oldest time; it should attract heritage tourism to Pakistan. We have Mehar Garh, which I think is seven thousand years BC, and it is the oldest known settlement, this is in Balochistan. We have the Indus Valley Civilizations, Mohenjodaro and Harrapa. If you look at our history, historical tourism, we have the Alexander the Great who came here and remnants of Alexander Army today still exist in the form of Kalash tribe, in the Kalash valley in the Chitral region. They are still there. We have the colonial era. Many remnants, we have the Churchill Post here in Malakand area. Many other graves and many other monuments of the colonial period, then of course we have the Mughal structures, Mughal monuments. Lahore was the Mughal capital at one time.

The other attractions of course are the KaraKoram Highway itself, leading to border with China. Khunjarab Pass, this is said to be the eighth wonder of the world, when we made it with the Chinese. And in this region, also in the northern region, in Chitral, we have the special attraction of the Shandur Polo tournament. This tournament is at the height of 13000 feet above the sea level. And it's not the normal you see. It's polo with no hold bar. There is no referee and there is no judge. There is a ball and there are five players on each side. Continuous gallop, continuous horsemanship no stopping of the game at all and no fouls etc, this is at the height of 13000 feet, the Shandoor pass, which is surrounded by the most beautiful mountains, snow capped and lakes link by streams. I always ask a question myself that why the tourism is not in Pakistan. I came to certain conclusions and I would like to give this out what we need to do and what we have already done. Firstly, Government must facilitate tourism and we are not doing that and now I am glad that Government has taken lot of interest and actions now. And so I would like to appreciate the efforts of the Minister to open up the sector of Tourism. We have now the most liberal visa policy and regime. The number of tourists' friendly countries has been increased from 2 to 24.

And out of these countries, we do give visa on arrival. Therefore the Government is doing a lot and what the Government is doing for normalization its relations with India will I think attract Million of tourists from India itself to Pakistan. The other issue that publicity alone is not enough, there are certain steps required to facilitate tourism. Number one step that I thought always was infrastructure development; we have to have good airports, where tourists do not get stranded. And good aircrafts leading them to airports and we have to have connectivity by road. Therefore we started this effort about four years back in 2001 or 2002. I am very proud to say that we have the four valleys here, one is the Chitral valley, Gilgit, Hunza and Skardu valley. And the Kaghan valley, I thought we must interconnect all these valleys. That is exactly what we are doing, First of all leading into the Gilgit and Hunza valley is the Kara Korum highway itself. Leading into the Chitral valley, is a road but now we are making the Lawari tunnel so that anyone can go to Chitral, twelve months in the year. Get into vehicle and drive to Chitral. Then we need interconnectivity between these four valleys. And I am very proud to say that we have linked Gilgit to Chitral through the road going through the Shandur pass. But we have a metal road leading to the edges of the Shandoor pass on both ends. So today you can drive in a vehicle from Chitral to Gilgit and switch from one valley to the other. We are linking the Kaghan valley to the Gilgit and Hunza valley through a pass over the mountains. We have also created an additional link between Gilgit and Skardu valley, through a road which is breathtaking. If anyone travels on it, it takes you to Astore which is at foothills of Nanga Parbat then it goes on to Chillam which is in the foothills of the Burzal Pass, 14500 feet and from Chillam you go on to Dosai Plains. A plain which is 1400 feet high, with beautiful lakes and streams and then they lead on to Skardu. This is the beauty of that road. Having created access to the valleys and linked the valleys through laterals we have created an environment where we attract tourists. Who should be the tourist? It should be the Pakistani tourist who will lead the way. And I appeal to the people of Pakistan, in Karachi, Lahore, Islamabad and other big cities, see your own country. Know your own country and stop going abroad, this is a beautiful country which you need to know first of all.

It is only when the Pakistani tourist go that it will attract private investment, like hotels, motels, petrol pumps, and other utilities and facilities, like toilets and bathrooms. These facilities should be created by the private enterprise. Then I would like to add and I am very glad to say that this calendar of events in 2007 is very attractive. Otherwise I would suggest that just like the Dakkar Ralley that came us all over the world. We must have a rally here in the desert, then other than the desert, we can have a rally and can call the rally on the top of the world, that is through the mountains. And we can select any route whether it is Chitral going to Skardu, or Hunza going to Skardu, or Kaghan going to above Babu Sar pass to Hunza. We can select the route. But this will be the rally on the top of the world. May be this would be highest rally of the world.

Ladies and gentlemen, this should be the sequential progress towards making Pakistan a tourist attractive destination. And then the Government's responsibility of course is ensuring law and order so that people feel safe when they come to Pakistan. So these travel advisories against [us] be removed. That is the responsibility of the Government and we will try our best. Then comes the publicity part, because once we publicize we must deliver. We can deliver when we have all these facilities in a big way.

And as the Minister has said, this is a humble start. Yes indeed this is a start. We cannot imagine that next year we get millions of tourists into Pakistan. I know there is potential; we have to only put our act together to maximize that potential. And bring people all over the world and Pakistanis into our own areas. Let us enjoy our own country and then attract people from abroad. In conclusion, ladies and gentlemen, I would like to congratulate the Ministry of tourism and the Minister for tourism for this wonderful show this year of celebration of destination Pakistan 2007 Let me commit that the Government is committed to backing up in supporting tourism in the future. With these words, ladies and gentlemen, at the end I would like to declare the year 2007 as the Destination Pakistan 2007, ladies and gentlemen.

Thank you very much ladies and gentlemen.

Pakistan Paindabad.

15 December 2006

<http://www.presidentofpakistan.gov.pk/FilesSpeeches%5CAddresses%5C1221200615732AMDestinationPak15dec06.pdf>

## DOCUMENT 2

### FOREIGN MINISTER'S OPENING REMARKS AND DECISIONS TAKEN AT THE MEETING BETWEEN THE FOREIGN MINISTERS OF PAKISTAN AND INDIA

Following is the text of

- i) Foreign Minister's Opening Remarks at the Press Conference with the Indian External Affairs Minister on 13 January 2007.
- ii) Decisions taken at the meeting between the two Foreign Ministers.

#### Opening Remarks

Distinguished Journalists, Ladies and Gentlemen,

1. It was a great pleasure to receive H.E. Mr. Pranab Mukherjee in Pakistan. We had a useful exchange of views in a cordial and constructive atmosphere. H.E. Mr. Parnab Mukherjee's visit has provided a good opportunity to review the status of our bilateral relations and it is a matter of satisfaction to note the overall improvement in relations between the two countries.

2. Mr. Pranab Mukherjee called on the President and the Prime Minister of Pakistan. He also delivered letters inviting the Prime Minister and myself for the 14th SAARC Summit to be held in New Delhi from 2-4 April 2007.

3. We reviewed the progress on all issues on the composite dialogue framework comprising Peace and Security, Jammu and Kashmir, Siachen, Sir Creek, Terrorism and Drug Trafficking, Wullar Barrage/Tulbal navigation project, promotion of friendly exchange and Trade & Economic Cooperation.

4. We also took certain decisions. I would request His Excellency Mr. Pranab Mukharjee to read out the decisions before you.

**Decisions taken at the meeting between the two Foreign Ministers met and agreed as follows:**

- i. I have invited Foreign Minister Khurshid Kasuri to visit New Delhi in connection with the meeting of the Joint Commission which will be held in February 2007. Foreign Minister Kasuri has accepted my invitation.
- ii. We agreed to establish a Committee on Prisoners comprising retired judges of the superior judiciary to visit jails in the two countries and propose steps to ensure humane treatment and expeditious release of prisoners who have completed their prison terms.
- iii. We agreed to expedite the Liberalization of Visa Regime and agreed to complete the work in February.
- iv. Several Agreements which are near or close to finalization will be concluded during the February visit of Foreign Minister Kasuri to New Delhi. These will include: (a) The Agreement on Reducing the Risk from Accidents relating to Nuclear Weapons etc.; (b) Speedy return of inadvertent Line Crossers; (c) Prevention of Incidents at Sea.
- v. On Siachen, we discussed the issue and decided that the officials will meet at an early date to address the issue.
- vi. We agreed to facilitate movement of diplomats to Noida and Gurgaon in India and Taxila and Hasanabdal in Pakistan. Procedures for this will be worked out.
- vii. We agreed that the First Meeting of the Joint Anti-Terrorism Mechanism will take place before end of March 2007.
- viii. Regarding Sir Creek, the officials concerned will be directed to expedite their work. The joint survey for Sir Creek will begin on 15th January 2007.
- ix. We have decided to launch the 4th Round of the Composite Dialogue will be held on 13-14 March 2007.
- x. I thank Foreign Minister Kasuri for the warm hospitality extended to me and my delegation in Islamabad. I look forward to receiving him in New Delhi.

Ministry of Foreign Affairs, Pakistan, 13 January 2007  
[http://www.mofa.gov.pk/Press\\_Releases/2007/Jan/PR\\_13\\_07.htm](http://www.mofa.gov.pk/Press_Releases/2007/Jan/PR_13_07.htm)

### **DOCUMENT 3**

#### **PRESIDENT MUSHARRAF'S PRESS CONFERENCE IN UAE**

Ladies and gentlemen, I come to Abu Dhabi at the conclusion of my visit to four other countries. You may have seen that I started my visit with Saudi Arabia, then went to Egypt, Jordan and then to Syria and now I am in this great Country; U.A.E. and in Abu Dhabi.

I would like to start by expressing my extreme gratitude for all the hospitality that I have received here and I always receive whenever I come to U.A.E. and the many courtesies that are extended always to me and to my delegation. Whenever I come here, one gets highly impressed by the development that is taking place. It shows that it is a physical manifestation of the dynamism, of the leadership of U.A.E. that

this Country is progressing by leaps and bounds and it makes us in Pakistan proud and happy about it. Today, ladies and gentlemen, I met His Highness Sheikh Khalifa and first of all we expressed satisfaction at our bilateral relations. U.A.E. happens to be the biggest investor in Pakistan. We showed great satisfaction over the developing economic ties and relations between U.A.E. and Pakistan. I also took this opportunity to brief His Highness Sheikh Khalifa on the developing situation or the developing peace process between India and Pakistan and I took the opportunity of informing His Highness the good progress that has made me on the confidence building measures between India and Pakistan and also towards conflict resolution of our disputes' resolution, which includes progress on the very key, core issue of Jammu and Kashmir.

However, my visit basically to U.A.E. is a continuation of the process of my consultation and interaction with the leadership in the four other countries that I just spoke of. In this regard, I expressed our deep concern at the looming dangers in this region, which have dangers of extending to our region, which I believe is not only a threat to regional peace but to global peace. And whichever leaders I have been meeting over the last many months; all of them showed their deep concern over the looming dangers which are threatening the peace in the region and globally. If we see Iraq, there is a destructive violence going on in Iraq, Lebanon is mired in crises and the most dangerous aspect of these two are the sectarian undertones which causes a special concern to us in Pakistan and ought to be causing global concern to everyone globally as well as in the Muslim world. The Palestinian situation has taken a new turn with the conflict between Hamas and Fatah, and I think the solution to this dispute under the present circumstances is further than it was ever before.

Therefore, may I say that the flames in this region, if not checked, possibly could spread to the entire region, impact our region and may even engulf the whole world. Therefore, but clearly this [is] a time to act and a time to adopt, reconcile the approach as opposed to a confrontationist's approach towards starting a new a fresh initiative to facilitate peace through resolution of the Palestinian dispute and bring in harmony to the Muslim world thereby affecting terrorism and extremism. In my interaction with all the leaders of the five countries, may I very proudly say that there is total concurrence of use for initiating this new and fresh initiative towards bringing harmony to our region and to the whole world. So therefore, I would conclude by saying that we have agreed to undertake this mission in a responsible, pragmatic but a forceful manner and that is the aim and purpose of this entire visit. I hope that from here onwards we move as I said in the direction of reconciliation as opposed to confrontation in a forceful manner, in a sincere manner, in a pragmatic manner.

With this ladies and gentlemen I'm open to any question that you may have:

**Q: Is there a gap between the leadership and people in a Muslim world that's why the whole issues are accelerating with the passage of our time?**

**President:** There may be a gap but I believe in leadership bringing harmony, in those views. I believe through leadership while under normal circumstances, you flow with the public opinions but a time when situation becomes so graver so dangerous and when there is discord between these two true leadership means changing the current and bring harmony in the two. So, I expect that under these dangerous circumstances that I just spoke of true leadership emerges which changes this current and brings

harmony between the people and leadership for the good of the region, for the harmony in the whole world.

**Q: You've mentioned growing sectarian divisions in the Arab world. Have you met with any of the Shia leaders while you were in the region and what have you done smooth Shia Sunni divisions of your recent trip?**

**President:** Frankly we have not got involved in; we need to develop the new initiative. First of all we need to develop consensus on the requirement of a new initiative, the consensus on developing a new initiative; a forceful voice and then getting into with the need of or having a road map for addressing issues. I certainly have not met Shias and Sunnis; certainly my agenda is not based on a sectarian view point. While once we develop consensus on the new initiative we ought to address two of the core issues: the Palestinian dispute and disharmony that I am talking of in the Muslim world. If we take these two core issues I know that these will create effects in everywhere else i.e. Iraq, Lebanon, even Afghanistan. So therefore we need to develop a new consensus for a new initiative which is a new initiative I would say and then workout on nitty-gritty and then how to cope up doing or implementing.

**Q: Have you discussed the growing tension between the Iranian government and the US government in your recent visit in the five countries and do you think that America is sending more troops to Iraq. Do you think that sending more troops in Iraq will resolve the problem in Iraq?**

**President:** We have discussed all issues confronting the region and global peace and we believe that we need to have a totally neutral forceful stand so that we can resolve issues before they reach a pitch of a situation of no return. Therefore we are trying to move fast. I would not certainly be able to say that would discuss issues individually, we did not do that. As I said we need to first of all develop consensus on the requirement of a new initiative and then what this new initiative is, how does this new initiative give a strong voice and then with this neutral strong voice bring balance and harmony in opposing forces on each individual issue. So this is a broad parameter of what we are doing but I would not say that we have got involved in the nitty-gritty of each and issue of the world. But I have said that the core lies in the Palestinian dispute and the core lies within the disharmony within the Muslim world, which is leading to terrorism and extremism. We need to address this and all other issues will fall in line.

**Q: Wonder if you could discuss from some moments with the U.S. Military's comments about infiltration through the boarder with Afghanistan. There has been some intelligence officers talking about that some of the Pakistani forces perhaps with ISI coalition have been turning a blind eye to militant infiltration in Afghanistan and there are some of the generals who have told us that there has been 3-folding crescent in cross border attacks from North Waziristan, since this peace deal with the tribal folks up there. Was wondering if you could those allegations and may be talk about if you are thinking of revoking that peace deal or changing it in anyway?**

**President:** May I start by saying that I take extremely strong exceptions to anybody blaming Pakistan so blatantly as to be the intelligence organization of Pakistan or any government agency of Pakistan cooperating with the extremist forces and sending

them into Afghanistan. Pakistan is one Country which has suffered about sixty hundred deaths. Pakistan is one Country where its leaders have been the victim over terrorism attack; a suicide attack. So I don't understand anybody who even with any stretch of imagination can think that the Pakistan ISI or government agency can be supporting that terrorist organization who has killed our 600 or 700 soldiers and attacked the leadership. So this is a preposterous thought. I know that this is being promoted in many sections of the media and in some countries officially. I take extremely strong exception to this. The fight against terrorism and extremism whether it's with al-Qaeda can never succeed without Pakistan's cooperation. And Pakistan is the only Country which has delivered the maximum on both. 600-700 al-Qaeda leaders have been arrested by Pakistan. If you talk of Taliban, similarly maximum Taliban leadership has been arrested by Pakistan. I would ask you tell me any Taliban leader caught in Afghanistan, anyone? While I will give you dozens of names caught in Pakistan by the intelligence organizations of Pakistan. Who are the kingpins of the Taliban operating today? It is Sheikh Haqqni and Daadullah and where are they and who are they? They are both Afghans and they are the ones who are recruiting Taliban. They come into Pakistan to recruit and finance Taliban support. So in brief after this very emotional outburst may I say that let us get things clear.

The trouble lies in Afghanistan and the solution lies in Afghanistan but there is support going from Pakistan, which we know we are tackling them with 80, 000 troops. So let it not be said that Pakistan is not doing enough. If there is anybody who is not doing anything that is others who are not doing enough. Let it not be said that Pakistan alone is responsible for checking movement on the boarder. Why nobody else is responsible for checking movement on the boarder? Pakistan has not by any chance taken the responsibility of being the sole Country which has to check the movement to and from boarders from Afghanistan to Pakistan or vice versa. It has to be by Afghan, by the American troops, by ISAF and NATO. So when we talk of controlling this movement, when I give some fresh ideas on controlling these movements, there is a wide cry against that. With no fresh ideas coming, ok, if you don't accept our idea, you give your idea, but there is no idea on that. So, I personally [feel] nobody has a right to criticize the method that we are trying to adopt to check movement across the boarder if the person doesn't have his own idea. So in conclusion let me say that I don't want to get into details. Today there is an al-Qaeda activity and Taliban activity mainly occurring in Afghanistan but support going from Pakistan. There is al-Qaeda in Pakistan; there is Taliban activity in Pakistan. So don't get me wrong by getting that I don't realize the reality. But it is those who think that nothing is happening in Afghanistan and only thinks that things are happening in Pakistan; they are being unrealistic and we will not be able to achieve results if we continue on this very assessment of the situation.

**Q: Could you please tell us what would be the role of Israel in the new initiative you are trying to create?**

**President:** Obviously the role of Israel is 50%. They have to come on board to resolve the Palestine dispute. I personally believe that we should move on a Two State theory of the right of creation of a Palestinian State and the earlier we do it, better it is for peace in the whole region and globally. At the same time we should recognize the



existence of Israel. So this resolution of the Palestinian dispute will not be able without Israel coming on board. So they certainly have a role to play.

**Q: Mr. President you said you still have not gone into the details of the initiative but if you could tell us who this initiative is supposed to involve. Is it Muslim States or IC States who need the initiative? And obviously you would have to coordinate with the United States about this initiative. Secondly surely there will be priorities because Palestinian issue is a long standing issue. And you have mentioned the sectarian conflict, which is the Sunni Shia conflict in Iraq. How concerned are you and the leaders of the region about the possibility of it spilling into other countries? And will you give priority to this particular dimension in your initiative?**

**President:** I think this new initiative ought to involve some more countries of the Muslim world. So it has to be an initiative of the Muslim world other than the Arab World. And also may I say participation of the West. European Union is a very important player. Must be on board, and then there are important countries of the world, the major players of the world who must have faith in this new initiative. As I said if this new initiative is to succeed it has to be a middle course initiative acceptable to both extremes and then only will it succeed. A forceful initiative having credibility, acceptability in both the extremes and that is what we will try to develop.

**Q: Mr. President as you know that United States is one of the key player in the whole scenario whether there is Israel or Iraq. My question is what do you see, is US ready to change its policies towards Iraq, Palestine and Lebanon? Also whether America and Israel will be ready to accept as nation in the whole scenario? And sir my second question is as you know basically Afghan has plan that Taliban that Mullah Umer is presently in Quetta. So what do you think where Osama and Mullah Umer would be, either in Pakistan or in Afghanistan or in United States?**

**President:** The last part, it is certainly preposterous. Whoever is saying he is in Quetta, I will join him, take him in my aircraft and lets go locate his house and catch him. I will try to catch him myself. He has never been to Pakistan in his whole life. He was only in Pakistan when he was 15 or 16 years old in one of the madrasa in Pakistan. Since then he has “never” come to Pakistan. In 1995 when he created Taliban, since then till now he has never come to Pakistan. Qandahar is his operative base and he operates from there. He controlled the whole of Afghanistan between 1995-2001. He never came to Pakistan and since then after 9/11 again he was fighting from Afghanistan. Why would he now after 30 years suddenly decide to come to Pakistan? Because we have government there, there is very strong intelligence there and military player presence there. Why would he come here to have the threat of being arrested? So he is obviously in Afghanistan. As far as the others are concerned, we don't know. But if anyone says that he is in Pakistan, I will say that he has been living in his backyard himself. So when you know anything, when somebody doesn't know anything, why are you commenting? I don't comment, because I don't know where they are and I will not say where they are. The other question that you were asking about United States, yes indeed there are disputes. In the Middle East, we need very fair and tough referee and an umpire. That is what we are trying to create. Let's have

an umpire which has credibility, which has a voice, which is heard by all sides. Today, every world leader is extremely concerned about whatever is happening in the region endangers the whole world. This region can be engulfed in flames and this will have global impact. So, any say in the world is looking for solutions to resolve These disputes. I think this is an opportune moment to have an umpire which can create effects. So we are trying to look for that kind of umpire. We need your prayers. Let's see whether we can succeed. But it is worth a try at least.

**Q: Mr. President in the meanwhile there is growing dialogue between Pakistan and Indian Foreign Ministers and the Kashmiri leaders and meeting and last year the fast dialogue has not been in the past. Should we consider that Pakistan and India who've involved in three wars are now including Kashmir would not have any dispute in which there are chances of war and secondly can we consider that in the coming months the Kashmir dispute would get resolved?**

**President:** The war is now out of fashion especially when both the countries are nuclear countries. So, both have this realization that there would be any solution through war or military action. I think both parties have considered this. Secondly, a good thing is the people/masses of both countries have an urge or desire that there should be peaceful resolution of disputes so that both countries and SARC region may have economic activity and progress. Because of this realization you can see there is a progress in CBM and conflict resolution and in this aspect I have a proceeding and I am very hopeful that if we stayed on course and have good intentions and we don't get scared of the opposing forces who are many there on both sides and I would like if you all can play a combine positive role then it would be encouraging to the leadership that they move forward in the peaceful direction. I am very hopeful that we would do some proceeding and InshaAllah if there are good intentions then there would be good news InshaAllah. (English): The question was on Indo-Pakistan dispute. I would like to say that I think the leadership on both sides has realized that war has become out of fashion now or outdated because both the countries are nuclear states. And military solution is not possible on any dispute now, no more. And more than that we feel that the people on both sides Pakistan and India have come to a situation where they want peace. And therefore the leadership is moving in a direction where we are going well on the CBMs (the confidence building measures) and we are also moving very favorably with reasonable speed towards conflict resolution. And when I say conflict resolution I am certainly talking of Sir Creek Siachin and Kashmir which lies at the core. And I think we are making reasonable progress. We hope that with sincerity and boldness if shown by the leadership on both sides, we may be seeing good news and good outcomes in the future.

**Q: Do you think when it comes to religious parties Pakistan has moved towards extremism?**

**President:** Firstly, personally I as an individual no individual can play role at this moment. I think we need a stronger voice. I have no pretension that my voice is so strong. So therefore we need a combine stronger voice to be developed. And then this strong voice should influence all players on each extreme in every dispute. And that is what we are trying to do. And I think as I said if sanity prevails and I know every

leader wants to resolve disputes because of the looming dangers we could have success and that is the hope. But it is worth a try as I said instead of sitting and doing nothing and let the world and the region rift into whatever is happening and we are seeing on the television what is happening in Lebanon. It is ripe with dangers of a Civil War. Look at what is happening in Iraq. These are sectarian overtones which can engulf the whole Muslim world with extreme dangers. So we should be alive to this problem and every leader must contribute towards its resolution. So let us hope as I said that a new initiative which develops the key issue being a strong, neutral, credible voice to act as a referee and an umpire to stop and have sanity prevail. That is the intension and let reconciliation be the leading element instead of confrontation. That is what we need to do and we need to translate this into action. The other part of your question dealt with the religious parties. I would not say I am not talking of parties but I would like to say that extremism, these 2007 elections is an election where moderate verses extremists and the moderates must win. Because if extremists win it is again further danger to already the dangerous situation that has been prevailing and we are talking of. Let me come to the last question.

**Q: Sir those situation of the Muslim world in that the role of OIC in the masses and Muslim nations especially it's been seen that they play a role in it. And you too have many times mentioned the OIC should be the predictor. So what is happening in this aspect?**

**President:** We are trying to make OIC as a predictor for the past 3-4 years. The bigger the group, the harder it is to call them and sit down for discussion. So there should be a balance, then how big should be the group, credibility is required, strength is required and an influence in the voice. OIC and its role but it's 57-60 member countries. There are efforts for restructuring of OIC for enlightened moderation and it is proceeding, though not very fast. But when we would reorganize OIC and make a standing then OIC can have role everywhere. But right now the situation that we are facing, if we wait for creating OIC, then we will have to wait for very long. So we can't do that. We will have to do something else which is speedy and successful.

**Q: Apart from OIC there are other countries too?**

**President:** Yes, everyone is concerned. It's happening in their area. Palestine issue is an Arab-Israel issue, Iraq, Lebanon is all Arab issue. But there is Muslim world too along with Arab world. There are influences there too. So, let's broaden our perspective and imagination and let's see that from where we can get more strength in a combination that could be anyone. In this we have to rise above self and see national and regional interest, see Muslim Ummah's interest. And that is how we can move forward. So I hope that it is our effort that we do something so as to have more chances of success. Thank you very much, ladies and gentlemen.

24 January 2007

[http://www.presidentofpakistan.gov.pk/FilesPressRoom/PressConferences/25200750524AMPressC\\_UAE24Jan07.pdf](http://www.presidentofpakistan.gov.pk/FilesPressRoom/PressConferences/25200750524AMPressC_UAE24Jan07.pdf)

## DOCUMENT 4

### OPENING STATEMENTS BY NATO SECRETARY GENERAL, JAAP DE HOOP SCHEFFER AND SHAUKAT AZIZ, PRIME MINISTER OF PAKISTAN DURING THE MEETING OF THE NORTH ATLANTIC COUNCIL

**De Hoop Scheffer:** A very good morning to all of you. Prime Minister, let me extend a very warm welcome to you at this special meeting of the North Atlantic Council, the first ever with a Pakistani prime minister. Your presence here is a demonstration of the constructive political dialogue NATO and Pakistan have developed over the last few years. Our evolving relationship, I think, is a sign of the new security context that we find ourselves in.

Our mutual interest and commitment to fighting terrorism figures highly in this regard. Our relationship however has also gained momentum in light of your government's request for assistance following the tragic earthquake of 2005 and NATO's swift response. And we have, of course, intensified our cooperation and contacts in light of NATO's role in Afghanistan.

Prime Minister, at the NATO summit in Riga, NATO's heads of State and government called on all of Afghanistan's neighbours to act resolutely in support of the Afghan government's efforts to build a stable and democratic country within secure borders.

As you'll appreciate, the role of Pakistan remains critical for the NATO-ISAF mission in Afghanistan and the stability of the region as a whole. We had already the opportunity to discuss this. It is in this spirit that NATO and Pakistan have set up a number of mutually beneficial military-to-military contacts. Looking ahead, we are looking forward - and let your presence in this council be an important milestone in this regard. Prime Minister, we're looking forward to cooperating even more closely with you from an operational perspective. But also in expanding what is I think a mutually beneficial political dialogue. Prime Minister, you're warmly welcomed. Please take the floor.

**Aziz:** Thank you, Mister Secretary General, Excellencies, Ladies and Gentlemen. I'm really privileged to be in your midst today. And I think NATO and Pakistan have shared objectives to influence the destiny of our people. We both share a desire for peace, progress and prosperity.

This opportunity today for me to interact with all of you is unique because NATO is engaged in a region or the area which borders Pakistan. As such, we need to share our ideas and have shared objectives, so that we can succeed in ensuring peace in the region. I refer to your involvement in Afghanistan.

Pakistan is committed to a strong, stable Afghanistan. We believe that the one country which will benefit the most after Afghanistan itself, if peace is ensured, will be Pakistan. And the one country which will pay and has paid in the past the highest price for a destabilized Afghanistan will also be Pakistan. That is why we have shared objectives. And shared objectives can help us lead towards peace and progress. We also want to take this opportunity, Ladies and Gentlemen, to thank NATO for responding to our request to assist us after the earthquake which took place on the 8th

of October about a year and a half ago. This was a major catastrophe. We lost lot of lives. And what was built in decades and centuries, was destroyed in seconds.

However, today, Ladies and Gentlemen, you will be pleased to know that as a result of the efforts of the global community and our own efforts reconstruction and restoration of normalcy is proceeding.

We are also pleased to share with you that as a result of the earthquake, after the earthquake occurred, not one person lost their lives due to hunger; not one person lost their lives because of lack of shelter; and not one person lost their lives because of any epidemic which occurred after the earthquake.

These I mention, because they were all concerns at the time. And we feel very privileged that a collective global effort for the cause of the earthquake evictees was successful.

Today, our objective is to build better. And the silver lining in all of this, is that the housing, the hospitals, the clinics, the schools, the roads, the bridges. And I could go on and on whatever is being rebuilt is better than what the people had before the earthquake. We cannot bring back the lives of the people who have died. We cannot come back to where we have... whatever people suffered to bring all those things back.

But what we can do is give them a better future and that's what we are trying to do. So I appreciate NATO's efforts in this direction. NATO has played a major role toward peace in Afghanistan. We intend to discuss it in the next several minutes. Let me once again thank you for inviting me. I'm delighted to be here. And we see this as a part of our continuous engagement with NATO for the cause of peace in the world.

Pakistan is a country which is committed to peace. And it is through peace that the world will come closer together. And let us all work together to achieve this objective, thank you very much Ladies and Gentlemen.

**De Hoop Scheffer:** Prime Minister, thank you very much indeed for coming for this introductory statement. Could I now ask the members of the press to leave the room, then we can continue this meeting.

30 January 2007

<http://www.nato.int/docu/speech/2007/s070130a.html>

## DOCUMENT 5

### PRESIDENT'S ADDRESS AT INSTITUTE OF STRATEGIC STUDIES

It is indeed a pleasure for me to inaugurate this round table conference on the Voices from Asia towards the co-operation and security. I would like to comment on the efforts of International Institute of Studies for organizing this round table conference on a subject of extreme importance and relevance today. Before dwelling onto Asia, one needs to speak on the world, this globalized environment because I feel we have to look at the whole first. Within that whole we need to understand the part that is Asia and within that part, we need to further go into its sub part, West Asia. In the global environment, it is geo-economics and less of geo-politics and geo-strategic. Today's world is abounding with challenges and opportunities; it is in a state of flux and uncertainties. Therefore, it needs very clear understandings of the environment,

first of all and then conceptualizing a strategy to meet the challenge or convert the challenge into opportunities.

We all know that 20th century saw the momentous development. It saw the start and end of cold war. If it hoped for optimism and future but unfortunately that hope and optimism soon evaporated. Global confrontation receded and this gave way to more insecure world in various dimensions. New inter-state and interregional conflicts emerged as the older disputes persisted and lingered on without any resolution. Here I am referring to old conflicts of Palestine and Kashmir and newer emerging conflicts in Iraq, Afghanistan and Iran, even North Korea. We have seen lightly resurfacing of religious and cultural prejudices, strengthening the notion of clash of civilizations and further aggravated now are the sectarian clash within the Islamic world. If I have to identify the dangers to peace or security and to development, I would say first of all it is the unresolved political disputes which form the root of all ills. Secondly, there is danger or menace of terrorism, religious or sectarian extremism. Extremism and terrorism to quite an extent flow from unresolved political disputes. The third element is cultural and inter-faith prejudices especially against Islam. Then there is threat of widening economic inequities, within countries and regions between haves and have-nots. The widening economic disparity and inequities between North and South, between the developed world and developing world and I always have been saying, may be in an exaggerated form, but not in very unrealistic that the islands of prosperity run a danger between – devolved by the ocean of poverty if today we don't reduce the ocean of poverty and increase the island of prosperity.

On the whole international strategic focus before the cold war was euro-centric, involving NATO, Warsa Pact, East-West conflict, Berlin wall and reunification of Germany. After the cold war it has shifted to our region, to West Asia and South Asia. That is the change of strategic focus. Asia is the most significant continent now. They say that past belonged to Europe; the present belongs to US and maybe to Asia. That is the significance of Asia. It is home of half of world's population. It is the center of ancient as well as modern civilizations. It is the cradle of all worlds' religions. It has abundant natural resources and cheap skilled workforce. Most of the economic and political activities are taking place in Asia. I would now like to give an economic overview of Asia. While Europe is trying hard to sustain its growth, many parts of Asia are on economic upsurge. There is abundance of qualified manpower and abundance of cheap labor but the development disparities exist within Asia. We see today while South-East Asia, East Asia, North-East Asia or China is cooperating in various economic forums for mutual benefits, South Asia and Central Asia are being left out of the loop.

If you look at West Asia, it is rich in natural resources but its GDP is not commensurate with the resources that it has. Therefore I would say that it is failing in a knowledge driven world where economy and economic prosperity is more dependent on knowledge and human resource rather than merely the possession of natural resources so there is an incompatibility between the resource and GDP in congruence. If we see the GDP of any of the resource rich West Asian Middle East countries, we see that their GDP is not at all compatible with their natural resources and they do not rank anywhere on world's scene of prosperous and progressive economies. There is rampant poverty and deprivation in South Asia specially.

Now the question is how to redress these weaknesses and disparities and we have seen this environment on economic front. First of all there is a need of intra-regional cooperation specifically I am referring to South Asia and Central Asia and the forums of SAARC and ECO need to be strengthened. There is a need for very strong cooperation for mutual benefit within these regions and may I also say that this will only be possible if political disputes are resolved otherwise this cry of giving potency to South Asia or ECO would remain a far cry. And then having solidarity on intra-regional, we need to go towards intra-regional co-operation and integrate the left behind regions of South Asia and Central Asia within the South East and East and North East Asia for mutual prosperity and mutual gains. Now this is the requirement of the day on the economic front. There is an absolute necessity of concentrating on human resource development and socio-economic sector emphasize especially on South and Central Asia because there is acute disparities and we have to focus mainly on poverty alleviation and human resource development to improve the conditions, capabilities and potential of the vast mass population that exists within this region. Otherwise the same power which this region has of population will get converted into weaknesses because of the poor quality of human resource.

Within this whole scenario, I think that Pakistan with its very significant geo-strategic position has an extremely important role to play and that is what we are trying to play. Pakistan being at the crossroads of the Gulf, of Central Asia, of China and South Asia is the hub of this whole region, and as the hub of this region it provides connectivity to these regions between themselves. Therefore while communication infrastructure needs to be developed, connecting these regions within themselves, Pakistan very significantly plays the role of a corridor of trade and energy corridor between these regions. And that is what we have seen and we would like to contribute towards. I would now like to come on to the security overview. As I said that the strategic focus has shifted to our region, West Asia, South Asia, Central Asia are in the grip of conflict and tension. Like in Sri Lanka where internal conflict is going on. We see Indo-Pakistan conflict which we are trying to normalize now, we see other areas going to West Asia, Palestine, Iraq where there are sectarian undercurrents, sectarian conflicts, Lebanon again seeing sectarian undercurrents and also conflict between US-Iran, [and] the possibility of exacerbating sectarian conflicts within the region. I said terrorism and extremism are the major threats to the world but they are specifically in our region West and South Asia. Suicide attacks, bomb blasts and explosions have added many new dimensions to force relationships and force equations.

Therefore conflict resolution stands at the base, stand at the core of socioeconomic development. Again if I had to give a blueprint of a peaceful, secure world, I would first of all uphold the principles of UN Charter but within this we have to strengthen the UN Charter to be able to play a more potent role in world affairs so therefore Pakistan remains supportive of UN reforms. We have to resolve long standing political disputes with justice; Palestine and Kashmir have to be resolved. Kashmir is right for the resolution at the moment. Within this resolution of disputes, US, the West and also the China must play a very proactive role. We have to combat terrorism and extremism in a holistic manner with total understanding. We have to understand the difference between terrorism and extremism. As I keep saying extremism feeds terrorism and extremism happens to be a state of mind. It cannot be

encountered militarily and root to the terrorism and extremism is the political disputes, poverty and illiteracy.

We have to in the long term strike at these roots of poverty alleviation, education and resolution of political disputes. We have to adopt a three tiered approach towards this, and when I say three tiered approach, I mean first of all the whole world and important pillars of the whole world, the international community, then the Muslim Ummah and thirdly domestically in each country. This is the holistic approach to fight terrorism and extremism which I have said is a state of mind cannot be done militarily and this idea give rise to what I have pointed enlightened moderation because I feel that this is the only way forward that while the Muslims must understand that terrorism, extremism, bomb blasts or suicide attacks are not the way forward and we must reject them and we must go forward on a socio-economic path but this cannot be done by the Muslim world alone unless the injustices, inequities are addressed by the West specially the US being the sole superpower and that is through resolution of political disputes, and the effective contribution towards the socio-economic development of the Muslim world which is an important part of the Third World. We know the plans or strategy of US where we are talking of Millennium Development Goals, ODA, 7% contribution by the development world toward the developing countries.

This is an important area which the developed world must understand and contribute, and within this Millennium Development Goals of the US then the Muslim world should be focused on for their socio-economic development. Within the Ummah we need to do a lot. His Highness Prince Hassan did highlight the bridge that is being developed between these people who have extremist views with the masses. This is the most dangerous trend. We need to take the masses away from such a confrontation. We can do this if we all join hands and resolve disputes and assist in the socio-economic development. The Muslim world has to look after and help itself and the only way to doing this is through restructuring OIC; the only organization which represents the Muslim world. This is what we are trying and sadly we are very slow perhaps showing a lack of determination and commitment.

If we are to ask for assistance from the developed world we must help ourselves also. I have always propagated while restructuring OIC to play a more proactive role and bring harmony within the Muslim Ummah and have a voice in the international community towards reconciliation not confrontation I had proposed a mandatory contribution of .01% of GDP and I quickly converted it how it would apply to Pakistan whether we would be able to afford this and .01% if my mathematic is correct is just \$13 million for Pakistan with our GDP at \$130 billion. It certainly would be affordable and so also should be affordable to every Muslim country. And when we convert this into financial terms with the GDP of the Muslim World standing at roughly \$2 trillion it comes to about \$200 million. Today OIC doesn't even have \$10 million because it's all on a voluntary basis. Even if we give .005% of GDP it will still come to \$100 million and Pakistan will only have to give \$6 million. This money can be used very effectively for the socio-economic development of the Muslim Ummah. I know of Muslim countries who beg for 100 thousand tons of wheat or rice. They don't get it from the Muslim World. They get it from others. So it's a pity that the Muslim World is not organized and committed to help itself. So my



belief is that we have to restructure this. So I see and help ourselves improve our conditions and then ask others to help us do that.

Every country has its own ethos, environment; we have our own environment and we are addressing this issue of extremism within our own environment through a proper well-thought strategy. But it is indeed a long-term strategy. There is no short-cut or quick-fix solution. It's a long-term strategy but we have to initiate the long-term strategy now while we are also in the process of implementing a short-term strategy of curbing terrorism and extremism. I was talking of a blue-print from my point of view of secure world. The third element that I would like to say is promoting tolerance, understanding respect for each other's values, cultures, faith and developing of inter-faith harmony, rejecting the notion of "clash of civilizations". We are not living in the age of crusades, we have progressed, and we are in 21st century. I only hope that all those who matter understand the realities and reject this notion of clash of civilization or any further ideas of bringing religious clash. We have seen small events in the name of human rights, press freedom which has caused so much harm and so much damage internationally inside the Muslim world. These can't be accepted as norms of human rights, we must also look at the sensitivities of others while we believe in human rights. Last point of view that I would like to give out is creation for a peaceful and secure world, introducing equitable and just economic order and in this I believe that we have to ensure better trade terms, opportunities to the developing countries. Why people say that we should have an even playing field? I would say that we should have uneven playing field in favour of the developing world. That should be the future if we want to assist in the socio-economic development of the underprivileged of the developing countries. At the moment the playing field is in favour of the developed world. I think we need to change this state in the future.

And then we have to bring peace in Iraq and ensure the integrity of Iraq. We can not accept any division of Iraq. It will lead to tremendous amount of upheavals in the region. We have to resolve the conflict within Lebanon, which have, I said have, sectarian under currents. We have to prevent a civil war erupting in Lebanon. We have to resolve or calm down the tension between Iran and US.

On this, ladies and gentlemen, we have started a new initiative or shall I say trying to go for a fresh initiative and this broadly is to get a group of like-minded countries who have consensus on world issues and are influential enough to have a say and have a conciliatory approach instead of a confrontationist approach, and get these countries together to project their ideas of a resolution of the Palestinian dispute of bringing harmony into the Muslim world specially Iraq, Lebanon, US Iran confrontation and even resolving the dispute between Syria and Israel of the Golan Heights. I think this is what we are trying to do. There is consonance of views wherever I have gone and I think we will be taking a step forward in that direction of having a foreign minister's conference here in Islamabad very soon. Further steps will come beyond from the foreign minister's conference. On the other side, I would like to say that when we are talking of resolution of disputes, the India-Pakistan dispute cannot be overlooked. We are for peace. The people of both countries have realized that we have to go for peace. And therefore the momentum of peace process I can only say optimistically that while the CBMs are going well, relations between India and Pakistan have never been so good, conflict resolution needed to be pushed and we are

moving forward on the Sir Creek, Siachin and also the core issue of Kashmir. If both sides agree we can reach a conclusion otherwise we cannot. Then the conflict in Afghanistan on our western border; the issue of Al-Qaeda and Talibans. We have to win otherwise it has already corrupted the national fabric of Pakistan. This is a complex battle that we are fighting on the borders with Afghanistan and within our society. There is no quick-fix solution again but confining myself to Al-Qaeda and Militant Talibans I would like to say that Pakistan [is] totally committed to fight terrorism and extremism there. We have suffered the most and are victims of terrorism and we certainly do not want Talibanization in Pakistan. And we certainly do not contribute to the thoughts and ideas of Talibans that is not the way forward that we see of Pakistan. Therefore, we are committed and we are in coalition to fight terrorism and extremism in Pakistan's own interest and not in the interest of anyone else. Why am I saying this is to counter any aspersion that is cast on Pakistan that maybe our commitment is lacking. It is a commitment to ourselves.

Within this, ladies and gentlemen, we have to take a holistic view and I keep saying that we must understand the environment, then we work out the strategy correctly and then we get involved in the tactics of implementation. If we don't understand or analyzed the environment correctly or turning a blind eye, our implementing strategy will be defeated. That is what I belief. Military is not the ultimate solution. But the ultimate solution to problems comes through political means. We believe that while the military must be used against terrorists where it is Al-Qaeda or Taliban, anywhere and everywhere, with full force and commitment and that will continue to be done. But that is not enough. Therefore in the political strategy the basis is every Pakhtoon is not a Taliban. Every Taliban may be a Pakhtoon. So we must take the population on our side and not leave them to the extremist so that they can ingress, motivate, indoctrinate them because there is backwardness, poverty and lack of education. These elements are easy prey for conversion [and] indoctrination. So we must be proactive in taking the people on our side. How do we do that? No sir, military cannot do this. Therefore we need to see who we deal with i.e. the notable, the Maliks, tribal elders even the religious personalities who are against confrontation. Take them on board because after all for centuries it has been these tribal Maliks who have been supreme over their respective tribes. So we reach the deal with them to wean away the population on to our side. Then thirdly, we have taken administrations and lastly the development of that area. So we have taken a very holistic view and now we are into process what is the key area where we win the conflict; military part and that involves controlling movement on the borders, controlling movement across the borders, controlling the safe havens of the refugee camps, and the military action against terrorists. We have taken our decision on all three of these elements. That is the holistic approach that we are following.

Why I took time to explain all this? Because there is so much of aspersions cast on Pakistan as if we are not doing enough. Anyone who says we are not doing enough. I ask him tell me what should we do? And the answer is zero. We are doing the maximum. If I were to put it in the correct perspective, our strategy is absolutely correct. But there are slippages maybe in the tactical implementation. So that is where we keep looking around how to improve our tactical application and we keep correcting course.

Ladies and gentlemen, this is how we are trying to contribute to world peace. Bringing peace into Palestine, Iraq, Lebanon, US-Iran confrontation, peace with India and victory against Talibans and Al-Qaeda; a complex issue needs careful handling, understanding of environment, needs the holistic strategy and the will and commitment to implement. In conclusion, I tried to give you realities of Asia specially the economic realities of Asia and what the world ought to do for the regions of Asia and Muslim Ummah. To remove the socio-economic disparities and inequities and then on the security front the complexity of the issue and what the world needs to do. If we join hands, I have, I am always optimistic that we can reach conclusions and solutions.

I thank you ladies and gentlemen. I would like to specially thank His Highness Prince Hassan and Princess Sarwat.

4 February 2007

<http://www.presidentofpakistan.gov.pk/FilesPressRoom/PressConferences/2192007125333A-MPreAdrsISS14Feb07.pdf>

## DOCUMENT 6

### PRESIDENT'S ADDRESS ON INAUGURATION OF SUNDAR INDUSTRIAL ESTATE

Governor Punjab General Khalid Maqbool, Chief Minister Punjab Pervaiz Elahi, Federal Minister for Industries Jahangir Tareen, Chairman Industrial Estate Mr. Mannu, CEO Estate Sadiq Chohan, distinguished guests, ladies and gentlemen, Assalam-o-Alaikum.

It is indeed a pleasure to be here at the inauguration of Sundar Industrial Estate. I am glad that this plan would take our economic strategies to the public. In that direction it is a proper step. Secondly, I am glad because this is a plan through which there would be a revolutionary coordination or cooperation between public and private sector. I remember when we planned of setting up an industrial estate, people had doubts but this is an example which should be emulated in other provinces of Pakistan. This is a step forward. The task of public sector is to facilitation and policy making. Let the private sector come up and perform like they have today.

I was watching the aerial view and it looked very organized, the roads, drainage system, the electricity system and an ideal environment. I would like to appreciate Mr. Mannu that he presented the potential of private sector to the nation in a beautiful manner. This is an ideal reflection of cooperation between public and private sector. I am extremely pleased to be here and that the industry would be set up within the time frame of two years.

I am also glad that in this Estate there is an affluent treatment plant with solid base management system. So it means that it is an environment friendly industrial park with modern facilities. If anyone comes from abroad and sees this they should know that we know how to organize and manage ourselves and we understand international standards or criteria and that is what will attract foreign investment and FDI. So therefore, the electricity system is underground.

Ladies and gentlemen, for any plan or activity there is three tier approach. First of all understand the environment and if there are any defects rectify or remove them. In this case, we have to create an investors friendly environment. The important considerations are:

All economic sectors are open for FDI in Pakistan 100% foreign equity is allowed in Pakistan Equal treatment to international and foreign investment Remittances of royalty, technical and franchise fees, capital, profit, a dividend is allowed.

Foreign investment is fully protected.

0-5% custom duty on import of machinery.

No sales tax on import of machinery.

No withholding tax on import of machinery.

Through this an investor's friendly environment is created through which we can attract foreign and local investment. We have facilitated the local industry to set up industry and earn profit.

The second tier is that the strategy should be clear. There should be cheap labour; qualified manpower so that the industry runs excellently. We have seen that there were defects in previous strategies in Pakistan; we were limited to textile and agriculture. This would not [be] the way forward. Textile is only 6% trade in the world. 61% trade is in heavy industry. We are bogged down in 6%. If we have to increase our export, it can't if we're limited to textile. So we planned the first strategy that we have to move toward setting up new industries. We have to concentrate on SMEs so there is distribution of wealth to the middle-class. These SMEs are essential and I am happy that there are small plots so that small industry can also participate. So that is another part of the strategy. The third tier is the sense of direction. We should manufacture spare parts and export. Be it electronic or machinery. The spare part would be cheaper yet of quality. We should be the producers; the world should see investment opportunity for industry.

If cars are manufactured in US, Japan or Europe, their parts should be manufactured in Pakistan and they should import them because we can produce better quality parts at cheaper costs.

Then I would like to comment on agro-based industry. We have the potential in agro-based industry, live stock, and dairy. We are the fifth largest producer of milk products and I am glad that the biggest plant of Nestle' is being set up in Kabirwala. We should enhance this. Our country is giving 1/10th of the milk that cow abroad in developed country produces. And we can increase the long-term production to 3-4 times increase within 2-3 years if we improve our strategy.

There should be cheese, yogurt, butter exported from Pakistan to the world. Similarly, we have livestock in Balochistan and in Punjab Cholistan are livestock centers. This should be improved. We have to optimize this potential for the poverty elimination and our exports would increase. I would like to inform that the current dollar account of our exports we should be surplus in it and that can be when our income increases and that is through three sources: export, FDI and remittances.

Our current account rather dollar account should be surplus and it can be in surplus only when we have more revenue. Remittances have increased from \$900 Million to \$4.2 Billion and we will cross \$5 Billion. FDI has increased from \$300-\$400 Million to \$3.4 Billion and it should also cross \$5 Billion. This is the way of

progressing. Last thing is export which should increase by leaps & bounds. We are left far behind. All the South Eastern tigers were at Pakistan's level in 1960s. Their export has been raised up to \$400 Billion and we have a rise from \$8 Million to \$18 Million. Why there is such huge difference? Because our strategy is wrong, we have to correct this strategy. We have to reach at \$100 Billion and it is achievable. We have the potential. The growth rate is 7/8% currently and we will maintain it. A country can not develop until and unless revenue generation is not good. I can say proudly that revenue was Rs. 300 Billion and now our target is Rs. 835 Billion and it will be Rs. 900 Billion by the end of this year and we will achieve the target of Rs. 1 Trillion next year. But this is not enough; we have to expand the tax base. We will not increase the tax but will expand the tax base. I want Rs. 2 Trillion. You people tell me the plan to achieve it; I am not satisfied with this increment of Rs. 100 or 200 Billion. I will appeal the whole nation, all traders and everybody involved in economy to pay tax whatever it is so that money may come in circulation. I want to tell you people that where we spent the money we got from this increased tax base. You should not pay tax if it has not been utilized. Our PSDP has been Rs. 80-90 Billion in past for whole decade of 1988-99, it just crossed once the figure of Rs. 100 Billion, and this year PSDP allocation is Rs. 415 Billion. So if the tax revenue has been increased then it has been spent on developmental projects. So this is the way, taxes should be reduced and base should be broadened, it will increase revenue and resultantly the development will increase. I seek your help for implementing this strategy for the sake of Pakistan. Every one should pay tax.

Gas and electricity are very necessary for development. We have many long term and mid term plans for increasing the production of electricity and we are doing it from every source other than oil, from CNG, LPG, Gas, Water, Nuclear, Coal and alternate source i.e. wind. We are doing all this. Whatever the investment can be done in these areas is welcomed. This investment in energy sector is important. We need gas for it. I want to say that the resources we have explored in Frontier will be used not only to provide gas to five districts of NWFP but also all the area between Nowshera and Islamabad. As it will come down stream so it will cost less.

Besides, we also want to buy gas from Iran. The agreement has been finalized and we will buy this gas. But as 250MW electricity is needed here, we must give them the gas. In the whole world domestic gas is on LPG and we are finishing our resources by distributing it to domestic users, we should give it to industry even if it means economizing on the domestic side, we must give gas to the industry, otherwise industry would not be established. Therefore the policy and strategy should be changed; priority goes to industry, electricity production. So please devise the strategy and projects like this is very much serving the purpose, by utilizing gas and then producing electricity is a good plan. So please let us understand the strategy correctly and then implement it vigorously. Our country is the hub of this whole region. We should know that we need investment friendly environment, qualified cheap manpower. Government has devised a complete plan and is being implemented. Nine best universities from the developed world will come to Pakistan; we are having deal with them. They have agreed to come here.

We will come up to their standard; we will bring their faculty, curriculum, Vice Chancellor etc. So they will award their own degree, students' wont need to go abroad. We will be able to attract investment with the best quality cheap manpower.

Secondly we have emphasized technical side, we have established National Vocational Technical Commission and technology parks will be made in these nine universities which will produce technicians of very high quality for your industry and those will be exactly in accordance with the requirements of your industry. Therefore we are trying to create a synergy between the industry, production of technicians, and production of engineers. It will benefit industrialists. If you will provide all these facilities here then the investors will get profitability here in Pakistan.

At the moment, demand has increased in Pakistan while supply has left behind creating a gap between two. Being a hub we can export to half of the world, if we establish industry here. We will provide these facilities with good infrastructure, which is being developed i.e. rails, roads and ports. This is not a dream but a reality and we should have faith in this reality. I have faith in this nation. This will rise because we have the potential. We do not need any one's assistance, we have to wake up, work and make use of our capabilities. We have the best minds in the world, we should be proud of it. But we have not optimized it. So if we will organize and optimize ourselves that is the way forward. We can take this nation to new height because we have all the potential and we have all the resources.

We will generate more resources. Industrialists have many responsibilities. Firstly, you are installing modern units which are environment friendly. This is a good thing. You should come up to the standards of the world. You must comply with all safety regulations. Our productivity index is low. We should be more efficient, more hardworking; productivity from the same unit, from the same people should be much more. Poverty has reduced [a] lot but still it is there. Every third man was poor, 34% were below poverty line which is now 25%. It is terrible, it is shameful. On the one hand you are creating job opportunities, we are thankful for it; seven lac job opportunities are being created till 2011. It will alleviate poverty and resultantly extremism and terrorism.

On the other hand providing facilities, look after their welfare, Labour's welfare. If you earn money, share it with labour. If you will care for poor, you will progress more. So share your profit with your workforce. We must develop labour standard with all facilities of labour colonies so that they may get all facilities of life and live a comfortable life. We owe this to the labour. You are establishing industrial areas in agricultural areas. Sialkot is a rice growing area. One of the concepts of motorway was to bring industry out of city to the areas where agriculture is effective. Secondly, land should be cheap. Both these things are available on interchanges between Lahore and Rawalpindi. If gas and electricity facilities are made available then industry will be benefited without affecting agriculture. When we will shift industry there, population will be shifted there. Free land is vanishing rapidly. Population will be shifted to the area where space is available.

I am happy to be here for a project which needs to be emulated by the whole of Pakistan. A project which should be seen by the world to come and see what we have done here, to invest here because Pakistan will provide all facilities. I wish you success and prosperity and through your success, welfare of the labour, labour also rises, labour becomes better and there is more employment and there is more prosperity.

Thank you, ladies and gentlemen.

16 February, 2007

[http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/219200722857AMPreAdrs\\_M3IS\\_17Feb07.pdf](http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/219200722857AMPreAdrs_M3IS_17Feb07.pdf)

## DOCUMENT 7

### PRESIDENT'S ADDRESS AT INAUGURATION OF M3 INDUSTRIAL ESTATE

Assalam-o-Alaikum to all.

I am very happy to come in this important industrial city of Faisalabad and address you people. I am happy that I have inaugurated three industrial projects in last two days i.e. Sundar Industrial Estate and today M3 Industrial City and Value-Addition City. Two large sized industrial areas will be established here. You will contribute towards the prosperity of this area, progress of Punjab and opulence of Pakistan. 40 lac job opportunities would be created after establishment of factories here. These 40 lac people would be from Faisalabad or its suburbs. It will benefit Pakistan and alleviate poverty. These are not just hollow slogans. The government will fulfill the promises and come up to the expectation of you people in providing jobs and earning opportunities. Such industrial states are the basis of all this. I'll be happy when you and your future generation will have a better standard of life. Faisalabad is the third most important city of Pakistan. The earlier infrastructure was not passing by the Faisalabad. We thought of mainstreaming Faisalabad through building infrastructure and communication system. So we built M3 from Pindi Bhatian to Faisalabad and M4 which will be built from Faisalabad to Multan this year. This M4 will link Multan to Peshawar through Faisalabad because M1 from Islamabad to Peshawar will be completed this year. So Faisalabad will be the heart of this communication system. These two industrial estates are on the same M3 Road. Millions of rupees have been given to Faisalabad for developmental work. I know these are not sufficed so Chief Minister has announced the grant of 11 billion for this city. Center will also appreciate provincial government by giving aid of 5 billion to spend on the development of Faisalabad. I have come to know about some slum areas in Faisalabad where people live in poor conditions. It is the duty of government of Pakistan and Government of Punjab to help these poor people.

They belong to Pakistan. So I'll ask Chief Minister to give residential rights to these people. If these 16 billion will not be enough then still more money can be given because now the Pakistan is not in the condition of begging aid from other countries. Previously leaders would have come to raise only hollow slogans and promises because the treasury was empty but this is not the situation now, we have money. Rs.100 billions are for the developmental projects of Punjab only. CM is spending this amount honestly and in a balanced way. Development is being carried out in backward and deprived areas. South Punjab had been one of those deprived areas and I am happy that it is being taken care of. Rs. 415 billions is available with center for developmental projects. In past for the whole decade of 1988-99 only Rs. 70-80 billions were available.

We haven't seen any mega project in Pakistan in past except M2. So now we have funds and it will be spent on progress and development. Last thing which I want to say about Faisalabad is to Industrialists of Faisalabad. We are spending huge amount on this city so please you people also contribute to the progress and development of this city as industrialists of Sialkot are making efforts for the development of Sialkot. Punjab Government has spent billions on these industrial estates so it is their obligation also to return some thing to their city. Now I want to highlight some of the achievements of Pakistan in last six or seven years. Our economy was in miserable condition. No developmental work was being carried on. Our health and education sector were stagnant. Now Pakistan is progressing and developing. Now our economy is stable. We were dependent on other countries but now the situation is different. We are no more beggars. We are now able to help others instead of seeking help. This is the change of status. A network of infrastructure is being developed in whole country. We are constructing water reservoirs and Kalabagh Dam will also be constructed till 2016. No element will be tolerated which will obstruct Pakistan's development. New ports, airports and railway lines are being developed. Faisalabad airport will also be improved. Every Nazim has been given billions of rupees for developmental work. Pervaiz Elahi is doing well in Punjab, I appreciate it.

Today basic health units are working properly. All credit goes to Chief Minister and his team. Similarly education sector has also progressed a lot. Now come to the democracy. Democracy was in worse condition during 1988-99, Presidents and Prime Ministers changed many times in a short duration. Supreme Court was attacked during a democratic regime. Democracy is required but it does not mean that with this democracy Pakistan gets enlisted in failed state nations. If this is democracy then it is not required. We require the system which make Pakistan and its peoples progressive and create earning opportunities for them. First time, Local Governments, National and Provincial assemblies have completed their tenures. Democracy cannot be achieved only by conducting elections. Its true spirit lies in empowering common man. We have empowered common man through the system of Nazims. Women are 50% of our country. They have a role to play in Pakistan's development. We have reserved seats for them. They are now the part of Parliament. Pakistan is an Islamic country and was made for Muslims but as Quaid said minorities have equal rights, minorities are part of Pakistan and they have been given their due rights in accordance with teachings of Islam. Islam tolerates other religions. Our saints gave the message of peace and love and this is how they spread Islam in this region.

I will again talk of status of Pakistan. Pakistan holds a respectable position in world. Pakistan is recognized as an emerging country. We are stamped with the name of Pakistan. You are recognized by the name of this piece of land. Your passport is your identity outside the country. The more Pakistan earns progress, the more you will have a raise in your status and the more Pakistan will have bad name, more you will be lowered in the eyes of world. And we will make Pakistan progressive, developed and highly respected in the eyes of whole world.

I see only one obstacle in the progress of Pakistan and that is terrorism and sectarianism. Why are we divided in so many sects? We are just Muslim. There are some elements that are against government and give impression that the current government is against Islam. No law against Islam can be imposed in Pakistan. This is



written in our constitution. So I will say to these elements that do not try to make us Muslims, we are already Muslims; you should work somewhere else to make people Muslims. I think these are the people who spread differences and divisions in society and families. They not only defame Pakistan but also Islam, and give impression to the whole worlds that bomb blasts and suicidal attacks are the part of Islam. The people do not read teachings of Islam; they just look at the practices of Muslims. I will ask these factions to stop doing all this. These are obstacles to Pakistan's development.

This is the Election Year. I appeal to all of you to reject these extremists and terrorists. They will not contribute to the future of Pakistan, we reject them. We are Muslims and we weren't to follow the true spirit of Islam. We want Pakistan that was a vision of Quaid and Iqbal. If you people think that I can do something for you and if you people want continuity in this process of progress then please vote for those people who will elect me. I ask you people to participate fully in election. If you people elected the same people then there is no doubt that they will really take Pakistan to the new heights. I want your support. Pakistan will remain protected and secure.  
Pakistan Paindabad.

17 February 2007

[http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/219200722857AMPreAdrs\\_M3IS\\_17Feb07.pdf](http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/219200722857AMPreAdrs_M3IS_17Feb07.pdf)

## DOCUMENT 8

### TEXT OF NUCLEAR RISK REDUCTION AGREEMENT

This is the text of the agreement between the Islamic Republic of Pakistan and the Republic of India on reducing the risk from accidents relating to nuclear weapons.

The Government of Islamic Republic of Pakistan and the Government of Republic of India, hereinafter referred to as the Parties:-

*Recalling* the Memorandum of Understanding signed at Lahore on 21 February 1999 between the two countries;

*Recognizing* that both Parties have national measures including Command and Control structures to guard against accidents related to nuclear weapons;

*Recognizing* that the nuclear dimension of the security environment of the two countries adds to their responsibility for avoidance of conflict between the two countries;

*Committed* to the objective of global and non-discriminatory nuclear disarmament;

*Conscious* of the need for adopting measures aimed at promoting a stable environment of peace and security between the two countries; Have agreed as follows:-

#### Article-1

Each Party shall maintain and improve, as it deems necessary, existing national measures including organizational and technical arrangements, to guard against accidents related to nuclear weapons under its control.

**Article-2**

The Parties shall notify each other immediately in the event of any accident relating to nuclear weapons, under their respective jurisdiction or control, which could create the risk of a radioactive fallout, with adverse consequences for both sides, or create the risk of an outbreak of a nuclear war between the two countries. In the event of such an accident the Party within whose jurisdiction or control the accident has taken place will immediately take necessary measures to minimize the radiological consequences of such an accident.

The obligation of a Party to notify shall be in respect of only such accidents which may result in an international transboundary release that could be of radiological safety significance or have security implication for the other Party.

**Article-3**

In the event of occurrence of an accident of the type referred to in Article-2 of this Agreement:

- (i) Each Party shall act in such a manner as to reduce the possibilities of its actions being misinterpreted by the other Party;
- (ii) In case of likely impact of the accident on the other party, the first Party shall inform the other Party forthwith with relevant information.

**Article-4**

The Parties shall make use of the hotline links between the two Foreign Secretaries and DGMOs or any other appropriate communication link as mutually agreed upon between their Governments for transmission of, or request for, urgent information in situations relating to the implementation of this Agreement. The Parties may also make use of any other communication channels, including diplomatic channels depending upon the urgency of the situation.

**Article-5**

Information obtained by a Party pursuant to this Agreement shall not be disclosed to a third Party without the prior consent of the other Party except where it concerns environment, public health or safety.

**Article-6**

This Agreement shall not affect the rights and obligations of the Parties under existing international agreements to which they are a Party.

**Article-7**

The Parties may hold consultations, as mutually agreed upon, to review the implementation of the provisions of this Agreement as well as to consider possible amendments aimed at furthering the objectives of this Agreement. Amendments shall enter into force in accordance with procedures that shall be agreed upon.

**Article-8**

This Agreement shall remain in force for a period of five years. Upon agreement by the Parties, the Agreement may be extended for successive periods of five years at a

time. A Party may withdraw from this Agreement by giving six months written notice to the other indicating its intention to terminate the Agreement.

In witness whereof the undersigned being duly authorized thereto by their respective Governments, have signed this Agreement.

Done at New Delhi on ..... in two originals, in English language, each text being equally authentic.

**K.C. Singh**

Additional Foreign Secretary  
For Government of the  
Republic of India

**Tariq Osman Hyder**

Additional Foreign Secretary  
For Government of the  
Islamic Republic of Pakistan

*Hindu online*  
<http://www.hindu.com/nic/nuclear.htm>

## DOCUMENT 9

### PAKISTAN-INDIA ANTI-TERRORISM MECHANISM MEETING JOINT STATEMENT

In pursuance of the decision taken during meeting between the President of Pakistan and the Prime Minister of India in Havana , Cuba on 16 September, 2006, the first meeting of the Anti-Terrorism Mechanism was held in Islamabad on 6th March, 2007. The Pakistan delegation was led by Mr. Tariq Osman Hyder, Additional Secretary (UN&EC), Ministry of Foreign Affairs. The Indian delegation was headed by Mr. K.C. Singh, Additional Secretary (IO), Ministry of External Affairs of India.

2. The two sides discussed the parameters of the Anti-Terrorism Mechanism and agreed that specific information will be exchanged through the Mechanism for:

- i) Helping investigations on either side related to terrorist acts and
- ii) Prevention of violence and terrorist acts in the two countries.

3. It was also agreed that while the Anti-Terrorism Mechanism would meet on a quarterly basis, any information which is required to be conveyed on priority basis would be immediately conveyed through the respective Heads of the Mechanism.

Ministry of Foreign Affairs, Pakistan, 7 March 2007  
[http://www.mfa.gov.pk/Press\\_Releases/2007/March/PR\\_70\\_07.htm](http://www.mfa.gov.pk/Press_Releases/2007/March/PR_70_07.htm)

## DOCUMENT 10

### PRESIDENT'S ADDRESS AT INTERNATIONAL WOMEN'S DAY

Prime Minister Shaukat Aziz, President PML Chaudhry Shujaat Hussain, Federal Minister for Information Ali Durrani, Federal Minister for Women Development Sumaira Malik, Secretary General PML Mushahid Hussain, ministers, parliamentarians, ladies and gentlemen, all organizers, participants and students. I am very glad and proud that I am addressing this huge gathering on International Women's day. I would like to thank organizers for organizing this beautiful function and artists for their songs.

Today was declared International Women's Day in 1908 and since then it is being celebrated. We now know and the world has realized that women cannot be ignored; it is for their betterment and for the country's progress and development. The sad part is that though there is realization but bringing this change is taking time. I would like to speak on today's theme, "From Concept to Reality." The importance of this year is that we have taken so many steps for the betterment of women's development and prosperity. On every level we have made policies and I consider it important to mention them: Convention on all forms of discrimination against women, we rectified this in our regime.

International Labour Organization Convention No. 100: equal remuneration between men and women. We also ratified this. Then at regional level or SAARC there is a convention against trafficking of women; we rectified this. So our Government had rectified these national and international conventions. They were old and ignored. But internationally they are considered important. Then I would like to come on national level. The first of all is Bill against honour killing. We enacted it, banned honour killing and set punishments against it. Then we made national policy for development and empowerment of women. Then we made gender reform action plan and adopted it. Then women protection act which is very important. There are some elements which repeatedly spread bad notions or misconceptions in the society. We amended Hudood Ordinance and they say it is against the spirit of Islam. In my view, they see Islam in their own perspective.

Islam should be taken with a brighter perspective and we should learn from those who know the true spirit of Islam. Pakistan was created for the Muslims of Subcontinent. It is Islamic Republic of Pakistan and it is written in its constitution that there cannot be any law which is against Islam. I have firm belief and you all should also believe that there is no un-Islamic aspect in this Ordinance. I want to tell you that Hudood; Hud is laid down in Islam. This Bill or Ordinance was made in 1979 by the Government and it is not God sent command which is not debatable or cannot be amended. So those elements who believe that it should not be altered are closed-minded people. The man-made policies are examined in light of current time and changed accordingly. Then there were also apprehensions that our governance would be affected by this change. But I want to say that when you have good intention and have faith that you are on the path of justice, there should be no fear because Allah is always with you. When we passed this Bill, those elements that were against it they had disunity in themselves.

Next we took steps to give political empowerment to women in our society i.e. giving destiny in your own hands and it is the basis towards development. Our Government allowed representation of women at every level both in the politics and decision making. Today, alhumdulillah, we are proud that almost 40,000 women are at the political level, starting from union council or district level up till senate. When I mention this in West they are surprised as they cannot imagine and because many developing countries do not have representation of women. So we have taken a big step and because of this we have given your destinies in your own hands so that you can raise your voices and put up your demands. The second thing besides political empowerment is equal opportunities; the most important factor is that there should be opportunities in governmental organizations. Here we have set 10% quota for Government jobs and I am glad that cabinet has passed this. Then you have seen that in armed forces women are being inducted. This was unthinkable 5-10 years back that they would be in armed forces except for doctors. I am glad that they are here today in uniform. And I believe they are the pioneers and brave because [to] bring a change in the society requires boldness and courage. And I believe that in the coming years their induction quota should be increased in armed forces. Earlier we used to ignore women in important positions.

Take an example of State Bank Governor. We examined her and found out that she is very talented and the right person to be on that designation. Then Major General Shahida Malik and this trend would continue in the future. Now I would like to talk about economic empowerment of women. We have to economically empower the poor so that the women of rural areas have confidence and can stand on their feet. We are doing a lot in this scenario. We have started micro-credit programs, e.g., First Women Bank, Khushhali Bank, Zarai Taraqati Bank, all have been ordered that women should be given loans. Next is Food Support Program, "Guzara Allowance", Rozgar Pakistan Scheme. National Bank is specially advised to give loans from Rs. 15,000 to 100,000 on reduced interest rate. Women are encouraged to open PCOs. They can open a PCO with a mobile phone and earn money. You might have seen that in Bangladesh, Dr. Grahman introduced this scheme and women there are running PCOs. I would like to encourage all the rural women to come forward and set up their own businesses and we would provide them facilities.

We are also setting up technical schools where vocational training would be given. Special attention would be given to vocational training of women. Army Corps Headquarter took the initiative and opened technical school in Lahore. They have courses for ladies such as beautician, stitching and knitting etc. Those who have learned the skills and graduated are now running their own businesses with Rs. 15,000-20,000 kit provided by the institute. They would progress with their self determination or motivation. So this is a step forward. We are also especially encouraging education of women so they can compete with men and I can proudly say that women are doing better than men. I am glad that wherever I went, on youth conventions or convocations, and distributed medals, the majority is women.

This is all because of Allah's blessing and your own hard work. I would say that many ministers, MNAs and Senators are present here on this occasion. I would advice you to go forward, awake and bring awareness in women, spread education and improve their health. This is a way forward that we have provided you support and we would continue supporting you. But in the ultimate analysis you have to bring yourself

to rise above and organize yourself. How would you reach to the top? Starting from education, skill development and health and these three factors would build your capacity. When you would have more capabilities than men, you would be able to demand more opportunities or quota. Why is it that in the political scenario why there are 33 at the union council and 17% quota at the national assembly? This can be increased in my point of view. In future it should be increased depending upon your struggle. Your share in the country's progress should be 50% I would request all the women at the upfront to help the women in rural areas.

Lastly, my request to you all is that there has been extremism and terrorism in Pakistan. We have to face this. I or the Government, police or army cannot do it alone because it is people's mental state. So, I would appeal women to stop all those men who are connected to you i.e. your relatives from the path of extremism. I want to quote you two examples which are in front of you: a lady Minister Zillah-e-Huma was murdered. This is not what Islam preaches and we do not want to go on this path. The second example I would give is that two weeks back a father sent a letter to me requesting to bring back his school going son as he had joined some Jehade organization. This is not Jihad. Jihad is a defensive concept i.e. when you have threat then one should go on Jihad. If this was the concept of Islam then it wouldn't have flourished in the world. This is not what Islam preaches. Islam believes in unity and oneness. I would want to say stop those men and even women who are ready for Jihad. This path is not in favor of Pakistan. We cannot succeed if our basic integrity is shaken. I would request all womenfolk to help and support the Government. I am glad and thankful to all those who have organized this program.

May Allah bless you all. I wish you good health, success, happiness and contentment in life. Pakistan Paindabad.

8 March 2007

[http://www.presidentofpakistan.gov.pk/FilesSpeeches/SpecialDays/3102007125634AMAdrsslWomenDay\\_8Mar07.pdf](http://www.presidentofpakistan.gov.pk/FilesSpeeches/SpecialDays/3102007125634AMAdrsslWomenDay_8Mar07.pdf)

## DOCUMENT 11

### **PRESIDENT'S ADDRESS AT OPENING CEREMONY OF NATIONAL INTERNSHIP PROGRAM**

It is indeed a pleasure to be here on this occasion of National Internship program. So many interns would get jobs with salary of Rs. 10,000 monthly for one year. I would be handing over certificates to you, once this was a dream and now today it is a reality. This institute is providing a foundation to you for building and improve yourselves, to develop potentials within yourselves and then look for jobs outside.

I am very glad to be a part of this wonderful program, and I am glad that the people who have applied, most of them have used the internet facility. Now I want to digress a little that this internet facility was available because in 2001 we analyzed IT infrastructure and why are we lagging behind in IT? Then we planned to improve it. In those days only 39 cities of Pakistan had the internet connectivity. Today, alhumdulillah, more than 2,000 cities and towns have internet facility. Earlier there were only 40-50 cities having fiber optic's connectivity. But today that too has been

available in 1,500 cities. It makes me feel proud that the nation is moving forward into the modern world of IT and telecommunication.

Secondly I am glad that 38% of the interns are women or girls. This is very encouraging and very good, because according to one policy of this Government we are focusing on the empowerment of women. Unless we empower the women the problems that we face in our national development cannot be overcome. And in empowerment of women we have gone for political empowerment and we are also going for economic empowerment i.e. women should be standing on their own feet and earning money and should not be dependent on others. I think that is extremely important. And today in educational field women are competing and performing far better than men. I would like to congratulate everyone that 20,000 candidates are taken as interns for employment. They come from all over Pakistan because every province of Pakistan is equivalent. In fact where there is backwardness there we should provide more assistance and benefits. That is the Government's policy and we would continue this.

Now coming to what are we aiming through this program? First of all, we are aiming for poverty elimination and reducing unemployment. Our economy is progressing. This program is going to cost money but then why not spend on you since we have the money. When in 2000 I came on the scene I could not introduce this scheme because we were financially dependent on others. Today we have the finances to continue with such projects. I personally feel that because of unemployment extremism and terrorism spreads, because when a person does not have job, money or education so then he is a target for extremism and terrorism. So in my opinion to eliminate the root of extremism it would be through poverty elimination and education. So therefore this is in line according to our overall strategy. Now the question arises to identify where is poverty and unemployment? So I keep saying that it is in our rural areas and secondly there is unemployment in the cities which is of two types: i.e. uneducated unemployed and educated unemployed. So we have to cater for all. Now how to go about it? I would like to inform you the Government policy that depending upon our economy there would be foreign investment in Pakistan, industries would be setup and there would be new jobs available.

Now Government jobs are not sufficient to cater for millions of young generation. So therefore when we would be industrializing and economy would grow, we would be concentrating on agriculture sector in villages then agro-based industry, dairy product industry, there would be job creation and income generation. And in cities uneducated unemployed for them there would be employment for both skilled and unskilled labour. Moreover, educated unemployed are you people for you job creation is through this scheme, you will be getting the initial boost. And then if our economy is going well and there is corporate world expansion in the private sector that is happening in IT, telecom, building and construction masses is sector, hotels then there would be more opportunities. You have to utilize this one year job opportunity to improve yourself, learn, gain experience and then look out for better jobs and then maybe prepare yourselves for civil services' examination and get selected for service in the public sector or Government sector, or go in the corporate world where you would get more facilities and try to get into that. In my opinion, human interaction is one of the most important aspects and 50% of success in life is human

interaction. There is human interaction on three levels: i.e. dealing with your subordinates, then dealing with your peers, and then with your superiors. One who learns this and is good at all three levels is successful. If one is dealing with his subordinates, he should not be a dictator, he should have compassion, have feelings for the subordinate. When he is dealing with his senior he shouldn't be a pain in the neck for the seniors, in fact it should be smooth dealing. So gain this experience in this job when you would come in the Government service, you would have to deal with your subordinates you must learn the method of dealing with them, so that you are equipped to face the world in a better way.

Having said that, I would like to say that we must help in developing their qualities. This should not happen that these interns come to the office and sit without work. I would very strongly recommend that within the organization set this responsibility of the best performer to groom, train the interns, look after and make them better people, and bring out the inherent potential or develop their urge to succeed. Give them work and test them. Then I would like to comment on technical education and skill development. Our Government's policy is through national technical and vocational education NAFDEC to open school all over Pakistan and a lot of effort is being put in skill development. Education should be diversified. Secondly, the Government has more responsibilities i.e. to generate business and accordingly we have launched Rozgar Scheme which is facilitation for you to setup a business e.g. a women who wants to open PCO in a village, she can get a mobile phone and get a loan for that mobile phone from National Bank and with less interest rate. If a person wants to have rickshaw three-wheelers you can get 1 lac loan. I am glad that about 4,000 youngsters all over Pakistan have taken these loans. I would like to encourage you all to come forward, get loans and setup your own businesses.

The Utility Stores have been ordered to open mobile utility stores in thousands so that they are available in rural areas and at the common man should get essential items at subsidized rate. You can get the loan from National Bank and become an extension of Utility Store. These are some of the plans or schemes. And I know that with time more people would be incorporated. We would give you grounding.

I would also like to take this opportunity to address the private sector. I think there is tremendous scope that you should also launch similar kind of scheme like national internship in your perspective areas. That will help in job creation. I would strongly urge those corporations which are going very well should return some to Pakistan. If the Government and all corporations induct interns, give some people interns, train and give them into jobs then this would be very beneficial and there would be true poverty elimination and reduction in unemployment. So I hope the private sector would come forward in generating employment.

The last element is extremism and terrorism, and would like to say that we are going through a time where there are certain elements from within us spreading the air that Islam is in danger and I say to them all that this is an Islamic Republic of Pakistan. This country is created for the Muslim although minorities also have rights. Here any law against Islam cannot be passed. The point arises that there is only one Islam but people have its different interpretation. So, we should not be intolerant towards interpretations. Then we have different sects and fighting with one another. This is not what Islam teaches us, because of this there is a gap in our society and as



you can see a lady minister was killed. This should stop and eradicated from our society.

In the end I would like to congratulate Prime Minister and his team, Mr. Waqar, Mr. Tariq who have struggled hard and in a very short time have conceptualized this idea and executed it. This is a batch of 2005-2006 and this program would continue every year for the next 16 year. Thank you very much.

Pakistan Paindabad!

14 March 2007

[http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/315200713332AMAdrss\\_NI](http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/315200713332AMAdrss_NI)  
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## DOCUMENT 12

### PRESIDENT'S ADDRESS AT THE INAUGURATION OF NESTLÉ MILK PROCESSING PLANT

Governor Punjab General Khalid Maqbool, Chief Minister Punjab Pervez Elahi, Federal Minister for Industries Jahangir Khan Tareen, Mr. Peter Bebek, CEO and Chairman of Nestlé, all honorable ministers, distinguished guests, ladies and gentlemen. It is my proud privilege to be here for the inauguration of Nestlé's Milk Processing Plant. I was told that this is the largest plant in Asia and the largest collection center in the world.

I would like to congratulate the management of Nestlé for trusting and investing in Pakistan and this way they are contributing towards poverty alleviation. Nestlé is already a well-known brand name everywhere in Pakistan and now they are expanding even more in dairy. We congratulate you for your excellent performance in Pakistan.

Ladies and gentlemen, we all know that Pakistan has an agro-based economy and it is our backbone. Therefore, we have to mainly concentrate on agriculture and on livestock for poverty alleviation and job creation leading to the growth of our economy. The area of dairy happens to be one of the important areas to address the issues in rural areas of Pakistan. When I went to Australia and New Zealand I specially visited their dairy farms and noticed that there was a huge difference between their environment and ours. They were holding farms of 500 or even more cattle. We have one or two cows or buffaloes in every household, one or two of them. So our potential is distributed in every household. This certainly needed a different strategy than Australia, New Zealand or any other country could have followed because they have larger holdings of cattle. We needed to adapt our dairy requirements according to our own environment. They say, Pakistan is fourth largest milk producer in the world. We also happen to be having I think excellent quality fruits and vegetable in the world. But it is our misfortune that we have ignored value-addition and resultantly do not have production of milk, cheese and butter in exportable quantities. We do not do food and fruit processing either. I think now the Government policy is very clear. With our economic revival we need to address issues of poverty alleviation and job creation. Also we need to do value-addition in order to sustain the growing economy of Pakistan.

Government is taking several new initiatives. Talking of livestock only, we have a new policy which has proved in principle and addresses in broad or legal framework of facilitating livestock. We have also established two private sector-led companies. One is Livestock and Dairy Development Board and the other is Pakistan Dairy Development Company. These two will facilitate and increase the pace of development in livestock and dairy sector. We have also initiated micro credit schemes to provide loans to small farmers. As I said earlier we had to adapt our system. In this respect, we distributed potential of Pakistan's dairy. We needed a proper system from collecting milk from the doorsteps of individuals and bring it to chillers at some central points. This is where Nestlé has led the way. I know many other companies have joined Nestlé and they are also doing well. There is a network of thousands of chillers especially around Punjab and it also is developing around Sindh. We are trying to expand this network of chillers to other provinces of Pakistan as well. The chillers are not costly because now they are being produced in Pakistan and available in different sizes. This industry would flourish and common man can contribute towards its expansion. I would recommend you, brothers and sisters, to avail loan facilities and setup chillers.

The average milk production of cows in Pakistan is 5 liters whereas in European countries it is 50 liters. If you improve on this production to even 15 liters, you can earn 3-4 times more. It is easy and that is why we are encouraging "Embryo Transfer Technology" and "Artificial Insemination." You should understand that you have to improve your cattle's breed. It is more profitable because with Artificial Insemination you would get better quality cow breed at a cost of Rs. 30 only and with healthier cows you would get more meat i.e. double advantage. We are trying to spread this network all over Pakistan. It is speedily increasing in Punjab. Spread this word to everybody. This is a way forward. Unless we stop our old practices and accept new ideas, we would not be able to achieve success.

In Okara when I inaugurated Embryo Transfer Center, I observed that there is automatic water distribution as compared to milkmen who have water buckets often dirty and have mosses. This negatively effects cow's milk production. In the center they have a simple technique, taps are set and the cows drinks fresh from them. All this needs to be learned. I am glad that Nestlé in collaboration with UNDP is starting training of lady workers. These trained lady workers would visit rural areas and teach the women there methods of how to look after their cows so that their production increases, their weight is more and when you sell them you would get more money. These are the strategies that we have to follow. We have to incorporate new ideas so that we do not lag behind. Our 60% population is in the rural areas and this is my message to all of them.

Ladies and gentlemen, it is my privilege to be here as this project is in line with Government policies and strategy for poverty alleviation and helping poor in the rural areas of Pakistan. I will end by thanking Nestlé for coming in a bigger way, for trying to educate and help reduce poverty in Pakistan and thus in the world. This happens to be one of the Millennium goals of US. The developed countries like yours are contributing 0.7% of their GDP towards ODA for poverty eradication and improving the social sector in the world. So by investing here you are directly assisting US program around the world. My gratitude to you is because in doing so through this venture you are assisting towards addressing and striking at the root causes of

extremism and terrorism i.e. poverty and illiteracy. Thank you very much for coming to Pakistan.

16 March 2007

[http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/319200731111AMAdrssNes tleDairy\\_16Mar07.pdf](http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/319200731111AMAdrssNes tleDairy_16Mar07.pdf)

## DOCUMENT 13

### PRESIDENT GENERAL PERVEZ MUSHARRAF'S INTERVIEW WITH AAJ KAMRAN KHAN KAY SAATH

**Host:** Assalam-o-Alaikum Sir and welcome to the show.

**President:** Thank you very much.

**Host:** **Mr. President starting from March 9th onwards, we have seen unprecedented scenes. When the Government was taking actions, did it consider that the fallouts would be so unprecedented or such a situation would emerge?**

**President:** Honestly, the fallout was more than expected. But at the same time I would say some of it is exaggerated. Actually the fallout was lesser than that portrayed on the media.

**Host:** **When Chief Justice Iftikhar Muhammad Chaudhry was removed from his designation it came as a surprise. The nation was stunned. How long has this situation been happening and it also appears that the Government has taken such a decision in haste?**

**President:** No, it was not a hasty decision. Proper legal norms were followed. There were many complaints about Chief Justice, this was also in the newspapers. But this is a very serious issue in which confidentiality had to be kept.

**Host:** **Yes Sir, there were complains and his son's case was raised in the newspapers. There were protocol related and other issues. But other than this he was also taking interest in missing person's case and cases which were appreciated in media. There is a perception that these cases formed the basis of allegations against him when the Government took action?**

**President:** No, absolutely wrong. There was no such thing. If he is taking public cases I salute him. But cases of missing persons I myself was worried about it because in the world it's being criticized. I was worried more because earlier there used to be the agenda of political victimization but this is not the case with our Government. We were concerned too and as I said in speeches I tried to trace out and can say with full authentication and confidence that this vast majority has disappeared themselves and have left their parents. Where are they I don't know. And you should ask the organizations who consider themselves as owners of Islam and distract them towards suicide bombing in the name of Jihad. These people have gone there. I know this because I have seen many suicide bomber's films and they are confessing and sending messages to their parents not to get worried about them. A child who was studying in

school was lost and his father wrote a letter to me. We found him, alhumdulillah. He was also kidnapped by an Islamic organization.

So try to understand this environment and our Government. I am not in favor of this kind of activity that people should be arrested or picked up. I will be the last man to encourage this kind of victimization of individuals. Whatever the cause, this is not being done. But provoking on Jihad or suicide bombing is happening in our society. I am stressing in my speeches to stop these people and look after you children. I myself am worried if Chief Justice is looking into such cases and can help out. By all means he should.

**Host: Mr. President when you filed judicial reference against Chief Justice, Article 209, where the President is duty bound to file a reference. But the problem arose when immediately after the reference the pictures in the media were that Chief Justice is sitting in your army house and you are in the uniform of Chief of Army Staff and in those pictures it seems that you are telling him the charges against him and CJ stays in your office for many hours during which there is swearing in ceremony of acting Chief Justice took place as well and then he goes back to his house. First of all taking the nation into confidence please tell the details of these five hours because this is the biggest criticism.**

**President:** Yes I know that the nation has some misperceptions and there is some lack of information. First of all, I would like to give its background and that some three weeks back Chief Justice and his wife called on me in the Presidency and he has called on me several times and I have met him socially. So, this time he came and showed concerned that there are rumors against him in the media and he sought my assistance. I said I would get this investigated. These issues against him continued coming up and in Prime Minister Secretariat reference started. Now on the last day, Chief Justice called my Military Secretary and asked to meet the President.

I think it was Friday and he said that his judicial proceedings finish at 11-11:30 am and he requested an appointment, I agreed to it. So, first of all, he came on his own request. Now where have I met and why was I in uniform? I did not meet him in Army House, it was President's Camp Office and Friday is my working day. President Zia, Mr. Bhutto every President used to sit there when Presidency was not established. Now why was I in uniform? I am mostly in uniform there or sometimes wear suit.

**Host: You did not wear uniform because Chief Justice was to come on that day.**

**President:** Not at all. Now let me get to the details of the quoted five hours. First of all I asked him about why he wanted to meet me? He said that a Justice of Peshawar who wrote a letter against had given allegation against him and suggested that Chief Justice should be taken a trial in Supreme Judicial Council otherwise he would resign. I said Mr. Iftikhar there is a reference against you I had to discuss with him whether it was justified too or not. I told him everything and in the meanwhile also called Prime Minister because the reference was from the Prime Minister. I told him the references one by one and wanted an explanation to judge is it worthwhile to send to the Supreme Juridical Council? Even though we had personal relations but I am a strong believer and am the President of Pakistan and he is the Chief Justice of Pakistan. There is reference against him and it is an official act. We cannot be anchored; this is

far above personal relations. I have responsibility to the nation. There are legal responsibilities and I am duty bound to analyze and take some action. So, I thought this is one sided, I must ask the person concerned. This whole question and answer process took I think some two hours. And around 2:00 pm Prime Minister and I went to offer Juma prayers. But I gave him the file of evidences of every charge.

I had to go to Karachi and went to Karachi because I had already got late by half an hour. Chief Justice kept sitting with the staff studying that reference and its evidence. It might have taken the rest of time. A very serious position man is being accused and I did my best to find out. I took decision on my honest conscious in national interest, legal interest and followed the legal norms and handed over to Supreme Judicial Council.

**Host: You gave way out to Chief Justice when you gave this reference or charges with its evidence. Did you inform him that you would then be sending the case to the Supreme Judiciary Council?**

**President:** Yes I did tell him. What was the way out? It is their decision I cannot say anything to them. He is a Chief Justice, he should know himself. If he wants to resign or contest the case and he decided to contest the case. That is his choice.

**Host: At that point he had the option either to contest or to resign?**

**President:** That was his option. I was not discussing this with him.

**Host: Mr. President then there was his restraining order and acting Chief Justice was appointed by the Government. Restraining orders are widely challenged and it is said across the board that it was probably not legal or lawful. Why were those restraining orders given?**

**President:** I am not a legal man. I am a soldier. I do not know about law. Obviously I act on legal advice and it said that I have the power and authority. Therefore, I issued restrain. But having said that let me say that it was validated when Supreme Judicial Council gave confirmation to the restraining orders.

**Host: We are having dialogue with constitutional experts and they are not negating the Article 209 reference but the leaders of constitutional experts and leaders of the nation are objecting on the departure of Chief Justice from your residence till his own residence and then restricting his movement, stopping his telephone and his interaction with other people, restrictions on his children going out. These are the things which became apparent and shocked the nation. How did this happen?**

**President:** Yes, I would like to tell that where he was living, we had a concern that there is no media trail out of this. And there is no politicization of this, plus a security aspect of that area. Other than this as far as I am concerned, I don't deal with tactics or its implementation. So if there are restrictions at that level is bad. But then we realized and then took action when this all came in front of me then I even got involved in the tactics of it. And then I corrected the situation.

**Host: So today when there is no security on his residence and people are coming like a normal situation. So this is because of your direct involvement and orders?**

**President:** Frankly, yes I got involved because I noticed that these issues are creating misconceptions and leading confusions. Like I said I believe in freedom of speech and freedom of the media. There should be no restrictions. So I got concerned about what is happening. So I said allow him to move freely and meet anybody or say anything. And because of that I am glad that actions have been taken on ground.

**Host: Mr. President on Friday you told the Chief Justice the reference with its evidence. But this is a tipping point where things went wrong and then onwards we saw what happened. But this complaint occurred or this process started you and Prime Minister got uncomfortable that what is happening. So was there any effort to inform the Chief Justice that there are complaints and the judges of High Court, Chief Secretaries, IGs are complaining? So to moderate them obviously there are attempts and did you inform the Chief Justice or had interaction with him?**

**President:** Like I said he visited me three weeks back and he said that there are certain allegations against him. I told him that I being the President have these serious complaints from the Chief Secretaries, IGs etc. and I said to him that other than what is being said you need to see if there is truth in them. I definitely informed him.

**Host: Are the complaints basically from senior police officers?**

**President:** I think this is subjudiced in front of the Supreme Judicial Council, what is in that reference etc. I would not like to go into the details.

**Host: But according to the Government's case there is news that the Government did not have a strong lawyer of national stature to lead the case and the most important legal advisor of the Government Sharif-udin- Perzada he too excused to plead Government's case. What is the truth in this?**

**President:** Yes he is part of the team. Let me tell you his issue as far as I remember many months back I think Sharifuddin Pirzada was the first man who brought a newspaper's cutting and said this is in the newspapers. Secondly, I consulted him on the same case about the reference. So his views were taken and he was on board. Now the issue is that why isn't he not on board? Now he is giving some legal answer that his name is referred somewhere. Therefore he cannot be a part of the bench. He has his legal view.

**Host: Another thing which is very important and related to this is that the next serious most judge of the Supreme Court, Justice Rana Bhagwandas he was not present when this action was taken. He was abroad. News that is coming up is that probably he was sent on leave on Government's advice or to distant himself because he could foresee this coming up. And now he is being told to extend his leave or maybe he would not return to join his service. Rana Bhagwandas enjoys very good reputation. Sir why is he out of this scene or is he intentionally outside?**

**President:** It is these types of rumors which are very damaging and I keep saying that intentionally these are made up. Like I said I do not get involved in such wheeling dealing. Justice Bhagwandas leave is sanctioned by the Chief Justice of Pakistan and not by me and this is kept confidential by the way. And I do not know whether he is

here or not. Now when this reference came, its legal situation that is what I am told. Supreme Judicial Council is not created and I have no powers to form it. It is in the law that there are five members in this Council including Chief Justice of Pakistan or the acting Chief Justice, two senior-most Supreme Court Judges and two senior-most judges of the High Court. This is a body which is permanent in existence. Now this reference came against Chief Justice and went to the Supreme Judicial Council. So, obviously he himself cannot be its member. So, senior-most judge takes over as acting Chief Justice. Justice Bhagwandas is not here, the next senior-most is Justice Javaid Iqbal. He was taken under Oath and now he is the acting Chief Justice. Now when this issue rose I asked to check his leave duration and it is till probably March. Nobody is ordering or asking him to come. It is his own will. But I personally would want him to come and assume his responsibilities and if he comes, he must become the acting Chief Justice of Pakistan. That is the law. Now whether he also heads the Supreme Judicial Council is his will. I have got no authority to do or undo. Whatever he decides it is with the Supreme Court, let them take the decision.

**Host: Mr. President after all this happened and there was response from the lawyer's community and they were violent and protested. Overall the lawyers' protest in the country if you see it was very peaceful. They have registered this protest and State authorities have allowed them to do so. But in Islamabad on day one the lawyers were beaten. This was never your Government's image. Did it bother you or investigated why this happened?**

**President:** Yes certainly it bothers me and as far as protest is concerned, let me give you the size and dimension of this protest. Where we are sitting Supreme Court is 150 meters from here. When all this was happening I saw on TV and went to the balcony. I did not see a single man. So you can imagine what the size was. 250-300 people, as you know there were politicians in these 250-300 people, police was also in it and lawyers. How many are lawyers in Rawalpindi/Islamabad? There are 1,500 in Islamabad and 2,500 in Rawalpindi. Also in Lahore they say that 300-400 people were on streets. There are some 17000 lawyers in Lahore. So this is the dimension of the strike. Now beating them, yes this is disturbing to me. The unfortunate reality of this is that there is stoning from one side, police doesn't start that obviously and then when this starts the police has to respond. Although I strongly believe that mob throws stones but police should not throw back stones because they are uniformed people. But there are examples, like a policeman was on the ventilator and I have sent Rs. 1 lac but he may not survive. Now it is natural when your friend or fellow is hit you get worked up too and retaliate. This should not happen but it happens.

**Host: But there were no instructions that they would be beaten.**

**President:** No and if these instructions were given, they are definitely condemnable and are totally wrong whoever has passed it. And since now I am also getting involved in the tactics to investigate what is happening. Police should be given a policy and they execute it. This should never be the policy to beat protestors. It is their right to protest. Nobody should obstruct and they should do it peacefully. As far as Lahore is concerned, I would not like to speak on defense of anything but psychologically the reaction as you know that there was a protest regarding Blasphemous cartoons there was a protest and resulting in the damage of billion of rupees, building, cars were set

ablaze, poor had to face the damages. We have been repaying and compensating them. Now police in Lahore was in tension that similar kind of protest would be happening. I know that lawyers would be peaceful, they are educated and I don't think that they are violent. But the problem arises when general public and the political parties mix up with that protest. According to my information, today the most selling item today is the black coat and black tie of the lawyer. And they are wearing them getting in with the lawyers. Don't you think that this would be a concern of the IG or DIG police that this would be blame on him? So it is the environment where there are tensions from the lawyer's community and the police and this has not come on the media that policemen were also in danger. So this is two-sided. I would request the media to show the other side too. I am not protecting the police.

**Host: Mr. President the whole issue regarding Chief Justice and the reference against him, if you take a bigger picture. Please tell how did this arise, reached peak and what would be the future in the bigger picture you know how this happened?**

**President:** This is a legal issue and decision was taken according to the laws. So strategic handling at the higher level is absolutely A1.

**Host: How would its analysis?**

**President:** The decisions are taken according to the constitution; they are on time and done legally. But then in its tactical handling there are problem areas. First of all, political forces got involved. On day one look at the flags, on the car of Chief Justice there are political flags. This gave a political image. You know the political leaders standing there, shouting and creating fuss because of vested interest. They think that now that this issue should be raised and attempts should be made to destabilize the Government. In my point of view the media got hyped whereas I have told you the magnitude. There has been mishandling of law enforcing agencies in certain areas. The fourth thing is that the Government should have done and that is I think right on the first day there should have been a spokesman who should have come on TV and should have told to the nation A-Z the situation; how it started, developed and handled; and the legal and its constitutional issues. Now frankly I should realize that the nation should be told so that the nation is at ease that this not a cold-start. This is the reality. Now in my opinion I personally think that I am here and giving you the interview and also said something in the address. I think and hope that you would bring a balance in the media. I am not asking anything at all just to support me or the Government. I am asking you to be just and fair. If you are showing police misconduct please also show what the other side is doing? And then let the people decide what is happening. I personally feel that now we have turned the corner and now I request the whole nation and lawyer community and judiciary, first of all I am very confident that the judiciary will do justice. Supreme Judicial Council will do justice. We don't want anything from them other than justice. Now lawyers: don't pressurize the judiciary; don't get involved in the political aspect. This is a judicial case, let the Supreme Judicial Council handle and do not try to destabilize and violate the environment. Political parties: do not take it's advantage and I am warning that the Government will not allow them to take advantage. Law enforcing agencies: my advice restrain, protest is a right. But wherever it goes beyond protest police would have to



act. I hope that people understand. I request the whole nation, lawyers and judiciary. I have confidence in justice and we want justice from Supreme Judicial Council, only justice, and I am sure that they will do that. Lawyers: don't pressurize judiciary, don't get involved in politics, this is a judiciary case, let the judiciary handle it. Don't try to destabilize and – the environment. Political parties should not get advantage of it. I am warning that I won't let you take this advantage. The Government will not allow you to politicize and take advantage of this very judicial and constitutional case. This is the situation. Law enforcement agencies, restrain. Protest is a right and let them protest but wherever it goes beyond the protest and becomes violent then they will have to act. I hope that people understand and don't go beyond protest.

**Host: Mr. President, you have given a lot of freedom to media. It had never been in past. Private TV channels were opened and we enjoyed and relished this freedom. Situation was very good but within this last week coupled with judicial crisis, it seemed that Government is losing its patience. PEMRA instructed to close TV transmission of two channels. This program was also banned. Office of GEO News and the News were attacked by police when it was all peaceful. I feel personally that there is some problem somewhere. You have indicated of conspiracy why are you calling it a conspiracy and how you look at this scenario?**

**President:** I am grateful that you are complementing me for freedom of media. Yes indeed I am a strong believer of democracy, essence of democracy which means freedom of speech and expression. In 2001, there was only one TV Channel which was controlled by Government. Most of the people were against this freedom. I said, no. Those only can be against it, who are hiding something or corrupt, who have done fraud. If we will give freedom to media then the people who want bars and bans on it will be exposed. I did that. I am very glad that you people came in the scenario and job opportunities were created. Even the people, who are related with music, are happy because they have started earning. This is a great revolution. I'll never go back on it. This is the way forward and I'll support it. There are certain responsibilities on which I show concern off and on. Freedom and responsibility comes together. So be responsible and do not make this freedom one sided. Do justice in media and do not use one side for the other to, may be, create some distortions in realities. There were no regulatory authorities in this nation. The credit goes to my Government that we made regulatory authorities like PEMRA, NEPRA and PTA. These are autonomous bodies and are independent. If I'll interfere in their working, their autonomy will shatter down. If they are functioning wrongly then please correct them but do not interfere with them. This is broadly the case. Now if they have stopped anybody then frankly speaking, I am involved in it. Because I have seen that there was lot of disturbance in whole of environment and law and order situation. There will be some balance. I would ask you to not get hyper and also to PEMRA to take balanced steps.

**Host: Mr. President this attack has damaged you and your Government's image so it should be rectified from that side. You also said that there is some conspiracy.**

**President:** We are investigating that too. It is premature to say anything but I know that it is condemnable. I appreciate Durrani for taking immediate step, being bold and

going in center amid high tempers. Good action done. Credit goes to Government. It was insane to raid GEO like this, Inspector in-charge and all who were involved have been suspended. Now people ask me that why officials above him have not been suspended? I have been in Army, it is called zero-error syndrome, if you take action against higher authority for the mistake of lower ones, that person will not take action in future and will remain indifferent.

Don't do that. That inspector is missing, a man in uniform. It is a conspiracy; everything was going well and all of a sudden this started, raid in Islamabad and bomb hoax in Karachi. This calls concern that is why I rang Hamid Mir from Lahore. I thought of looking into the matter, is this a conspiracy against Pakistan? I would not like to say more than that unless I am sure. But certainly whatever happened was very wrong, it created a bad environment. International perceptions were damaged. But let me assure that this is not a conspiracy of Government against media but it is someone else against Government and Pakistan. We are investigating.

**Host: It is a gracious act on your part to apologies from Government side; it was also an unprecedented thing. Do you have a strategy in mind to rebuild the damaged image of Government and Pakistan? Do you feel that massive efforts are required to control all this?**

**President:** Obviously we are taking stock of situation. PM and I, both are involved. We want to diffuse and allow the Supreme Judicial Council to function honorably and take a just decision. We are doing it.

**Host: Mr. President it is being said that you may have to declare emergency and elections may postpone. Your important coalition partner has said that if there will [be] some bad situation in reference to Iran then elections will have to postpone. All this is creating uncertainty. Aren't you comfortable with the idea of elections?**

**President:** Elections will be held in time. This is my assurance. Emergency: Army will never be used, this is not their job, they are doing their training, and there is no emergency situation. Iran's fallout should not happen. We are against it. If fall out happens, we have carried out our studies to protect ourselves from any negative fallout. We will go for elections when five year tenure of assemblies will be completed. This is I am firmly resolved to do that and I will do it.

**Host: Sir, according to public opinion, although you are not saying, but man on street has the opinion that you will continue as COAS in foreseeable future.**

**President:** I'll not comment on it. I just say that I'll not violate the constitution. You can consult constitution to know that till which time it allows me to remain in office. Now beyond that I won't comment; it has many implications. It is enough to know for the nation that we will follow the constitution. At international level people should know that Pakistan's democracy is not British or American democracy. We have our own constitution which we'll follow. This is what every Pakistani must believe and say. And that is what I am saying. There would be some political implications of this issue so I'll not comment on it.

**Host:** Interesting developments are taking place in political scenario of country. Your Government is being pressurized especially in last ten days. But PPP is at a distance from the anti-Government and anti-Musharraf activities especially Benazir Bhutto. Firstly, she refused to attend APC, this issue continued for three months but she maintained her stand. She did not show the aggressiveness which was being expected from her. She wrote an article in Washington Post the day judicial crisis started but she did not commented on this crisis. It is very clear that she is distancing herself from anti-Government activities. Are you ready to reciprocate?

**President:** This is election year and there is fallout of every political action. These issues are very complex and serious. The scenario after election 2007 is very important for the future of Pakistan. Pakistan is faced today with multifaceted external and internal issues today. So moderate forces must defeat extremist forces in this election or we won't have a bright future. These elections would be transparent and fair. This is my belief. As regards the current situation, all parties will contest and they will contest as they are now. More than that, I can not say anything.

**Host:** This is the first time that you have not said that Nawaz Sharif and Benazir will have no role in elections.

**President:** No, Nawaz Sharif is abroad. All legal aspects will be kept in view. If he wants to contest in elections legally, I have to check up. I will not violate any law.

**Host:** Mr. President, you have talked about multi-faceted issues which Pakistan is facing, before that US has pressurized Pakistan in many ways, their media and newly Democrat dominated Congress has pressurized. The important thing is that key place holders of American establishment have never commented like this before, a statement from DG of their intelligence about the border situation, arrival of Robert Gates and Dick Cheney in Pakistan are examples of it. It has also been said that President Bush has sent a threatening message to President Musharraf through Dick Cheney. Can you tell that what that message was and what was your reply?

**President:** There was no such message and if it had been then I too can retort back. You are correct in saying that there was negative fallout about Pakistan in international perception. These negative fallouts are given by those who do not realize realities. Our job is, if we work our faults, we have conviction in the reality of the environment. I have been saying that first step is to understand the environment correctly. If you make mistake in this thing, your strategy will be wrong, your implementation tactics will be wrong and you will be failed and defeated. I think wrongly understood environment and difference of opinion in some circles of US and foreign media; it does not mean that we should buckle. I have rationale and I am very sure about environment. We are in touch with environment; none of them is as much in touch of environment as I am, as much as our intelligence organizations and military. We are very clear of the environment and I have a conviction that they will also understand of the environment. All of them have come here on fact finding mission. As everybody was saying, that Pakistan is not doing enough. Nothing will be allowed to take place against Pakistan. We will not allow any foreign agency to attack and bomb our area. We are the only country who has analyzed the environment and has drawn a complete

strategy. There can be some misunderstanding in tactical environment. War is going on and it can not be understood from drawing room. We have to adjust things. I don't want to go in details but I want to tell you broadly that environment is very clear, crystal clear. There are two opposing forces in Afghanistan not in Pakistan, i.e. Afghan Government forces & coalition force vs. Taliban with ALQ. But there is support from our side, this is the environment but if anyone presumes this environment Afghanistan vs. Pakistan then it is totally wrong. I tell the people who come here that if you are taking situation in this perspective then your strategy should be very simple, bring the forces on border from both sides. There was a theory presented by Mao that fish can not exist in dirty water. It means that in guerilla war you can not survive until and unless people are with you. I am also a trained man. You can take action only if you have public support. So this is a good strategy. But I may tell you that don't ever do that. Because these armed people will kill you. So all of them came on fact finding missions and I have told them none of them challenges this theory of mine.

**Host: Do they convey this thing to others?**

**President:** Yes, our soldiers have been killed and when we control border they object on it too. They do not give any solution of their own. What kind of attitude is this? Why Pakistan is being blamed. We are the only one who is taking actions. Our society is being spoiled. They people come here for recruitment. Bush also knows the name of those people who are fighting against them. All of them are Afghani. Then what is the issue. They are spoiling our society and we are being blamed too. All of these are misperceptions which are being told to International media. I don't care what the international media says; I do bother if there is some reality. I prefer to change the attitude and I'll change their attitude because we are saying the right thing. I am glad that their commander, General David Richard, has verified our statements and actions. British forces are also accepting this reality. This reality has also been mentioned in the UN's report published in September last year. Afghanistan is divided into five commands of Talibans. Who are those people? They are the same who governed Afghanistan for six years. Who were those Talibans? They were not Pakistani, they belonged to Afghanistan. Same people are fighting. So to put the entire blame on Pakistan is a folly. You people should understand the environment. I can give briefing, military briefing to all of you. I won't say that nothing is happening here. ALQ is in our mountains. We are taking actions against it. Our strategies are working fine, situation is turning around. People are helping us. We guarantee to stop the support from this side of border. But fight in Afghanistan will not end because the fight is there. You have to win the battle that is going there. I can only support you in stopping the support. This is the reality and all of them understand it. The Western media better understand this reality.

**Host: Mr. President, is your message being conveyed to Western capitals? EU has a discriminatory attitude towards Pakistan. It is really a hurting thing that they have closed PIA's flights. They have imposed new bans on our fisheries products. We have serious issues regarding our textile exports. At what level we are taking up these issues and to which extent our diplomacy is successful?**

**President:** Yes, we are doing it. We are trying our best, interacting with European Union. We should not be worried by the visits of delegations. They do not come here

to pressurize me; they come here for fact finding. I welcome their visits as we can convert views of more and more people. I am holding a media interaction, inviting media from all over the world. I'll face them alone. I'll try to modify their views.

**Host: Will you share your feelings about defeat in cricket from at the hands of Ireland. The coach has died of stress.**

**President:** I am cricket lover. This is first time that I am not watching cricket. Bob Woolmer was a very good man. He was a genuinely committed man. I must say that this team has not performed well and we need to review. We will have to take some action and I am sure chairman PCB will take some action. But the nation is utterly dejected and disappointed and so am I.

19 March 07

[http://www.presidentofpakistan.gov.pk/FilesPressRoom/Interviews/321200731501AMIntrKamranK\\_KaySath\\_19Mar07.pdf](http://www.presidentofpakistan.gov.pk/FilesPressRoom/Interviews/321200731501AMIntrKamranK_KaySath_19Mar07.pdf)

## DOCUMENT 14

### PRESIDENT MUSHARRAF'S ADDRESS AT THE INAUGURATION OF GWADAR DEEP SEAPORT

Prime Minister Shaukat Aziz, Minister for Port and Shipping Babar Ghori, Governor Balochistan Awais Ghani, Chief Minister Balochistan Jaam Yousuf, Federal Ministers, Nazim, brothers and sisters. I am thankful to you all for gathering here; especially my sisters who have come from far flung areas, looking at your strength I think it is an example for Pakistan and Gwadar city is indeed progressing. On this occasion, I want to welcome our honorable guest, Chinese Minister for Communication, in Gwadar Mr. Li Shen. It is the friendship between China and Pakistan that has made this dream of Gwadar Port a reality. We thank China and its Minister who has come all the way to grace this historic occasion. I am very glad to be standing at a place where 5-6 years back there was nothing except for sand and dust, no roads or buildings etc. However, today we see progress - infrastructure is being built, there are roads, buildings, power supply and a hotel has also been constructed which is equivalent to other hotels in Islamabad, Karachi or Lahore. I am proud because six years back we conceptualized improving Gwadar and first of all constructed Makran Coastal Highway costing Rs. 12-13 billion. It is for the local of Makran so that you progress and prosper. I visited Ormara, Pasni and I know that earlier most of the fish used to be wasted but now it is sold in Karachi 10 times more than its previous price. Today, you have prospered because of this Coast Highway. Moreover, we planned that if Balochistan is to be developed apart from roads we have to build seaport.

And by the grace of God today we have the Gwadar Seaport. This is not the end; it is the beginning towards progress and prosperity. This highway would lead you to Jiwani and end at Garatk. Gwadar would be a trade corridor to Central Asia, China and Turkmenistan. This seaport would be of prime importance in the future InshaAllah. Some elements here are reluctant and misguide that foreigners would confiscate the land from locals and pressurize them. My brothers and sisters nations who are not afraid of outsiders succeed. But those who resist investors remain

backward and poor. Do not be afraid, seek education; improve your skills and help in the developmental projects. Nobody can snub you, you are natives of this land and I am with you. We want to take you on the path of success. This is my promise and you will see the improvements in your standard of living. I want to announce that this year InshaAllah Pakistan's fourth and Balochistan's second seaport would be developed in the area of Sonmiani and its ground-work would start this year. I congratulate people of Gwadar, Makran, Balochistan and Pakistan on this historical occasion. I want to pay homage to my Chinese brothers for assisting us in this project. I also congratulate Singapore Port Authorities (PSA). Gwadar seaport would be an industrial and energy hub in the whole region InshaAllah. This would benefit you all.

Our Government is focusing on the developmental projects of Balochistan. Rs. 100 millions has been allocated for every District in Balochistan and Rs. 10 millions for every Tehsil in Balochistan. I was briefed about the basic necessities for the progress of this area and came to know that for the purpose of education Marine College would be established by the Government for the education of your children. Also for health, fuel system I announce Rs. 10 million. Moreover, I announce Rs. 50 millions for the development of rural areas. Then for the fishermen of this area, I advise Chief Minister that there should be a fishermen colony where health, education and other facilities are provided. This would be jointly financed by the Government of Balochistan and Prime Minister.

My brothers and sisters you are using old-fashioned fishing methods. Learn new techniques so that you get more money. For this we would open a Fishery Training Center. Pakistan's economy is improving. Although we have allocated funds for Gwadar but if more funds are required Government would be financing you and fulfilling your demands. Pakistan is progressing and I want to show you a proper direction. First of all, there is no doubt that Balochistan is part of Pakistan and no one can divide this Province. When you go abroad your identity is Pakistani. Balochistan had been underdeveloped, there was poverty and unfortunately in the past 50 years there has been no major developmental work. I am proud that our Government realized to improve Balochistan's condition. The projects that this Government has in pipeline are building road infrastructure, airport and railway. Another major highway would be complete in 2½ years InshaAllah. This highway would be connecting Gwadar to Turbat, Khuzdar, and Ratodero. It is 950 kilometer long highway linking to other cities of Pakistan. Another road would be linking Quetta to Zhob, D.I.Khan, Loralai and D.G.Khan so that Balochistan is connected to Punjab and NWFP. Then from Sibi to Kohlu would be another road. For the past 30 years Government has been trying to construct this road but some elements kept obstructing. I promise we would finish this project in 1-1 ½ year. We would be constructing a new airport with the help of our Chinese brothers. We have started a study i.e. from Gwadar to Lal Qandahar railway line. So, we would be building a network of railway lines in Balochistan similar to other provinces in five to six years InshaAllah. Another important element is water and it is very essential for the crops and irrigation. As you know Mirani Dam is already constructed. It is for you. And 35,000 acre land would, InshaAllah, be irrigated. Also Subakzai Dam would also be ready for Balochistan in a few months. Also Bolan Dam and Nolang Dam are being constructed. Also Kachi canal is being constructed and it would irrigate 7 lakh acres of land InshaAllah. We are also cementing water tanks and water courses in the whole Pakistan. I am happy to

announce that some Rs. 5 billion have been spent to cement your water tank or water courses and it would be complete in 2 years.

We are spreading electricity and gas connections to all the rural areas. At one time it was complained that gas which is Balochistan's due right is distributed to other Provinces. It is our Government which has provided gas to Kalat, Ziarat, and from Gadoon to Quetta and Hanna, we are in the process of providing gas facility.

These were the developmental projects on which Rs. 130 billion are being invested and it is the biggest budget as compared to other Provinces. The Government is making huge investments in the Balochistan Province to improve its conditions. My sisters sitting here, we can give you these developmental projects but you have to go forward and work hard. We are opening eight cadet colleges in Balochistan so that your children get education. We have opened sub-campus of Balochistan University in Gwadar, Turbat and Sibi. The Government would give 1,000 scholarships to the students in the best technical schools and colleges, till Balochistan has its standard of education equivalent to the rest of the Provinces. For imparting technical skills we have given instructions to Governmental organization like POF, HIT, HMC, PAC Kamra, SUPARCO and they would train and hire more than 2,000 people from Balochistan. I instructed 4 Corps Commander to open a technical school and he has opened a technical school in Quetta where some 300 students are getting six moth's courses and get jobs. The Government has planned a scheme i.e. any graduate would get jobs of Rs. 10,000 monthly without any interview or test. And 20-30,000 people would get these jobs.

Because of destruction the coal system Chamlay Mines were closed because of strikes and 50 people were murdered because of fights. Now the Government, Chief Minister, Governor and Army have brought peace and today the system is working properly and the coal mines would generate a revue of worth Rs. 30 billion. This is for your progress and Marble City is also being developed for you. And many projects are in pipeline for your progress and development.

My brothers and sisters what else do you want? Was this done by the previous Governments? We are working honestly and who are disrupting in the developmental projects? These who are creating hindrances have their self interests and want to see you underdeveloped. If you are with me, we can deal with such people who create disturbances. We are not afraid and are ready to face the challenge. The extremist elements should realize, surrender their weapons and stop creating hurdles in the progress of Balochistan. Otherwise they would be wiped out of this area or strict actions would be taken against them?

In the end, I want to, would want to comment on the current issue of judiciary. It is a legal case and would be solved by the judiciary. Some elements are giving it a political image. We would not allow this political conspiracy or scheme? The general public is with us and I have firm believe whosoever is making these plots, we would eradicate them with the power of the general public.

Lastly, this is a year of elections. I just want to say to you that if you think this Government is working for your progress, cast your vote to the same people i.e. your Nazim, MNAs etc. and then your developmental process would continue and they are my supporters. I also want to tell to my sisters that I would distribute 2,000 sewing machines to my sisters for you facility.

I am thankful and congratulate you. I pray that may God bless Makran, Gwadar and you all with progress and prosperity. When Balochistan would progress it would take Pakistan in a forward direction.  
Balochistan Zindabad. Pakistan Paindabad.

20 March 2007

<http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/324200742225AMPreGwadar20Mar07.pdf>

## DOCUMENT 15

### **PRESIDENT MUSHARRAF'S ADDRESS AT THE OPENING CEREMONY OF JF-17 THUNDER**

Excellencies, distinguished guests, ladies and gentlemen: It is indeed a proud privilege for me to be with you on this historic occasion of induction or arrival of JF-17 Thunder in Pakistan. This is indeed a landmark for Pakistan Air Force. It marks a big leap in self-reliance; a strategy that we have been following over the last decade.

Before I say anything, I want to appreciate the role of China - our great friend. The Chinese have played a crucial role in providing invaluable support towards the production of JF-17 and this will give value to both the Chinese and Pakistan Air Force. I recall my personal association with this project. I would like to pay homage to Air Chief Marshal Mussaf Ali Mir who reinvigorated this program when it was in trouble waters and also to Air Chief Marshal Kaleem Saadat for having pursued and continued with the program with equal amount of vigor. I would like to express total satisfaction with the achievements of Air Force and Chinese counterpart for meeting the deadline of having JF-17 Thunder in the skies of Pakistan. I see Pakistan Air Force as I knew it in 1965. Being part of the First Armored Division, during the War we were to cross "Ruhi Nala" in Kasur Khemkaran Sector and our tank across the bridge got derailed. Thus, the whole Armored Division got blocked and could not cross Ruhi Nullah. This was all happening at night and daylight set-in. I was a young second lieutenant. Our whole Armored Division with all its tanks, vehicles and equipment was absolutely in the open. We thought as daylight breaks Indian Air Force would soon attack us. But it was this Pakistan Air Force with its Saber Jets and F-104 Star Fighters which came into the skies very soon. Although Indian Air Force Jets came in against us but they were chased-off very boldly and brilliantly by Pakistan Air Force. After that all that we were doing on the ground were dancing bhangra in spite of the war environment because we were so sure of the capabilities of this Air Force, in their capability to guard us and ward off any threat from Indian Air Force.

So, I know that Pakistan Air Force and it is my commitment that our Air Force must get back to the same state i.e. it maybe small but hard-hitting, ready to deliver and counter any threat in the air with all its potential and yet giving confidence to Pakistan Army and Pakistan Navy. You have my support to this project and all other projects coming in the future for Pakistan Air Force.

Ladies and gentlemen, our journey towards defence production started back in 1990s with the negative fallout of sanctions against Pakistan. We soon realized that we can only depend on ourselves and nobody else. Therefore, we started the process



of indigenization and diversification of our market for defence. In this process, we went forward and with the cooperation of our Chinese friend we launched the project of JF-17. Today, I am coming from Gwadar Port. Chinese Minister was also present with the whole team and we inaugurated another project of strategic significance. It started in 2001 and now has been handed over to the world's best port operators - Port of Singapore Authority (PSA). This is another proud privilege that Chinese assisted us. I am very glad to say that this co-production of the JF-17 is going to take place both in China and Pakistan. I have visited its production line in China. I am very glad that we have received its first two aircrafts and by the end of this year we would get six more. Then of course we would start producing the same here InshaAllah. With all this development that we see around I must give compliment to PAC Kamra and also the technicians and engineers from China. I urge both sides; the Chinese friends and PAC Kamra, to meet all deadlines to achieve the target i.e. serial production facility by the end of 2008. I am very sure and confident with background of whatever our achievements have been that we will be able to meet the target dateline.

The JF-17 Thunder project would create jobs for 5,000 people and help in poverty alleviation which is the base of Government endeavors. It would also create technical know-how in aerospace and avionics technologies. So this joint facility being launched here is a win-win all the way. On the whole JF-17 Thunder will significantly enhance the potential of Pakistan Air Force. I am very glad to hear that no aircraft in the world probably today can be of the same quality or standard in cost effectiveness as JF-17 Thunder. That is the main finance saver for Pakistan as well.

By the grace of Allah, ladies and gentlemen, Pakistan's Armed Forces today have the potential that they never had before in both conventional and unconventional sense. This potential of ours gives us confidence that we are capable of meeting any external challenge. Pakistan wishes to live in peace and harmony but on a basis of honour and dignity with sovereign equality. We have no offensive designs against anyone. But it is our right to defend ourselves. Whatever we develop is defensive for our own self-protection and self-defence which is the right of every nation. Our arms whether it is Army, Navy, Air Force and all the unconventional arms are for peace and not arms for any war offensive.

In this context, when I look around to our history of self-reliance and defence production one looks very proudly to our achievements in all the three services. In Army we see Al-Khalid tank, Al-Zarrar tank, Baktershikan ATGMs, Anza SAM missile. In Navy we see the Agusta 90-B submarine. And in Air Force we see K-8 Jet Trainer, Super Mashaak, UAV projects and now this JF-17. The story does not stop here. We would like Air Force to be equipped with BVR missiles. Have the potential of AWACs and more high technology aircrafts whether it is F-16s and its later versions or FC-20s. We should also have the potential for air-to-air refueling to give added range and depth to the capability of Pakistan Air Force. This is crucial line and InshaAllah Pakistan Air Force will have it. This is all that I had to say. I would like to conclude by saying that we are proud of the achievements of Pakistan Air Force and PAC Kamra. We are extremely grateful for the support from China. And I am very proud to be in Air Force uniform.

Thank you very much.

Pakistan Air Force Zindabad. Pakistan Paindabad.

21 March 2007

[http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/323200721441AMAdrssOpeningCerJ17\\_21Mar07.pdf](http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/323200721441AMAdrssOpeningCerJ17_21Mar07.pdf)

## DOCUMENT 16

### **PRESIDENT GENERAL PERVEZ MUSHARRAF'S ADDRESS TO THE NATION ON PAKISTAN DAY**

My dear brothers and sisters: Assalam-o-Alaikum. Today is Pakistan Day and I would like to congratulate the whole nation on this occasion. I feel proud and honoured to be addressing this elegant parade. I pay homage to Parade Commander for commanding this graceful parade. I want to congratulate all military and civilians who are present here. We changed the parade venue this year so that the general public does not face problems in the flow of traffic and in my point of view this change has been successful.

My brothers and sisters the significance of Pakistan Day dates back to 1940 when under the leadership of Quaid-e-Azam Mohammad Ali Jinnah, Pakistan Resolution was passed at Minto Park in Lahore. And in this Resolution, a separate homeland for the Muslims of this region was demanded. Thus, after nearly 7 ½ year's, Islamic Republic of Pakistan came into existence. Our Country is based on an ideology. According to Quaid's vision, the minorities have equal rights like any Pakistan and their property and lives are secure in this Country. My brothers and sisters, we got independence 60 years ago. Today, we should promise that we would make Pakistan a stronger Country and take it on the path of progress and prosperity. We would make our Country so strong that it is able to fight any internal or external threat. The Armed Forces of Pakistan and our weapons are for peace and we do not [have] any offensive intentions. You have seen JF-17 flying today. It is a new induction in Pakistan Air Force – an example of Pak-China cooperation and a successful achievement by the grace of God. We are proud of JF-17 and Pakistan Air Force. My brothers and sisters, we would make our economy strong by eradicating unemployment and poverty thereby emerging as a healthy and educated nation. On this occasion, I want to pay homage to all Armed Forces of Pakistan. Our whole nation is proud of them because of their determination and devotion to Pakistan. Apart from Country's defence our Armed Forces have been successfully overcoming threats and challenges. I would like to quote a few examples. During the time of earthquake in 2005 till now our Armed Forces have shown an exemplary performance. They have saved thousands of lives in the relief and rescue operations. Even now Armed Forces are leading in the reconstruction and rehabilitation process. Another example and maybe some of you do not know about it is that when one or two years back Sukhar Barrage in Sindh was about to be damaged and swept away; it was due to the courage of engineers of Pakistan Army that the situation was under control; otherwise Sindh would have been converted to a desert. Today, Pakistan Army is fighting with terrorism and extremism whether it is in FATA or Balochistan. Our Armed Forces have scarified their lives for this Country. Therefore, I salute Army, Navy and Air Force of Pakistan and I am

proud to be their Chief. By the grace of God, our economy is stronger than before and has never reached a level which it has now. We are moving in the forward direction. Our Government has dozens of developmental projects in the pipeline and you would see their results in 1-2 years. We are spreading a network of telecommunication, industries, irrigational system, electricity, water and gas throughout Pakistan at a speed, never done before. Then there is a white revolution in Pakistan's dairy. In the social sector, Government is focusing on health and education and a lot of funds have been allocated for their improvement in the Country. All these developmental projects have a common goal i.e. job creation and poverty elimination. My brothers and sisters, in the end I want to briefly comment on law and order situation in Pakistan. Currently, we have a judiciary case and it would be solved legally and according to Pakistan's constitution. I want to appeal all lawyers to let the legal and constitutional requirement be fulfilled. Do not give it a political image. On the other hand, spreading of terrorism and extremism in our society is an internal threat. It cannot be handled by a single person or single force. Therefore, I appeal every Pakistani individual to stand up and save the nation from this danger. My brothers and sisters, according to Quaid-e-Azam's vision the future of our country is a developed, moderate, prosperous and powerful Pakistan. It is our duty to turn this dream to reality and I promise this nation that we would take this country to a successful level InshaAllah as envisioned by Quaid-e-Azam or Allama Iqbal.

With all this, may Allah be our protector. Armed Forces of Pakistan  
Zindabad and

Pakistan Paindabad.

23 March 2007

<http://www.presidentofpakistan.gov.pk/FilesSpeeches/SpecialDays/324200741937AMAdrssPakistanday23Mar07.pdf>

## DOCUMENT 17

### UNITED STATES-PAKISTAN FIRST JOINT COMMITTEE MEETING ON SCIENCE AND TECHNOLOGY - JOINT STATEMENT

Bureau of Oceans and International Environmental and Scientific Affairs  
Washington, DC

The United States-Pakistan Joint Committee on Science and Technology held its first joint committee meeting (JCM) on February 13-14, 2007, in the United States at the National Science Foundation (NSF) headquarters in Arlington, Virginia. The Honorable Paula Dobriansky, Under Secretary for Democracy and Global Affairs of the U.S. Department of State and the Honorable Mahmud Ali Durrani, Ambassador of Pakistan to the United States, opened the meeting with welcoming remarks. Dr. Arden L. Bement, Director of the NSF, who led the U.S. delegation, was joined by Dr. Atta-ur-Rahman, Federal Minister/Chairman Higher Education Commission and Adviser to the Prime Minister on Science & Technology for the Government of the Islamic Republic of Pakistan, who led the Pakistani delegation.

The Joint Committee is composed of representatives from U.S. and Pakistani science and technology (S&T) focused government agencies. Also in attendance as observers were representatives from the United States-Pakistan Business Council and

the Organization of Pakistani Entrepreneurs of North America. The presence of business representatives at the JCM underscores the importance that the United States and Pakistan place on using entrepreneurial partnerships as a means of sustaining and expanding S&T capacity building in Pakistan.

The Joint Committee on Science and Technology was created under the framework of the Agreement on Science and Technology Cooperation signed by the United States and Pakistan in June 2003. The agreement is an element of the Pakistan-United States Strategic Partnership affirmed by President Musharraf and President Bush in March 2006. The Committee's purpose is to enhance cooperation in areas of science and technology, higher education and engineering, and to strengthen the capacity of education, research, and innovation between United States and Pakistani institutions of higher education and research establishments. The Joint Committee is also mandated to enable innovative, entrepreneurial partnerships between the two countries' respective S&T business communities.

The Committee agreed to cooperate in a range of areas including such fields as: agriculture, including life sciences, nutrition, and food safety; research training in basic sciences; information technology; computer sciences and engineering; health, including public health, nursing and paramedical support and telemedicine. The Committee acknowledged that strengthened cooperation between both countries is best achieved through educational exchange and training programs, and enhanced linkages between United States and Pakistan. Linkages among higher education institutions and potential business partners will foster greater interaction and understanding between the S&T communities of the two countries.

The United States will continue to facilitate the professional development of Pakistan's higher education sector through the expanded bilateral Fulbright Program for postgraduate level studies in U.S. institutions in a range of fields. Professional and academic exchanges including both U.S. government and non-governmental programs can assist in the development of Pakistan's Institute of Advanced Technology. The Association of American Universities agreed to explore ways to work with the Higher Education Commission to assist in the establishment of a university of engineering, sciences, and technology in Pakistan. In the near future, the Government of Pakistan may consider placement of students at the Institute for Creativity and Capital (IC<sup>2</sup>) at the University of Texas at Austin to undertake the Masters Program in commercialization of science and technology.

The Joint Committee agreed to aggressively pursue the linkage of institutions in Pakistan with counterpart institutions in the United States in such focus areas as veterinary sciences, genomics, oceanography, scientific and industrial research, electronics, natural history, training in measurement science and standards, chemical sciences, molecular medicine, and information technology.

Other agreed areas of scientific cooperation include the earth sciences, mapping studies and remote sensing, short-term training in minerals management, alternative energy, clean coal technology, urban studies and planning, and ways to stimulate and enable innovative, entrepreneurial partnerships. Nanotechnology and synchrotron/advanced light source science were also identified as areas for possible cooperation.

The United States and Pakistan will also seek opportunities to cooperate in areas such as strengthening the existing disease surveillance program in Pakistan and

water resources management, including water quality monitoring. The two countries will also promote collaboration between the Global Change Impact Studies Center (GCISC) and U.S. agencies on the study of the changing condition of glaciers in Pakistan. The Joint Committee will explore ways to extend support for training scientists in earthquake studies and will promote cooperation between the Pakistan Center for Earthquake Studies and the National Earthquake Information Center (NEIC) in the United States. The two sides also agreed to develop cooperation in distance learning including expansion of a digital library program and introduction of high speed connectivity between the two countries.

The Joint Committee will establish working groups to identify programs and activities that will help cooperating entities to achieve the goals and objectives agreed upon by the Committee. During the meeting, the Joint Committee agreed that new initiatives could be undertaken in areas such as quality assurance and higher education; agriculture sciences; health sciences; engineering sciences; university linkages; promoting innovative entrepreneurial partnerships; environmental sciences; physical sciences; basic sciences; standards, metrology and accreditation, and accessing computing grids and high-end computation.

A Memorandum of Understanding (MOU) on cooperation in the field of agriculture was signed during the meeting by Dr. Atta-ur-Rahman and Dr. Gale A. Buchanan, Under Secretary for Research, Education, and Economics of the U.S. Department of Agriculture. The MOU aims to help strengthen cooperation between the two sides in areas such as animal science, soil science, agronomy, natural resources management, aquaculture, and other fields.

The next JCM will take place in Pakistan in 2009, while Committees, Subcommittees, and Working Groups work together and correspond as needed during the interim to meet their shared goals.

24 March 2007

<http://www.state.gov/g/oes/rls/or/82287.htm>

## **DOCUMENT 18**

### **PRESIDENT'S ADDRESS TO PUBLIC GATHERING AT THE INAUGURATION OF LEH EXPRESSWAY IN RAWALPINDI**

Asalamualykum.

I am happy to come and address at this historical place of Rawalpindi.

Rawalpindi is a historical city and it had been the HQ of Northern Command before the partition and now GHQ is situated here. So any man from forces who have lived here, have sort of relation with this city. I have this relation for 40 years. So I am also a Pindiwal. I am well aware of this city and as a man of forces I am proud of this district as three Nishan-e- Haider were awarded to the brave sons of this area. They sacrificed their lives for Pakistan. Rawalpindi is also called twin city of Islamabad. So, all facilities should be provided here too. I know that the roads of many areas are in bad condition. Sheikh Rasheed keeps on informing me about condition of Rawalpindi. He has also invited me to Lal Haweli and I'll visit it too. I am not afraid of anything till the time people support me. This is inauguration ceremony of system of controlling Layee and

its flood and construction of expressway on both sides of Leh Nullah. The idea and driving force behind this project was of Mr. Sheikh Rashid. So I suggest renaming this expressway as Sheikh Rashid Expressway. This project is of worth Rs. 16 billion and it will keep flood in control. This is the contribution of our Government to public's welfare.

This project will be completed in two years. It will ease traffic problems by linking Chaklala Bridge to Islamabad. There is no displacement of people in this project. Only few people will be displaced at the point where Leh turns. But they will be provided better houses at the same place with better facilities. Your property values will increase. Those people who are residing between Katarian and Ammar Chowk will be benefited from it. I am happy that it will be more beneficial to poor. Rs. 40 million have been spent in Rawalpindi in Khushhal Pakistan project. In addition to this there had been number of developmental projects including Mall Road, Rawal Road, Jinnah Park where I saw hundreds of people even when I visited it at 1:00 am in night, Committee Chowk underpass. A flyover worth Rs. 3 billion will be constructed on Murree Road. It will link Rawalpindi with Islamabad and both will progress simultaneously. I'll inaugurate a new airport for Rawalpindi and Islamabad at Fateh Jang in about two weeks. Airport road is being extended in 1.25 billion. Rs. 5 billion will be given to Rawalpindi from Provincial Government for developmental works. A water supply will be provided to Murree and New Murree from River Jhelum. In addition to this, SNGPL will be instructed to supply gas to those villages of Rawalpindi where gas deposits have been found. A Rawalpindi bypass is necessary to cope with the problem of traffic jam in Rawalpindi. Its feasibility report is being worked out. Every union council will be provided with the funds of Rs. 5 million so that they may also carry out developmental projects. All these projects will add to your facilities. There are lots of problems in Pakistan but we are not afraid of these problems. I try to solve problems of people personally. The duties of Government include defence & integrity, progress & development, and people's prosperity. It is Government's duty and public's right. As regards defence, Pakistan's defence is stronger more than any other time in history. Pakistan's economy is at its highest point in all past years. This is the reason that I am promising you all these projects. Dozens of developmental projects are being carried out throughout the Pakistan. You can look at the communication infrastructure, M1 has been constructed between Peshawar and Pindi, M3 is being constructed between Faisalabad and Multan. All Railway tracks are being renovated, new rail cars have been started, and fares have been decreased while the quality and speed of trains have improved. A new port has been built in Gawadar. New airports are being built up. Billions of rupees are being spent on it. Same is the situation in irrigation and water reservoir system. Mangla Dam is being raised, Bhasha Dam has started and Mirani dam has been completed, Subukzai dam will be completed in next month and Kalabagh dam will also be constructed. Canals are being brick lined at the cost Rs. 66 million.

Thousands of factories are being established in Pakistan. It will not only stabilize Pakistan's economy but will also create job opportunities. This is how poverty, paucity and unemployment can be eradicated. Although this traffic congestion is a problem but it is also an indicator of prosperity. The production of motorcycles was 80,000 units and now is more than 800,000 units. This is the road to progress on which Pakistan is moving ahead. If we look at the recreational facilities a new National

Monument has been constructed at Shakarparian and Bab-e-Pakistan was also being erected in Lahore to signify the site where Quaid-e-Azam Muhammad Ali Jinnah for the first time addressed the refugees coming from India. Mausoleum of Quaid-e-Azam has been renovated and Bagh-e-Ibn-e-Qasim has been constructed. All this is for people of Pakistan and is a proof of developmental policies of Pakistan. I believe that if there is boom and progress in economy then its fruit should reach to common man. As I told you those industries are being established and developmental work is being carried out, hotels are being constructed which will provide employment opportunities to people of Pakistan. People remain unemployed even after getting education so we have started an Internship program for them, National Internship Scheme for the post-graduates with a stipend of Rs. 10,000 without any test or interview. We have also started President's Rozgar Scheme providing loan from Rs. 15,000 to Rs. 100,000 for the unemployed persons and set up several vocational institutes for skill training. You can setup your own business.

Proper attention is being paid to Electricity, Water, Gas, Education and Health sectors. Rural Health centers were in really bad conditions but now they are working fine and all credit goes to CM. Education sector is also being worked on. We are paying special attention to female ducation. True democracy has been established in the country and the Assemblies will be completing their tenure for the first time; local Government system is functioning vibrantly; women are getting their due rights and status and the rights of minorities are being protected. This is true democracy. We have given unprecedented freedom to media and opened up television channels there are some elements who did not want to see the democratic system function and flourish.

Do not politicize the judicial issue. Your presence in this gathering shows that you won't let them spoil law and order situation. The masses have rejected the opposition's attempts to create a law and order situation in the Country by politicizing a constitutional and judicial matter. The yesterday's strike by opposition parties flopped as the people did not support them, knowing that they (opposition parties) are politicizing a constitutional and judicial issue and want to create a law and order situation. Last thing which I want to speak about is extremism and terrorism. Reject extremism and terrorism and help the government eliminate this menace, which poses a danger to "our society" as well as to the development and progress of the country.

### **Extremism and Terrorism**

are a curse, which if not tackled can stop the development process. But I have full faith that if you (people) extend your support to me, we will succeed in overcoming this menace. Government is being blamed for missing persons and Human Rights Organizations are raising this issue on international level. The present government neither believes in such actions nor does such things. Such missing youth or people are misled and taken by Jihadi organizations. Such people go to somewhere on their own, but the blame is put on the Government or the country. A letter was written to me by father of a missing boy and when the matter was investigated it was revealed that the young boy was taken away by a Jihadi organization. I am happy that the issue has also been taken up by the country's judiciary and they are examining it.

2007 is the election year and I hope that the people will support and vote for the representatives of present Government for the continuity of the policies of

development, progress and prosperity. I promise that with your support, I will take Pakistan - which is a country of 160 million people having nuclear and missile power - to its due stature. I'll pray in Kaba for the solution of Pakistan's problems and for its prosperity and development as a strong defender of Islam. Pakistan Zindabad

26 March 2007

<http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/3292007100606PMLayee%20Expressway.pdf>

## DOCUMENT 19

### PRESIDENT MUSHARRAF'S ADDRESS AT 19TH ARAB LEAGUE SUMMIT

Your Majesty Khadim Herman-al-Sharifan King Abdullah bin Abdul Aziz al-Saud, Excellencies, dear brothers: I am indeed honoured to be invited on this important Arab League Summit in Riyadh. It is a special privilege to be able to share my views with this very distinguished assembly of my brothers and leaders of the Arab world. I am grateful to Khadim-ul-Herman-al-Sharifan His Majesty King Abdullah, the government and people of brotherly Saudi Arabia for their very warm and gracious hospitality. I wish our brothers at this Summit every success in taking important decisions to address the common challenges and difficulties that confront the Middle East. Your challenges are our challenges. Your success in addressing them is our success. Peace and security in the Middle East is indeed fundamental to interests and aspirations of the entire Muslim Ummah.

The tragedies of Palestine and Iraq cause the same anguish and anger in our homes as they do in your home. Despite the vast diversity of culture and historical experience, collectively as the Muslim Ummah, all of us Arab and Non- Arab Muslims feel each other's pain and face similar challenges. The great transformation of the last century also changed the Muslim society.

Large parts of the Muslim Ummah that came under colonial subjugation, gained freedom through their own struggle. But several legacies and disputes from that dark era continue to inflict sufferings and have aggravated with time. They have formed new conflict and new dangers. My dear brothers, in the Middle East peace has remained disturbed for over six decades mainly because of the suffering of the Palestinian and denial of their fundamental right to live in freedom. The aggressive Israeli actions are increasing the volatility of the environment and impeding progress towards the just settlement. The crisis in Iraq has implications far beyond the Iraqi borders. Tensions in the Gulf region are shaping and communist confrontation that could have incalculable consequences globally, regionally and within the Muslim Ummah. We cannot remain helpless spectators, mired in these and other conflicts and crises afflicting the Islamic World. We need to join hands to work for solutions on the basis of fairness, justice and realism. On the larger canvas, apart from the disputes and conflicts Muslim countries are facing new dangers in the rise of extremist and obscurantist thinking and tendencies. Sectarian and ethnic divisions are tearing the fabric of many of our societies and draining our energies needed to ensure progress and development within our countries. Also we must not allow a handful of fringe



elements to malign our culture of moderation and our noble religion of peace, tolerance and compassion through their acts of senseless terrorism.

In the West we are witnessing campaigns to defame Islam. There are attempts to destabilize our society through provocation. There are forces scheming to push Islam and the West towards a clash. These dangerous trends must be discouraged and countered to prevent a global disaster. In these grave circumstances we need harmony and peace, understanding reform and reorientation to move in step with modern time and revive our glorious traditions and role for the good and advancement of human civilization at large. Dear brothers, Majesties, Excellencies, these thoughts and concerns had prompted me to visit several Muslim Capitals some weeks ago. I was encouraged by the discussions I had with my brothers that led to the possibility of seven Muslim countries working jointly to help peace efforts in the Middle East, facilitate solutions to problems, seek reduction of tension and work for harmony in the Entire Islamic World. This initiative is supportive of other endeavors. The seven countries representing a powerful voice from within the Islamic Ummah could develop a mechanism to promote objectives that are important for all of us.

We believe that the issues of Arab World deeply impact on the entire Muslim Ummah and our collective effort will prove to be more effective in addressing them. We are happy to see that since my visit the situation in Palestinian Territory has improved with conciliation between Fatah and Hamas through wise and sincere mediation by Khadim Herman-al-Sharifan. Since then Palestine has a national unity government. We hope that this Summit will help forward towards the goal that you had together stated in the Beirut declaration five years ago. The tragedy of Palestine cannot be allowed to fester indefinitely. We must set the timeline and work with the International Community for the establishment of an independent Palestinian State with Al-Quds as its capital living side by side with Israel in peace and security. Towards this end United States and Europe have a historic responsibility more than any other issue, the failure to find a just solution of Palestine has damaged principles and moral content in contemporary politics.

In South Asia we are working to promote an environment of peaceful and stable Afghanistan in the vital interest of Pakistan and the entire region. We are also addressing the long standing Kashmir dispute for a just settlement which is imperative for a brighter future of our region.

Majesties, my dear brothers, excellencies, we are happy at the Summit meeting between Saudi Arabia and Iran that has had a salutary influence over the Gulf region. It is vital that countries of the region work together to prevent a new conflict that would have very serious consequence for the region, the Islamic countries, the developing countries and beyond on the wider international scene.

Together we can avert this disaster with effective diplomacy. We owe this to our people and their future and to history. The challenges that the Islamic Ummah faces are multiple and require a concerted and united response. We are happy to be a part of the Summit as it represents a unique initiative by your Majesty to reach out to other brotherly Muslim countries who share your concerns and your aspirations. May Allah Almighty help all of us and guide us to meet the hopes and expectations of our

people. I thank you all ladies and gentlemen.

28 March 2007

[http://www.presidentofpakistan.gov.pk/FilesSpeeches/ForeignVisits/3312007121545AMPreArabLeague\\_28Mar07.pdf](http://www.presidentofpakistan.gov.pk/FilesSpeeches/ForeignVisits/3312007121545AMPreArabLeague_28Mar07.pdf)

## DOCUMENT 20

### PRESIDENT MUSHARRAF'S ADDRESS AT NATIONAL SIRAT-UL-NABI CONFERENCE

Ladies and gentlemen, it is an honour for me to be present on this occasion. I always listen to our Tilawat and its beautiful translation. But I would say that our actions are not in line with the teachings of Quran. There is a difference between the interpretation of true spirit of Islam and its practical application in our lives. Certain elements who do not have enlightened understanding of Islam have hijacked this religion creating segregation in our society. This is the root cause of all problems. We have internal problems and are even ready to fight for them. However, Islam teaches us concepts of "Ijtihad" and "Ijma" whereby a Muslim should be ready for discussions and dialogue. We see in the past how Islam progressed, importance was given to spread of knowledge and broadening of vision and understanding. Islam does not put a ban on thinking or control it. One should be open minded, incorporate new ideas and move forward. If within our country we are not united then how can 57 Muslim countries or OIC be united? We have to analyze where we are going and for that first of all we have to seek guidance from the teachings of Prophet (SWA).

The Prophet (SWA) advised to seek knowledge even if you have to go to China. In olden times, knowledge was spread through Madrassas and they were centers of excellence. Science, medicine, astronomy, mathematics all these subjects originated from madrassas. I want the same level of knowledge to be spread through our madrassas and students should excel in these fields. Muslims were leading till 5th or 6th century [AH] and then there was downfall. Today, the Muslim countries are lagging behind in the field of education and are dependent upon the developed countries. There is little unity amongst Muslim countries and there can't be unity unless we get rid of poverty by helping each other till we become self-sufficient. We should have our own resources and finances for food, health, education and other developmental projects. It is easier to say than to do. You know what is happening within the Muslim Ummah. There are examples like Lebanon, Palestine, Iraq, Iran, Afghanistan, Kashmir and everywhere there is mishap. There are bomb blasts, suicidal attacks etc. Muslims are dying and there is loss of human lives and property. Now let's see the situation in Pakistan; what is happening in the name of Islam? Foreigners have entered illegally in our country. Foreigners are more than welcome if they visit Pakistan with an intention of contributing in a positive manner. But some of them are here distributing weapons and explosives within our country, damaging our nation and spreading terrorism in the world. What kind of a system is this? Then there are some madrassas which are involved in militancy and have weapons and explosives. I would say wherever, whether at home or at madrassas, when they are teaching intolerance, rigidity, narrow-mindedness etc. it is wrong. Instead they should be teaching tolerance,

brotherhood, character building and broad mindedness. I am not indicating anybody and I know many madrassas are doing very well. So, keep it going. But a few madrassas are creating hurdles and you can stop them. Look at case of Lal Masjid and Jamia Hafza Madrassa. This act is against the dignity of women. They think by doing this the government would be scared. No, I only fear God. But this is not a situation of bravery or anything. There are 2,000 to 2,500 people in Lal Masjid. Now, we have to handle the situation such that there is no harm to these ladies and the mosque. Both factors have to be considered. I therefore request you and specially my sisters to advice them because they think they can impose their thinking on others and change the whole society. This can't happen. They would cause harm not only to themselves but to Pakistan as well. Then I would talk on Jihad. Every other person is going on Jihad. This was not the unity of Islam in the beginning. When Islam was spread in the whole world, the authority came from the center. There was unity of command. Jihad is not just about fighting or killing. In Islamic teachings we have "Jihad-e-Akbar" and it is very high-esteemed. But we have neglected it and think that Jihad is all about fighting. We should focus on the educational aspect of Jihad and move forward. You might have heard about the missing people on the media and that the government is kidnapping people. This is incorrect. I do not believe in these things. I want to tell you about Mrs. Janjua who wrote a letter to me and had names of 16 missing people and her husband was one of them. Her husband's father is from special service group. I myself am a commando and we have a closely-knitted community. I got it investigated in High Courts of all the Provinces.

The number of missing people there are 47. Out of that 33 have been found and out of which 23 have been released. 10 are also found and 3 are abroad; caught from Afghanistan. My brothers and sisters what are we doing with ourselves? In my point of view we have side-tracked from the path of Islam. We are Muslims but we do not practice the teachings of our religion. We have neglected the true spirit of Islam. We focus more on "Haqooq-ul-Allah" than "Haqooq-ul-Abad". It is our mistake to affiliate Islam with disputes and differences or rigid attitudes where people do not listen or accommodate others. We cannot move forward unless we return on the concepts of "Ijtihad" and "Ijma" I pray that may Allah guide us all and make Pakistan a progressive country. May Allah make this nation progressive. And guide us the true spirit of Islam and take the Ummah to similar peak times as in the past.

Thank you.

1 April 2007

[http://www.presidentofpakistan.gov.pk/FilesSpeeches/SpecialDays/482007105945PMAdrss\\_EidMiladunNabi\\_1Aprl\\_07.pdf](http://www.presidentofpakistan.gov.pk/FilesSpeeches/SpecialDays/482007105945PMAdrss_EidMiladunNabi_1Aprl_07.pdf)

## DOCUMENT 21

### TEXT OF PRIME MINISTER SHAUKAT AZIZ'S ADDRESS AT SAARC SUMMIT

Following is the text of Prime Minister Shaukat Aziz's address at the 14th SAARC summit on Tuesday:

Your Excellencies, the Heads of States and

Governments of SAARC Members,  
Mr. Secretary General,  
Excellencies,  
Ladies and Gentlemen,

As we gather in this historic city of Delhi for the 14th SAARC Summit, we should begin by recalling the vision of our predecessors 22 years ago for South Asia. It is now high time to make this dream a reality.

Today, the eyes of over a billion South Asians are upon us. We, the leaders of South Asia, bear on our shoulders the hopes and aspirations of our peoples. It is our responsibility to ensure for them and our future generations, a region blessed with peace, progress and prosperity; an environment free of hunger and disease; and a life of hope and opportunity.

We are today at a crucial crossroads. We have achieved much and have the potential to achieve even more. But we also face challenges in a fast changing world. We must analyze our strengths and weaknesses and do a reality check of what we have achieved and what still remains to be done. It is time for us to seize the moment, to leverage our potential and overcome our challenges. Let us move from debate and deliberations to concrete actions.

Excellencies, Ladies and Gentlemen,  
We are all committed to the SAARC process. It is our collective responsibility to demonstrate the courage and commitment as well as the wisdom and foresight to transform South Asia into a vibrant, progressive and prosperous region. To achieve this requires a paradigm shift in our thinking and our attitudes. I am confident that we South Asians have the will and the determination and the imagination to make such a transformation.

Already in different parts of South Asia, there exist islands of affluence and centres of excellence. These underscore the capabilities and the potential that exists in our region. Our endeavour should be to build upon and harness our potential thereby converting South Asia into a region of affluence and excellence.

Mr. Chairman,

With these initial remarks about our vision for South Asia, I take this opportunity to congratulate Prime Minister Manmohan Singh on assuming the office of the Chairperson of SAARC. I am confident that under his able leadership, SAARC will make substantial progress towards realizing the great future that we envisage for our organization.

I also express our deep appreciation for the effective and dynamic stewardship of SAARC by Bangladesh. Since the Dhaka Summit, the SAARC family has expanded and there has been a remarkable increase in international interest and support for our Organization. I also wish to commend our Secretary General for his diligence and commitment in guiding the work of the SAARC Secretariat.

On behalf of the people and Government of Pakistan and on my own behalf, I would also like to extend an extremely warm welcome to President Hamid Karzai and to the people of the Islamic Republic of Afghanistan for joining the SAARC fraternity. Historical linkages and cultural affinities with the region make Afghanistan a natural and indispensable member of the SAARC community and I am

sure that Afghanistan would play its valuable role to enrich and strengthen our Organization.

An equally warm welcome should be extended to the representatives of the Peoples Republic of China, Japan, Republic of Korea, the United States and the European Union for their formal association with SAARC.

Their presence here underscores the growing relevance of SAARC in the international community and the extent of its footprint in the world.

Pakistan has always advocated such interaction, as we believe that this would open up vast possibilities and opportunities for mutually beneficial cooperation. We look forward to your valuable contribution and I am sure that your keen interest in the region would greatly benefit the entire Association.

We also welcome the interest expressed by our neighbour, the Islamic Republic of Iran, to be associated with our organization as an Observer and we look forward to their participation.

Mr. Chairman, Excellencies, Ladies and Gentlemen,  
SAARC has entered its third decade. Over the years, we have succeeded in developing and elaborating a framework for regional cooperation.

From small beginnings limited to technical collaboration and cooperation, we have now agreements and decisions for substantive interaction and programmes aimed at social uplift, poverty alleviation, enhanced people to people contacts, establishment of a free trade arrangement and environmental protection.

We have travelled a long distance, but much remains to be accomplished. Our progress remains short of our aspirations. South Asia has yet to forge the quality and intensity of regional cooperation that we have witnessed in many other regions of the world, bringing about revolutionary transformation in the lives of their people.

Most importantly, Ladies and Gentlemen, we need to ask ourselves as to how relevant is SAARC to our people? How has it impacted their lives? In other words, where is the SAARC dividend for our people?

These are some of the challenging questions that we, as leaders of South Asia, must answer. They can no longer be ignored or denied.

The reason why we have been slow in catching up with the other regional organizations is evident. The political environment in South Asia has remained vitiated by disputes and mistrust. We have remained mired in conflict management. The consequent drain on our energies has held us back from achieving the goals that we have set for ourselves in the SAARC Charter.

Mr. Chairman,

We South Asians must come to grips with our challenges, both individually as nations and collectively as members of SAARC. We need to evolve a roadmap for the region that will enable us to leverage our strengths and our advantages while overcoming our limitations. Only then will we be able to make a difference in the lives of our people.

Permit me to put before you the essential milestones of this proposed roadmap.

First: It is essential that we promote an environment of genuine peace and security in South Asia, since there is clearly a direct co-relation between security and development. This requires us to resolve our

- differences and disputes within and between our countries through dialogue, discussion and diplomacy.
- Second: And as a consequence of the first; build mutual trust and confidence, thereby removing the obstacle of the trust deficit which has hampered meaningful cooperation between several countries.
- Third: Reinforce and uphold the principles of peaceful coexistence - especially to ensure respect for sovereignty and equality among all member countries
- Fourth: Build inter-dependencies and sharing of best practices so that we help each other to help ourselves. A shared desire for regional cooperation will not suffice - we need to have real and tangible benefits that accrue equally to all sides in order to make such cooperation possible.
- Fifth: Promote a level-playing field for a truly effective regional division of labour and production. As a first step, this would require a truly open environment for regional trade - devoid of all types of barriers to free trade.

Excellencies, Ladies and Gentlemen,

The suggestions I have put before you are, in our opinion, practical and doable measures that are not beyond the grasp of our collective endeavours. Several examples exist before us where even greater hurdles of regional integration have been overcome. The initial requirement is for us to have the necessary political will. We must be able to rise above our differences for the greater good of our people and for our future generations. These future generations will judge us by our actions and not by our words.

We need to build on the momentum gained by our Organization in recent years largely due to evolving propitious environment in the region. The SAARC Development Goals, our social agenda, our plans for enhancement of trade and regional connectivity as well as commitment to promote people to people contacts, all have the potential to transform the socio-economic landscape of our region. To realize their promise, we should make SAARC goal oriented, practical and pragmatic.

The focus should be on implementation of our decisions, translating the potential of SAARC into tangible terms and prioritising its activities.

Let us begin by taking a few tangible and focussed measures. These the honourable Chairman just outlined few steps, which Pakistan fully supports, further measures can include

- Enhancement of trade and economic activity, which must, however, show sensitivity to the needs of creating a level playing field, market access and requirements of development in each member state.
- Promoting interconnectivity especially through improvement of infrastructure, region-wide transportation and communication links.
- Promotion of energy security, including the concept of an Energy Ring, as discussed and proposed during the Islamabad Summit in 2004.
- Poverty alleviation and promotion of health and education, which must remain a high priority to develop true potential of our human capital.

- Protection of the environment and sustainable development with particular focus on conservation and management of water and natural resources.
- Ensuring food security through measures such as the SAARC Food Bank, which is the first step towards achieving food security in the region.
- Reaching out to other Organizations and countries to adopt an inclusive approach with openness to interaction, especially with our larger Asian neighbourhood.
- Taking immediate measures to strengthen the Secretariat regarding which we have made several proposals in the past aimed at bringing greater efficiency and business like, result oriented approach in the working of our Organization.

May I also say that President Gayum's initiative and suggestion bringing the business communities together is an idea that needs immediate attention. We have done a bit of it, but we must get the private sectors of our region talking to each other seamlessly and they will create opportunities that will benefit all of us.

Mr. Chairman

We are convinced that the leaders of South Asia assembled here today have the necessary courage, determination and commitment to change the course of South Asian history towards a better and brighter future for our peoples.

In conclusion, let me say that it is time to place our people at the centre of the SAARC process. The impulse towards such a paradigm shift of our Association can only come from concerted action by our governments, our legislatures and our civil societies. A reservoir of trust that can be continually drawn upon in dealing with difficult and challenging issues would unleash the true potential of the region.

SAARC must capture the imagination of our peoples in order for us to be assured of our success.

As we look to forge ahead on the roadmap that we have discussed several times before I have put before you. I sincerely hope that the Delhi Summit will be remembered as the turning point in SAARC's history. Let this Summit breathe new life for SAARC.

I thank you for your indulgence and let me thank the people the government and leadership of India for their warm welcome and generous hospitality. Thank you very much Ladies and Gentlemen.

3 April 2007

<http://www.pakmission-uk.gov.pk/speeches/pmsaarc070403.asp>

## DOCUMENT 22

### DECLARATION OF THE FOURTEENTH SAARC SUMMIT

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 Lyonpo Khandu Wangchuk; 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 Nepal, Rt. Hon'ble Mr. Girija Prasad Koirala; the Prime Minister of the Islamic Republic of Pakistan, His Excellency Mr. Shaukat Aziz; and the President of the Democratic Socialist Republic of Sri Lanka, His Excellency Mr. Mahinda Rajapaksa, met at the Fourteenth Summit meeting of the South Asian Association for Regional Cooperation (SAARC) held in New Delhi, India on April 3-4, 2007.

2. The Heads of State or Government welcomed the entry of the Islamic Republic of Afghanistan into SAARC. This was a historic moment as Afghanistan assumed its rightful place as a valued member of the SAARC fraternity.

3. The Heads of State or Government reiterated their commitment to the principles and objectives enshrined in the SAARC Charter. With the welfare of the peoples of South Asia uppermost in their mind, they agreed to build a Partnership for Prosperity and work towards shared economic cooperation, regional prosperity, a better life for the people of South Asia, and equitable distribution of benefits and opportunities of integration among the peoples and the nations.

4. The Heads of State or Government recognised the importance of connectivity in fulfilling these objectives. It was vital to first have better connectivity within South Asia and then with the rest of the world. They agreed to improve intra-regional connectivity, particularly physical, economic and people-to-people connectivity. They agreed to the vision of a South Asian community, where there was smooth flow of goods, services, peoples, technologies, knowledge, capital, culture and ideas in the region. The SAARC Car Rally, in the run-up to the Fourteenth SAARC Summit, had vividly symbolized this connectivity.

5. The Heads of State or Government recognised that the remarkable growth of the economies of SAARC countries has opened new opportunities to pursue the fight against poverty with firm resolve. They called for deepening of pro-poor orientation of growth process, including through enhancing investment in human capital and infrastructure, increasing budgetary allocations for relevant sectors and improved delivery of services. They reiterated their commitment towards project-based cooperation to strengthen collective efforts in the region.

6. The Heads of State or Government acknowledged that there is a wide range of homegrown best practices and innovative solutions for transforming the lives of peoples in South Asia. They decided to earmark one rural community as SAARC Village in each Member State to showcase these innovative models of development in order to further replicate these across the region.

7. The Heads of State or Government recognised that the implementation of the Social Charter needs focused attention and directed the National Coordination Committees (NCCs) to formulate concrete programmes and projects to complement national implementation efforts. They underscored that civil society organizations have a vital role to play in driving forward the implementation of the Social Charter and directed the NCCs to mobilize civil society organizations to achieve this end.

8. The Heads of State or Government appreciated the Independent South Asian Commission on Poverty Alleviation (ISACPA) for its elaboration of the SAARC Development Goals (SDGs), which reflect the regional determination to make faster progress towards attaining the Millennium Development Goals (MDGs). They agreed



that the national plans for poverty alleviation should appropriately mirror the regional consensus reached in the form of the SDGs and the Plan of Action on Poverty Alleviation. Deciding that resource mobilization for achieving the SDGs would remain a high priority in the Decade of Poverty Alleviation, the Leaders directed translation of the highest regional level political commitment into action for creating opportunities for productive employment and greater access to resources for the poor that are essential for them to enhance their livelihood and realize their potentials. They entrusted the Two-tier Mechanism on Poverty Alleviation to monitor the progress and fine-tune the approaches towards pro-poor growth process.

9. The Heads of State or Government recognized the full benefits of an integrated multimodal transport system in the region. They emphasized that this would not be realized unless physical infrastructure and matters relating to customs clearance and other facilitation measures, including multimodal transport operations, were addressed comprehensively. They called for an extension of the SAARC Regional Multimodal Transport Study (SRMTS) to include Afghanistan as well. They also called for early implementation of the recommendations contained in the Study in a phased manner. In this context, the Heads of State or Government directed the Inter-Governmental Group on Transport to identify and develop sub-regional and regional projects based on the prioritised recommendations of the SAARC Regional Multimodal Transport Study (SRMTS) and to develop appropriate regional agreements. They noted the offer of India to hold the Meeting of SAARC Ministers of Transport in New Delhi in 2007. They also directed that pilot projects for improving connectivity be identified and implemented through mutual consultations among the Member States.

10. The Heads of State or Government emphasized that in its third decade of existence, there was an urgent need to move SAARC from declaratory to implementation phase. They directed that the focus of SAARC should be on implementing collaborative projects that are concrete and effective. The SAARC Development Fund (SDF) is an important pillar that would bring concrete benefits to the people of the region. They directed that the SDF be made operational at the earliest. They agreed that the resources for SDF would be mobilised both from within and outside the region. They stressed the importance of decision making and working of the SDF being consistent with the SAARC Charter. They called for early identification and implementation of regional and sub-regional projects under the SDF.

11. The Heads of States or Governments recognized the region's rapidly increasing energy demands for meeting the developmental needs of SAARC countries. They also acknowledged the need of expediting development of conventional sources of energy in a sustainable manner and for strengthening renewable energy development such as in hydropower, bio-fuel, solar and wind. They welcomed the organizing of the first ever South Asia Energy Dialogue in March 2007 in Delhi. They called for early implementation of the recommendations of the Second SAARC Energy Ministers' Meeting to enhance regional cooperation.

12. The Heads of State or Government reiterated their deep concern at the continued degradation of environment and reaffirmed the need to further strengthen cooperation towards protection and conservation of the environment as a priority area. In this regard, while noting the progress in the implementation of the SAARC

Plan of Action on Environment, they called for concerted efforts to implement various initiatives under the Plan in a timely manner.

13. The Heads of State or Government expressed satisfaction at the launching of 2007 as the 'Year of Green South Asia'. They reiterated that collaboration in addressing the problem of arsenic contamination of groundwater, desertification and melting of glaciers and assistance to affected peoples should be deepened. They expressed deep concern over global climate change and the consequent rise in sea level and its impact on the lives and livelihoods in the region. They emphasised the need for assessing and managing its risks and impacts. They called for adaptation of initiatives and programmes; cooperation in early forecasting, warning and monitoring; and sharing of knowledge on consequences of climate change for pursuing a climate resilient development in South Asia. They agreed to commission a team of regional experts to identify collective actions in this regard.

14. The Heads of State or Government stressed the need for closer regional cooperation in the field of information and communication technology. They noted with appreciation the establishment of a collaborative health care project involving a regional telemedicine-network. They directed that steps be taken to extend it to other ICT enabled fields such as education. They agreed to take steps to facilitate rationalization of telecom tariff on a reciprocal basis. They also agreed that national and regional telecom infrastructure should be upgraded to boost people-to-people connectivity in the region.

15. The Heads of State or Government noted with satisfaction timely ratification of SAFTA Agreement by all member countries. They stressed the need for ensuring effective market access through smooth implementation of trade liberalization programme and directed the SAFTA bodies to review the progress on a regular basis. They emphasized that SAFTA should be implemented in letter and spirit. Successful implementation of SAFTA will catalyse other areas of regional economic cooperation. They stressed that to realize its full potential, SAFTA should integrate trade in services. They called for a finalisation of an Agreement in the services sector at the earliest. They also directed that the Agreement on Investment Promotion and Protection be finalized.

16. The Heads of State or Government underlined the importance of implementing trade facilitation measures, especially standardization of basic customs nomenclature, documentation and clearing procedures. They directed that a comprehensive agreement on harmonizing customs procedures be finalised. They also noted that harmonization of technical and physio-sanitary standards and their implementation in a trade-friendly manner is important in boosting intra-regional trade. They appreciated the establishment of the SAARC Standards Coordination Board that would function as a precursor to the SAARC Regional Standards Body.

17. The Heads of State or Government complimented the SAARC Finance Ministers for finalising the framework of cooperation on financial issues in the region. They expressed satisfaction at the work of the Inter-Governmental Expert Group on Financial Issues.

18. The Heads of State or Government emphasized the need to develop, at an early date, a roadmap for a South Asian Customs Union and a South Asian Economic Union in a planned and phased manner.

19. The Heads of State or Government noted the cultural and social ties among the SAARC countries, based on common history and geography, and reiterated that the future of peoples of South Asia is interlinked. They stressed the importance of people-to-people contact as a key constituent in regional connectivity. They acknowledged the importance of intra-regional tourism and increased exchanges, particularly among the youth, civil society, and parliamentarians. They launched the SAARC Agenda for Culture and directed that annual SAARC Festivals for cultural exchange be institutionalized. They agreed to take measures to charge nationals of SAARC Member States fees for entry into archeological and heritage sites as applicable to their own nationals. They also directed that an enlarged SAARC Scholarship Scheme in ICT and related areas be instituted. They welcomed the offer of Bangladesh to host the First SAARC Youth Camp in 2007.

20. The Heads of State or Government decided to establish the South Asian University in India. They welcomed the signing of the Intergovernmental Agreement establishing the University. They further directed that the Intergovernmental Steering Committee be set up at the earliest to complete its tasks relating to the Charter, bye laws, rules and regulations, curriculum development, business plans and other issues. They also decided to strengthen cooperation and dialogue on educational matters through development of exchanges between academics, experts, policymakers, students and teachers. They called for inter-institutional cooperation, partnerships, and other regional initiatives in the field of education.

21. The Heads of State or Government acknowledged that women's full participation in all spheres of society, including participation in the decision-making process are fundamental for the achievement of equality and development. They noted that many sections of women and children continue to be in disadvantaged positions and lack equal opportunities for economic and social development. They emphasized that women's empowerment should be a major objective of regional cooperation. Regional projects should focus on addressing issues relating to women and children.

22. The Heads of State or Government stressed the need to collectively overcome the challenges of poverty, disease, natural disasters and terrorism. They confirmed that countries of South Asia must work together to deal with these challenges in order to secure the region's collective prosperity.

23. The Heads of State or Government acknowledged that countries of South Asia face challenges of food insecurity and malnutrition. In order to manage emergencies caused by natural and manmade calamities and food shortages, they welcomed the signing of the Intergovernmental Agreement establishing the SAARC Food Bank with the participation of all the SAARC countries. The Food Bank will supplement national efforts to provide food security to the people of the region.

24. The Heads of State or Government noted the challenges confronted by the countries of South Asia in ensuring food and nutritional security as well as in maintaining vibrant rural economy for agricultural development. They underscored the need for enhancing productivity and real wage in rural sectors, and for creating adequate non-farm employment to sustain the progress made in reducing poverty. Noting the constant decline in land availability and biodiversity, depleting soil and natural resources, lowering ground water levels, shrinking farm holdings as well as low and stagnating productivity, they recognized the imperative of reducing the wide gap

between yields at the research and the farm level. They stressed, in particular, that South Asian agriculture must benefit from collaborative efforts within and among SAARC countries in developing an effective agriculture research, extension and farmers' linkages, and exchange of farm technology.

25. The Heads of State or Government underlined that terrorism is a threat to peace and security in the region. They condemned the targeted killing of civilians and terrorist violence, in all its forms and manifestations, wherever and against whomsoever committed. The Heads of States or Government affirmed that terrorism violates the principles of the Charters of the United Nations and SAARC and is a clear and present threat to international peace and security. They reaffirmed their commitment to implement all international conventions relating to combating terrorism, to which SAARC Member States were respectively parties, as well as the SAARC Regional Convention on Suppression of Terrorism and the Additional Protocol to the SAARC Regional Convention dealing with the prevention and suppression of financing of terrorism. While urging continued efforts to combat terrorism, the Heads of State or Government also called for urgent conclusion of a Comprehensive Convention on International Terrorism.

26. The Heads of State or Government agreed to work on the modalities to implement the provisions of the existing SAARC Conventions to combat terrorism, narcotics and psychotropic substances, trafficking in women and children and other trans-national crimes. They expressed their commitment to take every possible measure to prevent and suppress, in particular, financing of terrorist acts by criminalizing the provision, acquisition and collection of funds for such acts, including through front organizations and also to counter illicit trafficking of narcotic drugs, trafficking in persons and illicit arms. They reiterated the need for law enforcement authorities of Member States to enhance cooperation in the prevention, suppression and prosecution of offences under these Instruments. They noted the initiative of India to prepare a draft of SAARC Convention on Mutual Assistance in Criminal Matters and welcomed the offer of Sri Lanka to hold a meeting of Legal Advisers to examine the idea of a draft convention, before the Second Meeting of SAARC Interior/Home Ministers scheduled to be held in October 2007 in India. They also directed them to ensure regular follow-up and implementation of the decisions taken.

27. The Heads of State or Government recognised that corruption was an issue of serious concern and agreed to exchange information on national experience in combating corruption to effectively address this problem.

28. The Heads of State or Government reaffirmed their commitment to a rule-based multilateral trading system. They recalled that the Doha Round was premised on the centrality of development. They directed the Commerce Ministers to work closely to co-ordinate their positions to ensure that the centrality of the development dimension in all areas of negotiations for creating new opportunities and economic growth for developing countries was fully realized. They called upon all members of WTO to show commitment for a successful conclusion of the Doha Round.

29. The Heads of State or Government welcomed the People's Republic of China, Japan, European Union, Republic of Korea and the United States of America, to be associated as Observers to SAARC. The region would benefit from these external linkages and help its economic integration with the international community.

The Heads of State or Government also welcomed the Islamic Republic of Iran to be associated as Observer to SAARC.

30. The Heads of State or Government welcomed with appreciation the offer of the Maldives to host the 15th Summit Meeting of the Heads of States or Governments of the South Asian Association for the Regional Cooperation (SAARC).

4 April 2007

<http://meaindia.nic.in/pressrelease/2007/04/04pr01.htm>

## **DOCUMENT 23**

### **JOINT PRESS STATEMENT ISSUED AT THE END OF DEFENCE SECRETARY LEVEL TALKS ON SIACHEN BETWEEN INDIA AND PAKISTAN**

The Defence Secretary level talks between Pakistan and India on the Siachen issue within the framework of the Composite Dialogue were held in Rawalpindi on April 6-7, 2007. The Pakistan delegation was led by Mr Kamran Rasool, Defence Secretary while the Indian delegation was led by Mr Shekar Dutt, Defence Secretary.

2. The discussions were held in a candid and constructive atmosphere. The two sides reaffirmed their commitment to the November 2003 ceasefire between the two countries which is holding successfully.

3. The Indian Defence Secretary also called on Rao Sikandar Iqbal , Senior Minister for Defence.

4. The Defence Secretary agreed to continue the discussions to resolve the Siachen Dispute in a peaceful manner.

Islamabad, 7 April 2007

<http://meaindia.nic.in/pressrelease/2007/04/07js01.htm>

## **DOCUMENT 24**

### **PRESIDENT MUSHARRAF'S ADDRESS AT PMA**

Major General Nadeem Taj, Commandant Pakistan Military Academy, Members of the Faculty, distinguished guests, ladies and gentlemen, and my dear ladies and gentlemen cadets:

Assalam-o-Alaikum.

I feel extremely privileged today for being with you on this very momentous occasion of your passing out parade. It marks the start of your professional career. I would like to felicitate the gentlemen and lady cadets of Long-Course, Technical Graduate Course, Graduate Course, Integrated Course and Ladies Integrated Course on the successful completion of your training at this great alma mater of Military excellence. I would also like to comment the Platoon Commanders, the Company Commanders, the Term-Commanders and the Academic Instructors who have groomed you all from being raw cadets into professional officers. On this occasion, I would also like to extend my heartiest felicitation to all the parents of the passing out cadets. You must

be at this moment proud of your sons who have as I said entered their professional careers independently. I rejoice and share your happiness on this occasion.

Ladies and Gentlemen, I am delighted that Pakistan Military Academy has today added a new chapter in the annuals of its history with a passing out of first ever batch of Lady Cadets. The women in our country should be proud of this occasion because it is their potential that they have proven now their worthiness along side man in the field of arm, which traditionally has been considered as exclusive domain of men. I honour the boldness of the lady cadets, passing out today because you are the pioneers in joining the previously hider to unexplored profession. I must make a mention that another noteworthy feature of today's parade is the presence of 51 cadets from Sindh and 28 cadets from Balochistan among this graduating batch. Our Army now is truly a National Army. It represents all the four provinces and similar representation also exists in the men at the Center of Pakistan Army. You and whole Army represent the integrity and the solidarity of Pakistan.

Ladies and Gentlemen, Pakistan is passing through a difficult phase in its history. Externally there is an existence of regional turmoil which has very direct and indirect fall outs on Pakistan. We are also a Front Line State in Global War on Terrorism. We have been the victims of terror. Internally, we face the menace of religious extremism, fundamentalism and sectarianism. The Armed Forces of Pakistan are responsible for the internal and external security of Pakistan from all threats that may emanate against it. You are expected to fight on all fronts and succeed, failure is not an option. Therefore you must prepare fully. The Pakistan Military Academy has laid the foundations for you. In your future career now onwards, develop a very strong structure over this very strong foundation that has been laid now at this academy.

Let me tell you with full confidence and assurance that Armed Forces of Pakistan have never been as strong as they are now today whether in conventional or unconventional means. We are capable of meeting any external; we are growing stronger by every passing day. We have no offensive or aggressive designs against anybody or any country but regard our integrity, honour and dignity very jealously. Our Arms are the guarantee of peace. We believe that only the guarantee of strength is the guarantee of peace and security. We believe in getting peace and security through strength and not through weakness, because, it is strength alone that will deter aggression in the future. Therefore we have to keep our guards up always.

Ladies and Gentlemen Cadets, threat now is internal. It is not only fringe extremists but aggressive militant extremists who pose threat. Using force against these extremists, demands prudence and understanding beyond your military training. Because we will be dealing with our own brothers and sisters, who are misguided. You as officer of Pakistan Army have to guarantee the security of your Motherland and must never fail in this duty. It is your success which will allow an unhindered economic growth of Pakistan and the progress and prosperity of people of Pakistan.

Let me, on this occasion, remind you that soldiering demands very high standard of discipline, dedication, commitment and sacrifice for the honorable survival in the multidimensional challenges that we face today. Your abiding faith in your mission will function as a beacon enabling you in the accomplishment of your ultimate goals. The Pakistani nation has trusted you as a real custodian and defenders of its physical and ideological frontiers, and a great responsibility now rests on your shoulders. As the future military leaders, you must grow as embodiments of sound

moral stature, courage and extra ordinary fortitude. You must set personal standards of trust, sacrifice, comradeship and professional heroism. Your pride in glorious tradition of your respective units where ever you go will be the driving force in your lives and will unite you in the hours of crisis.

Remember, setting the personal example always, whether in physical or mental spheres, will earn you the real respect, the real respect of the men that you will command. I am sure that you will prepare yourself appropriately to face all these challenges with courage and will live up to the trust that Nation has repose in you. I am sure you will uphold Military traditions, high professional standards, nobility of character and code of fair conduct throughout your career as demanded by the Army. It is only through all these attributes that you can earn the obedience and respect of your subordinates. In the end I'll congratulate all those who have worked hard to make today's parade as success, giving me and all of us present here an opportunity to review this smartly turned out and extremely impressive passing out parade. My heartiest congratulation to all those cadets who have won distinctions today. May Allah Almighty in His infinite mercy guides you and gives you the strength to serve Pakistan and the Pakistan Army with courage, dedication and honour. May Allah be your guide and protector. Ameen!

Pakistan Army Zindabad and Pakistan always Paindabad.

14 April 2007

<http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/4232007125109AMPMA%20Speech.pdf>

## DOCUMENT 25

### TEXT OF PM'S ADDRESS AT SICHUAN UNIVERSITY

Following is the text of Prime Minister Shaukat Aziz address at Sichuan University:

I am delighted to be here today and grateful for your gracious invitation. This beautiful campus and serene environment provide the ideal setting for the academic and research excellence for which Sichuan University is so well known in the world. The University has made impressive strides in the three areas of its specialization, namely medical sciences, engineering and humanities.

President Heping Xie, a respected name in rock sciences, is an inspiring leader. Your distinguished faculty and talented students have won many distinctions and national honours. I have no doubt that the University will continue to make its sterling contribution to China's economic transformation, technological excellence, and spirit of innovation.

The Sichuan province has produced many visionary leaders. It is the birthplace of the great Deng Xiaoping, whose outstanding role in the building of modern China has been historic and globally respected and acclaimed.

Ladies and Gentlemen,

For the last five millennia, the great Chinese nation has been making a profound contribution to human progress in promotion of civilizational values.

The momentous struggle of the Chinese people for liberation remains an epic chapter in modern history. China has since overcome a bitter colonial legacy, foreign occupation, wars and natural disasters and has set itself firmly on the road to realising its destiny. The historic drive for reform and modernisation launched in 1978 has taken the country to new heights. Never in history has a human society made such spectacular progress in such a short time as has been achieved by the Chinese people.

Today, China's phenomenal progress is illustrated by its fast growing economy and tremendous increase in the GDP, overall trade, and foreign exchange reserves. The unremitting efforts of the Chinese people have significantly advanced the objectives of poverty reduction, better quality of life, improved education progress in science & technology, cultural enrichment, and social harmony.

China's national development serves as a role model for other developing countries, including Pakistan. Equally remarkable has been China's emergence as a great power. China's peaceful rise on the global scene is in sharp contrast to other such instances in history. It is not accompanied by wars and conflict, but is imbued with high ideals and values. China today is the flag-bearer of peace, development, and cooperation. The principle of "peaceful development" at the core of China's foreign policy is inspiring and worthy of emulation.

Ladies and Gentlemen,

Chinese renaissance - a defining theme for the 21st century - is a factor of stability and of hope for the peoples of the world. China's growth has brought, in its wake, peace, prosperity and harmony in its immediate neighbourhood and beyond. China's emphasis on inclusive approaches, mutual benefit and win-win outcomes is a shining example of its wise conduct in international affairs. China's moral voice and defence of universal principles are refreshing in these otherwise turbulent times. We share China's vision of working towards building a harmonious global society. A society where plurality and diversity are the hall-mark of unity. Where all peoples and cultures blend to form a beautiful mosaic worthy of the essence of our common humanity.

Ladies and Gentlemen,

The contemporary international scenario is marked by fluidity and turbulence. There are great challenges, and promising opportunities.

The end of the cold war did not yield the anticipated peace dividend. Instead, the world witnessed renewed conflict, among and within States. Global peace and security face new threats caused by new regional disputes, ethnic cleansing, terrorism and xenophobia.

The world economic order remains inequitable. While globalization increased inter-connectedness, it also accentuated the vulnerabilities of the weak. The threats of terrorism, proliferation of weapons of mass destruction, environmental degradation, and transnational crime acquired new, dangerous proportions. The prophets of doom began predicting a clash of civilizations.

These threats and challenges affect all nations. No single country or a group of nations alone can address and resolve these threats to international peace and security. Common threats and challenges call for collective responses. There in lies



the great opportunity of working together to build a peaceful, prosperous and harmonious world -- worthy of bequeathing to our future generations.

Pakistan views the current international scenario with a mix of concern and hope. We are a nation of 160 million people, rich in human and natural resources, situated at the confluence of South and Central Asia and the Middle East. By virtue of geography, Pakistan is destined to play a pivotal role in our part of the world. Our geo-strategic environment is currently marked by turmoil on the one hand and vast untapped economic potential on the other. Peace and stability are the indispensable conditions for our continued economic growth and national development.

For us, the principles enshrined in the Charter of the United Nations and the aspirations of our people for progress and prosperity provide the framework for dealing with all issues of peace, security and development. We believe inter-state relations must be conducted on the basis of international law.

The principles of independence, territorial integrity, non-interference, and sovereign equality must remain immutable. We believe multilateralism should be the rule, not an exception. Outstanding conflicts and disputes between states must be settled through pacific means, on the basis of equity and justice. There should be a just and equitable economic order. There should be tolerance and understanding of other political and social systems and of cultures and values.

Ladies and Gentlemen,

Globalization is the most distinctive feature of our times. It is impacting the economy, politics, security, power structure, and culture in unprecedented ways. Globalization has turned the world into a global village due to increased interconnectedness. The revolution in information technology has opened vast avenues for cooperation for the benefit of humanity. At the same time, it has deepened the possibilities of hegemony of stronger actors and marginalization of the weaker ones. Globalization has enhanced the prospects of prosperity; yet it has accentuated of discontent.

It is important to learn to ride the tide of globalization at the minimum; this would require a renewed emphasis on indivisibility of security, level playing economic fields, a responsible media, and respect for cultural diversities. We believe it is essential to make globalization a force only for the good. We believe it is possible to make this happen through our collective efforts.

Ladies and Gentlemen,

Terrorism poses the most formidable threat to our world today. It is a danger with global reach. Terrorists are the agents of chaos and seek to instil fear, uncertainty and prejudice in societies. They undermine progress and hold hostage the future of our societies. Terrorism must be fought resolutely, in all its forms and manifestations. The global response must be robust, but multidimensional. Military means provide only part of the answer.

Pakistan is playing a key role in the international struggle against terrorism. Our resolve to fight terrorism is firm and consistent with our own national interest. We believe an effective counter-terrorism strategy must be in military, political, economic and social dimensions. Eventually it's about winning the hearts and minds of people. This is especially true to counter extremism, which is a state of mind.

It is equally important to recognize and address the root causes, as terrorism does not take place in a vacuum. The conditions of poverty, deprivation, underdevelopment and longstanding disputes resulting in desperation and hopelessness need to be resolved for sustainable success. Terrorism must not be linked with any particular religion. Its history is as much Asian and Middle Eastern as European and Latin American. Muslim societies resent smear campaigns to link terrorism with the noble faith of Islam. People of goodwill in all faiths must come forward to refute this travesty.

We must also make sure that the flawed thesis of 'clash of civilizations' does not become a self-fulfilling prophecy. We must emphasize harmony and understanding between civilizations. President Musharraf has enunciated the concept of Enlightened Moderation, that emphasizes internal reform in the Muslim world and Western role in resolving long-standing political disputes. We are convinced that inter-faith dialogue is imperative.

Ladies and Gentlemen,

Pakistan fully recognizes that the proliferation of weapons of destruction is an equally serious threat to international peace and security. Pakistan supports the global non-proliferation objectives. Within the South Asian context, it is a well-known fact that Pakistan was not responsible for nuclear proliferation. Our nuclear tests in 1998 were in response to the Indian tests and were aimed at restoring the strategic balance in the region. Pakistan's policy now centers on maintaining a minimum credible nuclear deterrent and the establishment of a Strategic Restraint Regime between India and Pakistan.

The two countries have recently signed an agreement on "Reducing the Risk from Accidents relating to Nuclear Weapons." The United States has announced the lifting of the three-decade old embargo on India on cooperation in civilian nuclear technology. Pakistan favours non-discriminatory criteria-based approach, which will offer equal opportune to both Pakistan and India to access civilian nuclear technology by meeting the relevant benchmarks. We hope that the NSG countries will adopt an objective criteria based approach in this respect. There should be a level playing field for access to civilian nuclear technology. Pakistan welcomes the agreement reached during the six-party talks to resolve the Korean nuclear issue. We greatly appreciate China's important role in addressing this problem.

We hope that the Iranian nuclear issue would also be handled with caution. Pakistan favours a peaceful, negotiated solution. We are opposed to the use of force, which would further destabilize an already volatile part of the world.

Ladies and Gentlemen,

At the regional level, Pakistan is actively working to promote an environment of peace and security to reinforce our efforts for national development. We are pursuing far-reaching initiatives for stability and conflict resolution in our neighbourhood. Our vision to the hub of trade, economic and communications links serve as encompassing South Asia and Central Asia remains contingent upon the success of these endeavours Pakistan has suffered the most from continuing state and instability in Afghanistan. Following the Soviet invasion in 1979 our society was deeply affected by the influx of over 3 million refugees, narcotics production and trafficking, gun-

running, and recruitment and training of mujahideen for Afghan jihad. After the Soviets withdrew, a prolonged civil war ensued and Afghanistan became a haven for Al-Qaeda and extremism. As a neighbour Pakistan has suffered the fall out.

Unity, peace and stability of Afghanistan are in the vital interest of Pakistan. Therefore, we have supported the Bonn process and the Afghanistan Compact. We played a critical role in facilitating the peaceful conduct of parliamentary and presidential elections in Afghanistan. We are making a vital contribution to Afghanistan's reconstruction.

We see terrorism, extremism and Talibanisation as an equal threat to Pakistan. We are thus resolved not to allow anyone to use our territory for any cross-border activity. Nearly 90,000 troops have been deployed on the border and military operations conducted against terrorists and militant International arrangements are in place for information and intelligence sharing as well as coordination for military action.

We have established about over 900 border posts to check and regulate the movement of people across the 2400 km long border with Afghanistan. We have introduced biometrics at key crossings and are engaged in selective fencing of the border. The refugee camps that serve as possible sanctuaries for the militants are slated for immediate closure. We seek repatriation of the 3 million refugees as soon as possible.

Ladies and Gentlemen,

Securing this long and porous border is not the responsibility of Pakistan alone. It is a responsibility also of NATO, ISAF, U.S. and the Afghan government to take effective steps to prevent cross-border flows on the Afghan side. Pakistan will continue to do all it can to strengthen security along the border. Others must also do their full part.

The Pakistan-Afghanistan border is only one dimension of this complex equation. The real factors of instability lie inside Afghanistan viz., a weak state structure, nexus between narcotics and terrorism, warlords, corruption and inefficiency, and slow pace of reconstruction. Accordingly, a broad based solution is required. A narrower focus would be self-defeating. It is essential to adopt a comprehensive approach comprising military, political and economic strands. Peace and stability in Afghanistan will eventually result from national reconciliation and reconstruction that brings about a genuine change in the lives of the people. In our view, a Marshal Plan like approach is needed to bring transformation and ensure stability in Afghanistan.

Ladies and Gentlemen,

Pakistan-India disputes and problems have largely defined the security situation in South Asia. Cognizant that economic development needs a peaceful environment, we have pursued the peace process with India with renewed vigour. Pakistan's approach towards peace and development in South Asia is built around: dialogue for settlement of all disputes including Kashmir; Restraint and Security Balance in South Asia; and cooperation for economic development of the region.

Since early 2004, we are engaged in a multi-track process with India encompassing confidence building measures and a composite dialogue. We are

discussing with India the longstanding Kashmir dispute for a settlement that is acceptable to both countries and responds to the aspiration of the Kashmiri people. The improved relations between the two countries and conducive international environment provide a unique opportunity that must be seized to resolve Kashmir and ensure a bright future of cooperation, understanding and prosperity in South Asia.

Ladies and Gentlemen,

Pakistan is also actively involved in promoting the processes of regional and sub-regional cooperation in Central, South and East Asia. We want to build concentric circles of cooperation in terms of comprehensive economic partnership, FTAs and greater regional economic integration.

It is important to cultivate a sense of greater Asian neighbourhood. Pakistan is seriously pursuing further improvement in its relations with countries in South East Asia and Central Asia. For this end, we are engaging actively with ASEAN and the Shanghai Cooperation Organization.

Pakistan wishes to play a constructive role in security in the Indian Ocean region. As member of the ASEAN Regional Forum, we are engaged in addressing issues of security in the Asia Pacific. We will continue to contribute positively to the Asia-Pacific security construct. Pakistan is also an important anchor of stability in the Muslim world. We are an active member of the OIC and have close cultural and economic linkage especially with the countries of the Middle East.

Being located in close proximity, the deteriorating security situation in the Middle East and the festering Palestinian issue deeply impacts on our situation. Recently, we took the initiative of inviting several Muslim countries in support of efforts to address the Palestinian issue, the Iraqi situation and tensions in the region. We believe that success of these efforts is vital for global peace and security.

Ladies and Gentlemen,

I would like to conclude to "my Presentation with a few words about our very special relations with China," These relations are a category apart. Friendship with China is the cornerstone of our foreign policy. It is a strategic imperative that is equally reciprocated. For over half a century, these relations have remained constant and strong, despite changes in the two countries and on the international political landscape. It is based on mutual respect and admiration and common values of our peoples. It is based on principles of peaceful co-existence and good neighbourly relations.

Pakistan firmly believes in "One China" policy and recognizes the People's Republic of China as the sole legal government representing the whole of China. We support all efforts China is making to achieve national unification and safeguard its sovereignty and territorial integrity.

We believe that our friendship and cooperation will only gain in strength, fortified by our common resolve to intensify and expand mutually beneficial cooperation. Increasingly, our areas of cooperation will encompass joint ventures, investments and trade. Further strengthening our economic relations is a major priority for us.

We are determined to leverage our natural economic complementarities for economic well being and prosperity of our people.

Sichuan as one of the vital economic and cultural centres of China and as the centre of Ghana's Western development strategy occupies an important position in our efforts to further solidify our strong friendship. Pakistan has established a Consulate General in Chengdu. We are confident that the Consulate General will further facilitate a multidimensional and rich interaction between Pakistan and Sichuan.

We are also planning to establish a Pakistan Study Centre within this great University. The centre shall serve as a repository of knowledge on Pakistan and play its due role in strengthening people-to-people contacts.

Thank you.

20 April 2007

<http://www.pakmission-uk.gov.pk/News/NewsItem185.asp>

## DOCUMENT 26

### THE PRIME MINISTER'S SPEECH AT THE INAUGURAL SESSION OF THE PAKISTAN DEVELOPMENT FORUM 2007 (25 APRIL 2007)

Dr Ahmed Mohammed Ali, President Islamic Development Bank,  
Mr Liqun Jin, Vice President, Asian Development Bank,  
Mr Praful C. Patel, Vice President South Asia, World Bank,  
Dr Salman Shah, Advisor on Finance, Economic Affairs, Revenue & Statistics,  
Ms Hina Rabbani Khar, Minister of State for Economic Affairs and Statistics,  
Federal Ministers and Ministers of State,  
Distinguished Delegates,  
Excellencies,

Ladies and Gentlemen,

It gives me great pleasure to be in your midst on what clearly is an important annual event for us – the Pakistan Development Forum 2007. The Forum provides us a valuable interface with our development partners to review our progress and achievements, to identify our challenges and opportunities, and to discuss our future development needs and strategies. On behalf of the government and people of Pakistan, let me take this opportunity to extend a very warm welcome to all of you and in particular to our guests from abroad. I am really delighted to see such a wide representation of our development partners on this occasion.

Ladies and Gentlemen,

Before I dilate on the specific theme of the Forum – "The Demographic Dividend: Unleashing the Human Potential" – let me briefly share with you some of the milestones that we have covered in our journey towards national renewal. Our vision is to develop Pakistan as a modern developed Islamic welfare state through sustainable democracy and a knowledge-based economy. The primary objective of our government is to promote economic development and social progress in the country.

Since President Musharraf took over eight years ago, Pakistan has undergone a positive transformation. Comprehensive and far-reaching reforms in all walks of life have been implemented. Political, social, economic and governance reforms have brought about a sea-change and led to national renewal.

Ladies and Gentlemen,

You are well familiar with the story of Pakistan's economic turn-around – how we have transformed a sagging economy and put it on the radar screen of the world. Through prudent economic management and first generation reforms of fiscal consolidation, debt reduction, deregulation, privatization, liberalization and transparent governance, we have become one of the faster growing economies of Asia. We have sustained a robust growth rate of 7% for the last four years and this year it looks like that we will be 7% or higher. In last five years the size of Pakistan's economy has doubled. We have one of the highest per capita incomes in South Asia - which was \$ 847 last year, is expected to be around \$ 950 this year and will surpass \$ 1000 next year. Last year the rate of investment was 20% - the highest ever in last 12 years. Foreign investment touched its highest level of \$ 3.9 billion in our history. During the first nine months of the current year (July-March 2007), foreign investment amounts to \$ 5.6 billion and will reach the level of over \$ 6 billion by the end of the year. Goldman Sachs in a recent study has included Pakistan in the Next-11, a group of eleven countries with a high growth potential.

Ladies and Gentlemen,

We are following the paradigm of shared and equitable growth. The fruits of economic growth are reaching all segments of society and all regions of the country. The unemployment rate has come down from 8.3% in 2001-02 to 6.2% during 2005-06. About 5 million new jobs were added during 2003-06. Sustained economic growth has led to the emergence of a growing middle class and a significant reduction in poverty. The number of people below the poverty line has declined from 34.5% in 2001 to 23.9% in 2005 – in urban areas from 22.7% to 14.9% and in rural areas from 39.3% to 28.1%. In absolute terms, 13 million people have been lifted out of poverty, out of which 10.5 million belong to the rural areas. The rural landscape of Pakistan is changing profoundly as a result of rising income levels. Improvements in crop productivity – driven by government interventions to ensure balanced supply of fertilizer, efficient and equitable distribution of water, and increased credit availability – are augmenting agricultural incomes and benefiting all sections of the rural population. Similarly, in the livestock sector, there has been a significant improvement in terms of number of animals and productivity. According to the Livestock Census 2006, which will be released soon, the number of cattle registered an annual increase of 4.5%. Major initiatives to boost meat and milk production are under way, which will open avenues of additional income for the rural population. We recognize the importance of social mobilization as a vehicle of community-driven development. For this purpose, Rural Support Programmes have been set up at the national, provincial and regional levels. Community Organizations have been set up in 2663 Union Councils, covering about 1.5 million households.

Our government is committed to fostering a framework of grassroots institutions to bring more households in the organized fold through the process of

social mobilization. We are also fully conscious of the importance of micro-credit as a means of creating income generating avenues for the poor, particularly women. Our government has established strong foundations of micro-credit in the formal sector along with extending support to civil society institutions. A separate regulatory framework for micro-credit has been provided through a new law. As a result, during the last five years, four specialized micro-finance banks have been established at district level. The Pakistan Poverty Alleviation Fund has been working since 1999 as whole-sale organization for credit disbursement. One million clients have been reached by December 2006 and it is targeted to increase the coverage to three million by 2010. All these initiatives are raising income levels in the rural areas. Market surveys indicate a significant increase in the sale of consumer goods in the rural areas, which has a direct bearing on the quality of life of the people. We have become the fastest growing mobile phone market after China – with tele-density rising from 3% to over 35%. Similarly motorbike sales are registering record levels in the rural areas. Rising incomes and new opportunities unleashed by economic growth are bringing a silent revolution in every nook and corner of the country.

Ladies and Gentlemen,

Let me take this opportunity to express our gratitude and appreciation for the continued support from our development partners for rehabilitation and reconstruction activities in earthquake affected areas. Out of \$ 5.6 billion committed by the donors, an amount of \$ 2.9 billion has been disbursed so far. Despite difficult terrain and logistical problems, reconstruction work in all 12 sectors is going on at good speed. All essential services have been made functional. Out of 600,000 houses affected, work on 250,000 is in progress. 1500 educational and 150 health facilities will be completed during the current financial year. It is gratifying that the donor community has appreciated the progress and quality of work, which is based on the policy of building back better and providing improved service delivery.

Ladies and Gentlemen,

We have come a long way but still we have a long way to go. Significant progress has been achieved in all sectors of economy and governance, but new challenges are also emerging together with new opportunities. We believe in nimble and proactive governance and want to fully leverage our strengths and advantages. As you are aware, Pakistan is a country of 160 million people. The people of Pakistan are our biggest asset and we have to leverage this asset for growth and development. Over half of our population is below the age of 19; about 100 million are below 25. Compared to many other countries which have aging populations, we for the next several decades are positioned to get the demographic dividend as this young generation enters the work force. The demographics of Pakistan present both a challenge and an opportunity. In order to realize the potential of a large population, our development strategy is focused on providing quality education, health cover, and a cleaner environment to our people. Human development also remains the corner-stone of our strategy for poverty reduction in the country. We have made a lot of progress in achieving the Millennium Development Goals (MDGs), particularly those relating to poverty alleviation and female empowerment, and remain fully committed to realize the targets.

The National Commission on Human Development has been set up to coordinate and monitor social sector initiatives.

Ladies and Gentlemen,

The single most important element of our development strategy is education. Our government has made record investment in education. We believe that this will change the destiny of our nation. I will not go into various initiatives that we have undertaken to promote literacy and basic education such as Education for All, Education Sector Reforms, and Free Education up to Matriculation. I would only say that our strategy aims at improving the access to and quality of education as well as overcoming gender, rural-urban and regional imbalances. We are also paying particular attention to governance and management aspects of education, particularly by involving communities in school management and devolution of powers and functions. As a result of these efforts, Literacy Rate has gone up from 45% in 2001 to 54% in 2006.

In order to meet the shortage of skilled manpower in our rapidly growing economy, we are implementing a comprehensive programme of technical and vocational education aimed at maximum utilization of existing facilities as well as creating new ones. The National Vocational & Technical Education Commission has been set up as an apex body at the national level. At present 350,000 students per annum are being imparted various skills and it is targeted to reach the level of one million students per year by 2010. Pakistan, though a late starter in the field of higher education, has made significant strides in the last seven years. The thrust of our strategy is to improve the quality of and access to higher education, particularly science and technology that directly contribute to economic development. Nine new universities involving huge investment are being established in collaboration with renowned world institutions.

Ladies and Gentlemen,

One of the biggest challenges facing mankind today is to build a world where the goals of environmental conservation and economic development do not conflict with each other, but exist in perfect harmony and accord. Population growth, increasing urbanization, global warming, and natural disasters pose grave threats to environmental sustainability. Our government is paying a lot of attention towards environmental issues. Our National Environment Policy 2005 is geared towards protecting, conserving and restoring the environment. The Medium-Term Development Framework 2005-2010 also focuses on sustainable environmental development as a vehicle for economic growth. Mega projects for improving access to clean drinking water, namely 'Clean Drinking Water Initiative' and 'Clean Drinking Water for All' are being implemented. Similarly a mega project with a cost of over \$ 1 billion for lining water courses to improve agricultural productivity through efficient irrigation management is in progress.

Ladies and Gentlemen,

Pakistan also has the advantage of a unique location at the cross-roads of South Asia, Central Asia and the Middle East. We are developing a network of infrastructure to leverage our location as a bridge-head for multiple corridors of regional cooperation involving energy, trade and transportation sectors. We are according the highest priority to infrastructure development and improving the logistics chain. That in fact is



a critical requirement for improving business competitiveness and productivity. The strategic concept of National Trade Corridor – involving huge investment and public-private partnership - is being implemented. The project aims at upgrading and expanding our rail, road, air and port network as well as streamlining processes to save time and hassle. This will reduce by half the travel time of commercial vehicles from Karachi to Peshawar as well as decrease operational cost and accidents rate. A number of mega projects are also in progress to ensure energy, water and food security.

Ladies and Gentlemen,

Apart from human capital and strategic location, our third main strength is the quality of our reforms. One thing that we are most proud of in Pakistan is our reform agenda. We recognize that in a highly competitive and inter-dependent global environment of today, the fundamental challenge facing countries like Pakistan is to adjust to the realities of the new global order and to measure up to the rapid pace of change in the world around. We in Pakistan are determined to ride the tide of globalization and turn this challenge into an opportunity. It gives me a great sense of pride and satisfaction that Pakistan is ahead of many countries in implementing economic reform and improving governance as well as very well positioned to make the best of the available opportunities. You may be aware that Pakistan has been ranked as one of the top ten reformers globally and the top reformer in the South Asian region in a recent study conducted by the World Bank and IFC. It is the quality of our reforms which have made Pakistan an attractive destination for local and foreign investment and put it on a high growth trajectory. I call it the “Reform and Governance Dividend” of Pakistan.

Ladies and Gentlemen,

Sustaining growth and ensuring that its benefits reach all segments of society remains a major challenge. In order to sustain growth and give our economy a competitive edge, we are vigorously implementing our agenda of second generation reforms. The main objective of these reforms is to enhance productivity and competitiveness of our economy. Our reform agenda has three prongs which are mutually reinforcing and predicated to achieving good governance and institutional strengthening. One, we are committed to a market-based economy. To this end we have been deregulating markets as well as improving supervision and regulation of markets to ensure greater competition.

Two, we are also committed to developing policies and regulatory mechanisms that are aligned to global norms and also supportive of efficient markets. We have, therefore, adopted measures for better tax and tariff policy including better tax administration. Our Fiscal Responsibility and Debt Limitation Act of 2005 puts a check on fiscal policy slippages by future governments. And I might add that this policy is recommended by research at the frontiers of economics. Three, we want to build better governance through institutional strengthening of the public sector. While privatization gets government out of the areas it should not be in, we also have to build a more capable and transparent government. As part of the drive to strengthen institutions, our government has already launched initiatives to modernize several of the key agencies of government. This will of course be done by deepening decentralization, developing greater transparency, utilizing the latest technology and relying on a high degree of professional and technocratic management.

Ladies and Gentlemen,

We are highly appreciative of the important role that our development partners have played in helping us to achieve our development objectives. Your support has helped our country in building infrastructure, improving the quality of life of our people and moving forward as an anchor of peace and stability in the region. We have formulated short, medium, and long term plans through a consultative process. While we welcome the inputs and advice of our development partners, we believe that development strategies and programme must reflect the wishes and aspirations of the people to build consensus and ownership. That in our view is a key element of the success of any development effort.

Ladies and Gentlemen,

In conclusion, let me say that Pakistan today has all the attributes of a modern emerging economy and a stable democratic polity, with a clear sense of direction and commitment to maintaining a stable and peaceful environment, both internally as well as externally, and to pursuing a path of social and economic progress in the country, the region and the world at large. We are privileged to have development partners who share with us the journey to create what is and will be a progressive, growing and vibrant Pakistan. A Pakistan which will have challenges. A Pakistan which will have many more opportunities for all of us to share. I would, therefore, call upon all of you to join Pakistan's journey going forward – a journey towards peace, progress and prosperity.

<http://siteresources.worldbank.org/INTPAKISTAN/Resources/ThePrimeMinisterspeech.pdf>

## **DOCUMENT 27**

### **ANKARA DECLARATION**

01.05.2007 His Excellency General Pervez Musharraf, the President of the Islamic Republic of Pakistan, and His Excellency Hamid Karzai, the President of the Islamic Republic of Afghanistan, visited Ankara on 29-30 April 2007 at the invitation of His Excellency Ahmet Necdet Sezer, the President of the Republic of Turkey.

President General Pervez Musharraf and President Hamid Karzai held comprehensive, cordial and useful talks, together with President Ahmet Necdet Sezer and Prime Minister Recep Tayyip Erdogan, on regional and international issues. They emphasized that the international community must work together to promote the objectives of Afghanistan Compact. They pledged to cooperate towards promoting peace, security, stability and economic development in the region.

During the talks, the Presidents of Pakistan and Afghanistan agreed to continue to have dialogue and cooperation in all dimensions between the two brotherly countries and to combine their efforts to enhance prosperity of their peoples. The two Presidents:

Agreed that their historical ties serve as a common basis to address all challenges hampering the stability, security and the development of their region and to enhance their cooperation, building upon the "Joint Press Statement" of 07 September 2006 issued during President Musharraf's visit to Kabul.

Agreed to further strengthen bilateral relations on the basis of good-neighbourliness, respect for territorial integrity and non-interference in each other's internal affairs.

Acknowledging the great opportunity that exists for progress and economic development in the region, they pledged to work together to improve and strengthen the climate of trust and cooperation.

Agreed that extremism and terrorism are a common threat to both Afghanistan and Pakistan, as it is a danger to the region.

They reiterated their commitment to continue supporting moderation, fighting all forms of extremism and terrorism through coordinated action. They expressed concern at the alarming increase in poppy cultivation in Afghanistan and underlined the connection between terrorism, drug-trafficking and organized crime in the region, and emphasized the need for concerted efforts to combat these menaces.

Agreed to deny sanctuary, training and financing to terrorists and to elements involved in subversive and anti-state activities in each other's country and to initiate immediate action on specific intelligence exchanges in this regard.

Reaffirmed their commitment to enhance goodwill and create further confidence building measures and mechanisms, including through interaction between political representatives, civil society, academicians, media, and sports and cultural links, Resolved to work jointly for facilitating orderly repatriation of Afghan refugees from Pakistan.

With a view to monitoring progress on the above agreed matters and coordinating the confidence-building measures and mechanisms, the Presidents established a "Joint Working Group (JWG)" with the participation of high level representatives of the three countries.

President Karzai expressed the gratitude of the [people of Afghanistan](#) to the people of Pakistan for continuing to host millions of Afghan refugees. He also appreciated Pakistan's offer to host the next meeting of Regional Economic Cooperation Conference on Afghanistan (RECCA).

The Presidents of the Islamic Republic of Afghanistan and the Islamic Republic of Pakistan commended the initiative of Turkey for hosting the summit meetings and appreciated the offer to organize further meetings towards the end of 2007 or early 2008.

Ankara, 30 April 2007

<http://www.afghanmania.com/en/news/0,news,4983,00.html>

## DOCUMENT 28

### BUDGET SPEECH OF MINISTER OF STATE FOR FINANCE IN NATIONAL ASSEMBLY

Following is the text of speech for the Federal Budget 2007-08, as presented in the National Assembly by Minister of State for Finance Omar Ayub;

(TEXT BEGINS)

**(In the name of Allah the most gracious the most merciful)**

Mr. Speaker

1. I am grateful that I have the privilege to present the 5th Budget of a democratic government, which is historically an unprecedented event.

Mr. Speaker

2. As a matter of fact this is the first time that an elected government is completing its five years term and the honour of having achieved this land mark rests with Muslim League and its allied parties. Indeed it is the Muslim League that has guided the Muslims of the Sub-Continent at every critical juncture.

Mr. Speaker

3. I do not have any soft corner for economic terrorists whose sole purpose is to push society into an economic abyss. Our elders had categorically stated that some people would be over-affluent while others indigent. We will not let this happen. People who do not have the capacity to listen to criticism should abstain from criticizing others. Our opponents are afraid that the seeds of prosperity that we have sown will bear fruit; but the nation is destined to develop and prosper. Trials and tribulations are a part of every nation's history. But those nations who face them with courage and fortitude come off with honour and dignity. Before the coming into power of the present government, we are cut off from the world and had actually defaulted. By the grace of God our government, in the last five years, has amply demonstrated that it is the party which not only created Pakistan but is capable of running its affairs in the best manner possible.

Mr. Speaker

4. In the budgetary process, we held extensive consultations with the Prime Minister of Pakistan Mr. Shaukat Aziz, national representatives and experts in different fields so that the budget reflects national consensus on important issues. In order to make the budget welfare oriented we were guided by the President of Pakistan General Pervez Musharraf at every stage. Earthquake of 8th October 2005 devastated houses, hospitals, roads and mosques but it could not undermine our resolve which remained unflinching. We accepted it as a challenge and with the grace of Almighty came off well. Surely, there is no substitute for the precious lives lost but it was our moral duty to provide solace to the survivors of the tragedy. The whole world witnessed that the Pakistani nation played historic role in the rehabilitation work. Places littered with dead bodies and razed habitats have again come to life which speaks of the efforts and courage of the nation. Government has disbursed Rs. 66 billion for house construction and Rs. 40 billion for death/injury compensation. Whatever the government is constructing, it is being done under the principle of "Build Better".

After the Earthquake, no one died of hunger or cold. During the previous year 1500 schools, colleges and hospitals have been built and additional 2500 buildings would be constructed. An amount of Rs. 1.5 billion would be spent on agriculture and livestock which will enable people to become self supporting.

Mr. Speaker

5. Due to our geographic location we had to move with extreme caution lest our enemies inflict damage affecting our Associated Press of Pakistan future generations. But their dream did not come true.

Mr. Speaker

6. Besides putting an end to a system of exploitation and misuse of powers, we have transformed the budget from its elitist stance to welfare orientation for the poor. Increase in oil prices in the international market last year posed a new challenge but the government, by giving a subsidy of Rs. 111 billion on diesel, kerosene, fertilizer, electricity and food items, stabilized prices. Government did not leave people to the vagaries of high prices, but stood by the people.

### **Economic Performance**

Mr. Speaker

7. It is my pleasure to announce that our GDP growth rate remained at 7.02 percent. We had promised the nation a growth rate of 7 percent on which we delivered. Then we promised a growth rate of 5 percent in agriculture which we delivered. We had resolved that the manufacturing sector will grow by 8.8 percent which we achieved. We had resolved that the services sector would grow by 8 percent which we delivered. We acted as a shield against rising oil prices and did not transfer the price increase to consumers. We had promised to provide conducive economic environment where people will find jobs. As a result of these policies, during the last 5 years more than 10 million persons were provided livelihood. We had promised to develop investment friendly environment, we fulfilled this promise. Since July of last year to April this year, i.e. in a 10 month period, FDI in Pakistan exceeded \$ 6 billion. Foreign investors are making investment due to the development taking place in the country. Why our opponents are blind to this development?

Mr. Speaker

8. In order to run the country according to Quaid's vision, we have to ensure that our economy and democratic culture not only flourish but are also consolidated. Continuity of policies and single-mindedness are the pre-requisites. This would be possible only when people are prosperous, they have trust in national institutions, Parliament is supreme beyond any doubt, majority is not held hostage to minority and everyone works according to the given mandate.

Mr. Speaker

9. Our government would honour the promises it has made. Our priorities include transferring benefits of growth to people, promotion of people's welfare programme, and providing education, health, justice, sewerage, gender equality and safe drinking water.

Mr. Speaker

10. Our government has taken various measures to increase income of people and put an end to poverty. As a result, there is substantial reduction in rural poverty. Government policies aiming at allocation of greater resources for poverty alleviation

and creating employment opportunities have resulted in reduction of incidence of poverty from 34.4 percent in 2001 to 23.9 percent in 2005. In this way 12,700,000 people came out of poverty. We have decided to further reduce poverty from the country. Our future plans envisage employment opportunities for youth. The amount of money spent on poverty reduction and employment generation during last 5 years is Rs. 1,441 billion which is commendable especially in comparison with all previous governments.

Mr. Speaker

11. By the grace of God the Budget that I am going to announce has an overall size exceeding Rs. 1,874 billion. Federal Government expenditure is estimated at Rs. 1,353 billion.

This is a record budget in the history of Pakistan, especially in terms of expenditures on welfare of people. Expenditure of this magnitude was made possible through greater revenue collection especially by CBR which will exceed Rs. 1,025 billion. In view of this, the size of total revenue has been set at Rs. 1,475 billion. Hence the overall fiscal deficit is estimated at Rs. 398 billion which is 4% of GDP.

During 2006-07 our budget deficit was 4.2 percent of GDP which was according to the target even though we had to bear the brunt of rising international oil prices and earthquake expenditure. It was not an easy task neither did we have any magic wand. It was because of God's blessing, guidance of the President, farsightedness of the Prime Minister, untiring efforts of government machinery, and prayers of the nation that we emerged successful.

Mr. Speaker

12. Our government has allocated Rs. 520 billion under PSDP which will be spent on development and welfare of people. This is a huge sum which is unprecedented in the history of Pakistan. This is a record. Out of this, 52 percent will be spent on infrastructure development and 48 percent on welfare of people and on social sector. On whom will this amount be spent? It will be spent on welfare of people. If we compare the hefty amount being allocated this year for welfare of people, with earlier periods the latter would not be even 18 percent of it. A question arises as to what was the reason that those governments did not spend on development work despite their large fiscal deficit?

Their budget deficit used to be more than 7% of the GDP. Had they not filled their pockets, there would have been more benefits for the people. They spent insignificant amount on development. As against our PSDP size of Rs. 520 billion theirs was only Rs. 96 billion. 96 percent of the PSDP would be utilized during 2006-07. This proves that our government honours the promises that it has made with people unlike the previous governments. This is in contrast to the low utilization of PSDP by the previous governments which was due to their misdeeds and wrong policies. This made the people hostage and the country in fact had defaulted. People want to ask as to why were they not fairly treated during the period of earlier regimes. They demand that they should not be pushed back to those dark periods. But now, by the grace of Allah, we can move proudly holding our heads high and are also in a position to help our brethren.

Mr. Speaker

13. Pakistan is a federation and provinces are its federating units. Based on Provincial Chief Ministers and Finance Ministers assent to Presidential Orders amending NFC award, 45 percent of provincial share has been transferred to Provinces. During 2006-07 an amount of Rs. 418 billion has been transferred while Rs. 497 billion would be transferred during 2007-08 which would be 46% of the total amount. Under the directions of the President, transfer from divisible pool would reach 46.25% by the year 2010-11. If subventions are added, transfer of provinces would get 50 percent of the total amount. This would be a golden period of equitable sharing of resources with provinces. Why did not the previous government pay the provinces their due share? It was our government that has paid these hefty amounts to the provinces.

Mr. Speaker

14. It is the national leadership that determines the direction that the country has to take. If the leadership is true and has a vision it can change the destiny of the nation. But if the perspective is narrow and limited to self aggrandizement, the nation gets stranded in quagmire and succeeding generations pay the penalty. In our recent history many such governments were in power who used borrowed money for non-productive purposes, thereby mortgaging the future.

Mr. Speaker

15. In the last budget, I paid tribute to the present Parliament for having unanimously passed the Fiscal Responsibility and Debt Limitation Act. This law provided a sound basis for our economic development and for world's confidence in our policies. The credit for this goes to the Prime Minister of Pakistan who was the exponent of this law. It is through promulgation of this law that the executive is accountable to the House. It cannot exceed the borrowing limit of 60 percent of GDP without seeking your approval. It gives me a great pleasure to announce that Debt to GDP ratio has not been allowed to cross 53 percent as against a target of 60 percent set to be attained by the year 2009. Moreover, the loans that we raised were meant for development of the country.

Mr. Speaker

16. We raised 10 years Euro Bond in the international market which was over subscribed by more than seven and a half time. We raised US \$ 750 million through this Bond. This was despite the fact that the rate of interest offered was lower than that of previous periods. Last year this government launched 10 and 30 years bonds in the international market which elicited good response. This is a reflection of confidence of international investors in our policies. Prior to this no one was ready to invest even for 2 to 3 years in Pakistan. But now they are keen to invest for 10 to 30 years. Investment for a period of 30 years is not child's play.

It is the time span of a whole generation. Why this huge difference between yesterday and today? The difference is that of the intention, policies and good governance. I would like to ask these people whether they have forgotten those days when they tried to issue bonds in New York but there was no buyer. The reason was that due to wrong policies of the rulers at that time the country had become bankrupt,

its economy was weak and international community knew that, Those were embarrassing moments for us. Who would put money in a weak economy. The same international community is now keen to invest in our bonds. They know that our economy is strong and people are prosperous.

Today we move proudly holding our heads high. The entire amount would be spent on development and no one would be allowed to misuse it.

Mr. Speaker

17. Is it not a proof of our economic development and prosperity that the world is not only acknowledging it, but is ready to invest in the country. By the grace of Allah, Pakistan has emerged a prosperous country through dedication and sincere efforts of the government. It is only a small minority that refuses to acknowledge the fact of our development.

Mr. Speaker

18. It would not be out of place to mention here that the previous government between 1996-99 raised the rate of interest on National Savings Schemes as high as 18 percent because of which our government now has to pay a huge accumulated liability of Rs. 163 billion which is more than 4 times of the principal. This proved to be a heavy burden for the nation and due to imprudent policies of previous government the nation was pushed to a dead end. By taking these expensive loans they tried to hide the fact of the country's bankruptcy. But the present leadership not only paid off this heavy debt but put the nation on the road to development. Had the previous government cared for future of the nation and exercised prudence in raising debt, the resultant saving could have been used for more development and welfare of people. But they did not want to do that. The present government adopted such policies that have opened new avenues of development.

Mr. Speaker

19. Impregnable defence is indispensable for a nation who wants to live with honour and dignity. Our nation is ready to give any sacrifice for defence of their country. Today Pakistan and its geographic and ideological boundaries are invincible due to its independent foreign policies and economic development. In order to ensure protection of its ideology and economic independence Pakistan must have a credible deterrence and invincible defence. Pakistan is a nuclear power. If any one looks at us with bad motive we will respond with full force. This year an allocation of Rs.275 billion is being made for defence of the country. Armed forces are ever ready to lay down their lives for defence of the country.

Whenever any natural calamity has befallen the country, Armed forces have dealt with it with determination. Peace can be had only through making defence invincible.

### **Relief Measures**

20. Now I am going to present a list of relief measures. My request would be that my those colleagues who are not amenable to any reasoning or logic should listen with patience. I understand their unease and anxiety. They could not provide relief but did create problems for the people. We have provided relief and shall continue doing so.



Mr. Speaker

21. Government servants are our asset and it is duty of the government to take care of their needs. It goes to the credit of the government, who is the first to have completed its five year term, those salaries of government servants have been raised substantially four times, which is unprecedented. Government is fully conscious of welfare of its employees. Salaries of government employees are being increased by 15 percent in the present budget. This budget has been prepared keeping in view needs of workers, labourers, and government employees. But we cannot forget the role of pensioners in national development. They deserve respect and we feel that it is our moral obligation to take care of their needs. Government has, therefore, decided to increase pension of government pensioners by 15 to 20 percent. Increase in pension is being given in two tiers: old pensioners will get 20 percent raise while new pensioners will get 15 percent raise.

Mr. Speaker

22. Upgradation of posts was a long standing demand of the clerical staff. It gives me pleasure to announce that government has accepted this demand and employees in BPS 5, BPS 7 and BPS 11 are being promoted to BPS 7, BPS9 and BPS 14 respectively. A total of 87500 federal employees will benefit from this measure.

Mr. Speaker

23. Residential accommodation is a major problem for employees in Islamabad. Government has decided to solve this problem. Prime Minister of Pakistan Mr. Shaukat Aziz has directed the Ministry of Housing and Works to immediately construct 37000 houses for the low paid employees and give it to them on ownership basis. In phase I, work on the construction of 5000 units will immediately start for which land will be provided by CDA at official rate. Government employees will have the facility to get loan for construction of house.

Mr. Speaker

24. House is a need of every one. I ask whether any government thought of providing this facility or they were only concerned with amassing wealth. Did they not know that constructing a house is a back [breaking] experience. Our government realized this need of low income people. Low cost Housing Scheme would be started in collaboration with Provincial and District Governments. Loan from HBFC will be available. Under this scheme an estimated number of 250,000 units would be constructed in the next 5 years.

Mr. Speaker

25. Railway is an economical means of public transport. It is the duty of Railways to take passengers to their destinations safely. Welfare of Railway employees is responsibility of the government. Government has decided upgradation of Basic Scale by one step for the remaining 62,482 staff excluding Secretarial Staff. Long standing demand of Railway employees regarding upgradation of posts has already been accepted along with increase in their allowances. A total of 12,510 employees have benefited from this increase. In this way, our government has provided relief to 74,992 Railway employees and their long awaited demand has been met.

Mr. Speaker

26. It is our religious obligation to pay a labourer his wage before his sweat dries. It was the government of Muslim League and its allied parties which fixed minimum wage of Rs. 4000 per month in the last year's budget. Workers are the backbone of a society. Not taking good care of their needs would tantamount to weakening the economy. You ask workers as to whether they did not benefit from the increase in their minimum wage. These who are not ready to acknowledge this fact are people who did not themselves work in their life neither do they know what really hard work is. I would like to give good news to my working class brothers :-

1. Minimum wage of unskilled workers is being increased from Rs. 4000 per month to Rs. 4600 per month.
2. Old Age pension, old and new both, has been increased by 15 percent. Minimum pension has been increased from Rs. 1300 to Rs. 1500 per month.
3. Worker's widow shall now get pension of her deceased husband as per entitlement. Earlier she used to get minimum pension.
4. Earlier husband or wife, both contributing to Old Age Benefit, would not get pension of the deceased partner. Now the surviving partner shall get the pension of the deceased spouse.
5. Under the Workmen Compensation Act 1923 workers receiving more than Rs. 6000 per month were not entitled to compensation on account of disability. This restriction has been removed and now all the workers regardless of their wage level would be entitled to compensation on account of disability caused during the course or as a result of performance of duty.
6. Contract employees have been made entitled to receive companies profit under the Companies Profit (Workers Participation) Act 1968. The limit of profit has been enhanced from Rs. 12000 to Rs. 20000.
7. Workers Welfare Fund Ordinance 1971 is being amended to allow industrial workers to get medical, education, housing and death grant from Worker Welfare Fund. This facility shall apply to those units having an annual income in excess of Rs. 500,000
8. Workers Welfare Fund Ordinance 1971 amended to increase the limit of death grant from Rs.200,000 to Rs.300,000.

Mr. Speaker

27. Government is determined to protect people from price hike and considers extending benefits to poor segments of society its mission. Government allocated funds in last year's budget for food subsidy which was given to people through Utility Stores. People even in far flung areas benefited from it. Under this and under the Prime Minister's Ramzan and Eid package, relief of about Rs 5 billion was provided to people by Utility Stores Corporation. In addition, government has allocated subsidy worth billions of rupees in the Financial year 2007-08.

Mr. Speaker

28. I want to ask why previous governments did not give the relief that our government has announced and the one I shall soon announce? The difference is that of the intentions, policies and way of governance. Pakistani nation had to pay a heavy price for plundering of wealth by rulers of that time. We did not fill our pockets but fill national treasury.

Mr. Speaker

29. Daal Chana, Moong and Mash which is being sold in market at Rs. 38 per kg, Rs 56 per kg and Rs 72 per kg would be sold in Utility Stores at Rs. 29, Rs. 47 and Rs. 57 respectively. From tomorrow there would be a per kg relief of 16 Rs. 10, Rs. 5 and Rs. 5 on tea, sugar and rice respectively. At present the price of cooking oil is increasing rapidly in the international market. On the direction of the Prime Minister it will sell at the utility Stores at Rs. 67 as against the market price of Rs. 80 per kg.

Mr. Speaker

30. People with low income will get this relief which is being given on the directive of the Prime Minister. I will ask my brothers and sisters through this House to go to Utility Stores tomorrow to get the items at lower price.

Mr. Speaker

31. In view of wishes of the people our government has decided to give relief to people and continue giving it. People wanted that prices of their kitchen items should be reduced. We have done that. With this relief, people would be able to adjust their budget. We have lightened the burden of people by giving subsidy worth billions of rupees. I ask as to why did not the previous governments take these measures. They plundered national wealth and emptied the treasury. We used the national resources for benefit of people so that they get essential items at reduced rates.

Mr. Speaker

32. Our government has decided to extend the relief measures to every nook and corner of the country. In order to enable all the citizens to benefit from the relief measures it has been decided to increase the number of Utility Stores by additional 5000 and provide a utility store at every Union Council in the next 4 months. It will also result in creation of employment opportunities. In these stores necessities of life like daals, rice, sugar, ghee and basic medicines would be available and due to their close proximity people will save time and money by not going to the distantly located markets.

Mr. Speaker

33. My question whether some one before has thought of people living in far off areas? They had to travel long distances to get basic medicines. In Pakistan for the first time people will get medicines at reduced rates. People would not have to travel for miles but would get the facility at their door steps.

Mr. Speaker

34. Housing in Islamabad for low income people has become quite a complex issue. Taking notice of this situation, Prime Minister of Pakistan Mr. Shaukat Aziz has directed CDA to allocate a sector for 3 to 5 marla plots. In sector 1-15 a total of 5500 flats and 8500 apartments have been reserved for low income people who will have the facility of loans from Banks. This will solve the problem of low income people. Moreover, work in 4 sectors of Islamabad has started after 17 years due to the efforts of the Prime Minister Mr. Shaukat Aziz. With this prices of land in Islamabad, which were soaring sky high, went down and got stabilized.

Mr. Speaker

35. A question arises as to the source from where the money has come to make the relief measures possible. It is the leadership of President of Pakistan General Pervez Musharraf and farsighted policies of Prime Minister of Pakistan that made this happen. Funds became available for the welfare expenditures. We did not follow the example of previous rulers who amassed national wealth for personal gains. Our relief measures have unnerved our political adversaries who are trying to create chaos but they would not be able to withstand public scrutiny.

Mr. Speaker

36. Rich people do not go to whole sale markets for purchases. It is the low income people who benefit from such places. Therefore, we are setting up farmer markets at federal, provincial and district level. With this, farmers would be able to bring items directly to the market, thereby circumventing hoarders, middlemen and profiteers. People will be able to buy goods at cheaper price. Moreover, daily bazaars would be set up, besides farmer markets. First daily bazaar would be set up at Islamabad. In addition, first whole sale bazaar is being immediately set up in Islamabad.

Mr. Speaker

37. It is quite evident that if price of an item increases it never goes down. But we, being public representatives, broke this myth. When sugar prices skyrocketed we took immediate action and brought them down. When cement prices increased we not only arrested the increase but also brought down their prices considerably. Prices of pulses were brought down as well as that of ghee and flour.

We did not do this as a matter of favour to anyone but did it as a part of our duty. We have changed the tendency of government of being a spectator in the event of a profiteer fleecing the public. We would not let it happen again and come to the rescue of people by keeping our eyes and ears open. This is despite the fact that check on prices is the responsibility of the Provincial and District governments.

Mr. Speaker

38. It gives me great pleasure to state that the recent production of wheat has broken all records. When wheat and flour prices started skyrocketing in the international market there was a sudden acceleration in their export. Prime Minister of Pakistan ordered immediate ban on export of wheat and flour to keep their prices at affordable level. Timely action saved the people from any price increase but due to the

existing stocks decline in price is expected. Now Pakistan is the only country in the region where rates of flour and wheat are the lowest. That is what common man needs.

Mr. Speaker

39. In addition to catering to the daily needs of the nation, it is the duty of the Government to promote national self esteem. Most poor live in small towns and villages and often face hardship. It is the moral responsibility of the government to look after them. For this purpose an allocation of Rs. 7.5 billion has been made for Pakistan Bait-ul-Mal which is Rs. 2.5 billion more than the allocation for last year. I would also like to say that between 1992 and 1999 the annual budget of Pakistan Bait-ul-Mal was no more than Rs. 35 crore.

It is only this government which has exponentially increased resources spent for the welfare of the people. This large allocation will benefit those who are most deserving and its benefits will reach more and more people. Pakistan Bait Mal is at present helping 1,500,000 households through its food support programme. This year 700,000 more households will benefit thus bringing the number of beneficiaries to a total of 2,200,000.

Mr. Speaker

40. Some of my colleagues in this House have today been hearing the words subsidy, relief, help again and again. They are perhaps tired of this repetition for which I apologize. But the fact remains that our mission is to serve the nation. They may rest assured that I will announce further relief measures. I would like to ask them what promises did they fulfil during their time in government; they increased the budget deficit to 7% of GDP and made the country bankrupt.

Mr. Speaker

41. For the hardworking farmers of this nation, I today announce a tubewell subsidy of 25% payable on electricity charges for tubewells. This subsidy will be shared by the Centre and Provinces equally; with the Federal Government contributing one half and the Provinces the other half.

Pakistan is an agricultural country. The fertile land of this country yields bountiful fruits of the farmer's labour. It is our duty to look after their interest because they produce not only for themselves but to feed the whole country. Their biggest need is water.

As a result of this relief, this country will become prosperous, food production will increase and inflation will be controlled and farmers will have to pay lesser bills for tubewells that operate with electricity. This is a historic decision.

42. I wish to announce this good news to our farmers that we are providing further subsidy under DAP. The subsidy will increase from Rs. 400 per bag to Rs. 470 per bag. As a result of this, the price of each bag of DAP will be reduced by 70 Rupees. This is a subsidy of billions of rupees which will directly benefit the farmers. Agriculture produce will increase through use of DAP; incomes of farmers will further increase; it will bring prosperity to their doorstep. I wish to ask as to which government provided its farmers with so much benefit. The previous governments in fact believed in taking money away from the nation.

Mr. Speaker

43. The government wishes that the dreams of its youth come true. We know that the future of the nation is dependent Associated Press of Pakistan <http://www.app.com.pk/en> Powered by Joomla! Generated: 19 June, 2007, 12:57 on its youth. If we want to encash the demographic dividend, we will have to use our youth as a powerful force. For this purpose, we have prepared and launched several robust programmes, the results of which will be better than expectation. We feel that our youth are patriotic Pakistanis and our asset.

Mr. Speaker

44. The President of Pakistan, General Pervez Musharraf announced the Rozgar Scheme in the last financial year which has been very successful. The small amounts advanced at low rate of markup of 6% enabled the youth to start their own businesses, thereby providing succour to many families. These small businesses also generated employment for other unemployed youth.

Under the scheme, 1.8 million youth will be able to stand on their feet, and provide support to their families. In the last financial year 10,321 applications were approved under this scheme and Rs. 1 billion disbursed. The youth set up PCOs, established transport businesses, utility stores, mobile general stores and tele centres. Rs. 104.7 billion will be disbursed under this scheme in the next 5 years. I appeal to my young brothers and sisters that they should apply for assistance under the Rozgar Scheme and make good use of it. I would like to ask if any other government had such positive views about the development of its youth.

Mr. Speaker

45. As Pakistan is progressing rapidly, we feel there is a shortage of skilled people. I would like to ask why this shortage was not felt by previous governments. Because in those times the country was simply not progressing and factories were in fact being shut down. In order to meet the need of skilled people, in last year's budget we established NAVTEC. The aim of this institution was to develop the potential of the youth by providing them skills. It was decided to move forward with the implementation of this scheme by working closely with all four provinces. This was so that skilled individuals are distributed throughout the country. This amount is five times last year's allocation.

Mr. Speaker

46. They say that there is no substitute for experience. Our educated youth posses good degrees but lack of experience prevents them from getting meaningful employment.

In order to help our youth, the President of Pakistan General Pervez Musharraf directed that an Internship Programme be started so that our youth can gain valuable experience in different government departments, thereby being able to be gainfully employed in different private and government concerns. For this purpose, each graduate will be provided a stipend of Rs. 10,000 per month. As of now 8,000 interns are working and this figure will increase to 30,000 next year. It pains me to state that previous governments, who claimed to serve the masses, did not give any serious thought to helping the youth.

Mr. Speaker

47. When a low income individual wishes to start a business, where should he go? He has no collateral to offer. The rich easily procure loan but the poors have difficulty in getting even small loans. In order to resolve this problem, Micro-Credit Banking has been started the world over. Our government has instituted a regulatory frame work which is one of the best in the world. So far, one million households have benefited from Micro-Credit. The target for the next three years is 3 million households. Please come with me and see for yourself, how the lives of those who have availed Micro-Credit have changed; they are now self-sufficient and prosperous.

Mr. Speaker

48. As our cities expand rapidly, basic health facilities have difficulty keeping up. The hospitals are there but citizens have difficulty in reaching them which involves expense and travel. Keeping this view point in mind, President Initiative for Urban Clinics has been started. In the cities of Islamabad, Rawalpindi, Karachi, Lahore, Faisalabad, Peshawar and Quetta, 815 medical clinics are being set up at the Union Council level, hi each medical clinic there will be a doctor, lady health-worker and dispenser who will provide medical consultancy close to people's places of residence. In these clinics staff will be recruited from local union councils which will provide 4,917 employment opportunities. The question is, did any body else think about providing this basic facility in big cities? It seems, only we have found solutions to these problems.

Mr. Speaker

49. Safe drinking water is the basic need of every human being. Due to non-availability of safe drinking water, people suffer from various diseases. President General Pervez Musharraf gave directions for installation of a water purification... plant in each Union Council on emergent basis. A total of 327 plants have been installed and people have started getting safe drinking water and got protection from various diseases.

Mr. Speaker

50. We are asked as to what development activity we have undertaken other than mega projects. I would like to say that in order to eliminate the differentials between the urban and rural areas it has been decided to undertake Khushal Pakistan Programme along side mega projects. Under this welfare programme, 14,000 villages were provided electricity, at a cost of 1.5 billion rupees; 1207 cities and villages were provided sui gas at a cost of 71 billion rupees; roads were constructed and water supply schemes launched.

For the KPP, around 34 billion rupees are being kept in the current budget. In the last 5 years, our government provided electricity, sui gas connections, constructed roads, provided clean drinking water and sanitation facilities at a cost of Rs. 51 billion. Under the KPP, in 25 districts of Balochistan, development work of Rs. 3 billion is being undertaken. Further schemes will be identified by MNAs which will be implemented immediately. Under the directive of the President of Pakistan Rs.5 crores will be paid to each district, Rs.1 crore to each Tehsil and Rs.10 lac to each Union Council for development work.

Mr. Speaker

51. We can rightfully challenge whether any previous government has spent such a large amount for development activities. Who has benefited from Rs. 51 billion spent in the last five years under the KPP programme on the web of roads linking villages and Goths and small cities with large towns? Certainly the poor people of Pakistan who could never imagine that those essential facilities could ever reach their village, Taluka and Goth; that their children would be able to sleep under a fan and air conditioner; that their houses have water motors; that they could make use of basic facilities like sewerage. It is only the dedication and hard work of the present leadership which has provided the development funds necessary to carry out these activities, who promised that they will deliver electricity to each village and link each Goth with a highway. Today they have delivered on this promise.

Mr. Speaker

52. The nation would be within its right to ask as to which kind of government could provide such large amounts to maintain the self esteem and dignity of the nation. The answer is that only an honest, dutiful and God fearing government can undertake such a challenge. Agriculture Sector.

Mr. Speaker

53. With your permission, on behalf of the government and this House, I would like to congratulate my brother farmers for their hard work that has made us self-sufficient in food production today. God has listened to our prayers and provided us a bumper crop of wheat that was the largest in the history of Pakistan.

Mr. Speaker

54. Pakistan is an agricultural country. 60% of our population is associated with agriculture and agriculture has always played a significant role in our development. For a prosperous Pakistan we need prosperous farmers. As a result of government measures, growth rate of the agriculture sector in the current financial year was 5%. These interventions by the government have yielded positive outcomes. Never have we seen such record agriculture produce. Looking only at wheat, total production is now more than 23 million tons made possible by timely fertilizer provision, agriculture loans and availability of water. Support price of wheat had been fixed at Rs. 425 per maund which benefited our farmers in rural areas to the tune of Rs. 250 billion. As a result of this production of wheat was prioritized. Cotton production increased by 4.8% over last year. Rice production was also very healthy.

Mr. Speaker

55. I would like to ask why the livestock sector was ignored by previous governments when this could have substantially enriched our farmers? Did they not want that there should be a revolution in our rural areas and that farmers should earn extra income or were they waiting for us to prioritize this sector? The Government has formed two companies in the private sector.

(1) Livestock and Dairy Development Board (2) Pakistan Dairy.



Under these companies two big projects have been started worth 2 billion rupees. Under Prime Minister Special (Cell Associated Press of Pakistan <http://www.app.com.pk/en> Powered by Joomla! Generated: 19 June, 2007, 12:57) livestock produce and allied services will be spread to 1963 Union Councils all over the country benefiting three million poor farmers. As a result of these measures, 12 million litres additional milk will be produced and 2 lac tons additional meat will be produced.

Mr. Speaker

56. As a result of this government policy, a multinational company, has set up the largest milk processing plant in Asia in Pakistan. Similarly, other companies are also bringing investment from within as well as outside the country.

Mr. Speaker

57. It is our farmers urgent need that they be provided timely loans. Along with the subsidy on fertilizer, our government has also increased the availability of agricultural loans. In the financial year 2006-07, agricultural loans of Rs. 160 billion were targeted. Contrary to this, in 1990, agricultural loans of only Rs. 15 billion were disbursed. What will the farmer do with these new loans? He will purchase tractors, harvesters, fertilizers and seeds that are his basic requirements.

Mr. Speaker

58. With the use of better seeds agriculture production can potentially increase by 20% to 30%. The government has allocated Rs. 336 million for production of better seeds. 15 new seed testing laboratories will be set up. For better production of cotton, BT Cotton seeds and Bio-Safety arrangements will be introduced.

Mr. Speaker

59. Adopting farmer friendly policies, the government has provided the agriculture sector Rs. 250 billion which was entirely spent in the rural areas. The farmers spent this amount on their children's education, purchase of motorcycles, televisions, cycles, WLL sets, furniture, tractors, harvesters etc. They set up tubewells, built houses and why not? They tilled day and night on their lands and God helped them with bountiful crops which they sold in agricultural markets at government support prices. This is their right; prosperity of farmers is the prosperity of Pakistan.

## **Employment Generation**

Mr. Speaker

60. The construction industry in Pakistan has grown exponentially. Wherever we travel in Pakistan, the fast pace of construction activity is quite evident. There are 52 other industries associated with construction. A good indicator of the country's development is the level of job creation. It is difficult to describe the whole long list of industries where employment generation has occurred, in the time available. Even so, our Government provided 200,000 jobs in the motorcycle industry; 35,207 jobs in banking for qualified individuals; as a result of installation of mobile towers, 24,000 additional jobs were created; in the IT Sector 90,000 additional jobs were created; 2,000 jobs were provided in the cement industry; thus overall in the past 5 years more

than 10 million people benefited. I would like to ask as to which government provided 10 million employment opportunities. Is it not enough of an eye opener for our opponents?

### **Mega Projects**

Mr. Speaker

61. Today I hereby announce the construction of Neelum-Jhelum Project which will cost Rs. 84.5 billion. The electricity generated from this unit will contribute to the development of the country.

Mr. Speaker

62. The next in line is the Bhasha - Diamir Dam, the design of which will be completed in 2008. However, Rs. 500 million have been reserved for this Project in the PSDP. Along side this work, the work on Gomal-Zam Dam, Kurram Tangi Dam, Subak Zai Dam is in full swing.

Mr. Speaker

63. The work on the up-raising of Mangla Dam started by WAPDA is close to completion. As a result, 2.09 million acre feet additional water will be available for storage and 644 MW electricity will be generated. By construction of these Dams, 2.6 million acres land will be irrigated. Under-developed areas will be transformed into prosperous pieces of land.

Mr. Speaker

64. The Government has allocated a sizeable amount for the Greater Thar Canal, Reni Canal and Katchi Canal on which the work is in full swing. The Government is also starting the work on expansion of Kara Kurram Highway. The work on the expansion of Hasanabdal-Mansehra Section will start in the next few months. The N-5 Highway will be linked with the National Trade Corridor. For this purpose, it has been decided to provide the National Highway Authority with an allocation of Rs. 29 billion. The National Highway Authority will, during this year, start construction on 1,585 KM length of Highways at a cost of Rs. 147 billion.

Mr. Speaker

65. The deepest Port of the country is Gwadar. So far an investment of Rs. 13.5 billion has been made on this Project. This amount excludes foreign investment. The Coastal Highway which links Karachi with Gwadar has already been completed. Gwadar will emerge as an important Port for the region because it will provide a transit route to Central Asian States and China. As a result, both Balochistan and Pakistan will benefit.

66. In today's world it is difficult for a country to stand up right in the comity of nations without education. Foreseeing future requirements, the Government has decided to increase share of education to 4% of GDP. During the last 2 years, the education budget increased by 36%. It is pointed out that the bulk of the education infrastructure is situated in the Provinces and under their control. The Federal Government has limited educational institutions under its control. However, the Centre provides full support to the Provinces in this regard.

Mr. Speaker

67. Private Equity and Venture Capital Fund Private equity is a certain kind of investment which plays an important role in the domestic economy. It aids the expansion of private companies through provision of additional funds and administrative ability bringing out their hidden value. In order to speed up investment in this area, the Private Equity Fund has been made tax exempt till 2014. In case assets or shares of private companies are sold to Private Equity and Venture Capital Funds, the rate of Capital Gains Tax has been reduced from 35% to 10%.

Mr. Speaker

68. Real Estate Investment Trust (REITs) Through REITs a new form of investment tool is being introduced for investment in capital markets which will enable small investors to reap profits from investments in real estate, which, so far, was open only to large investors. In order to increase use of REITs their use has been given tax concession. For example, the profit of REITs, will be exempt from taxation upto 90%, upon distribution. The most important tax concession for REITs is that under this scheme seller of property will be exempt from tax up to 2010.

Mr. Speaker

69. Amendment in Companies Ordinance

For the benefit of shareholders, any shareholder who has 12.5% shares of any company can call for an election of new Board of Directors in the next AGM. In order to provide protection to minority shareholders, any person or persons with 20% or more than 20% shares of any company, can request SECP for special audit.

### **Demutualization**

Mr. Speaker

70. In order to bring our capital market up to international standard the demutualization of stock exchange is being implemented. Under this assets of stock exchange transferred to demutualized exchanges will be given special tax treatment. Industrial Sector.

Mr. Speaker

71. Industry is a basic need and symbol of recognition of a country. No one can think of prosperity without industry, be it a case of a developed or a developing country. This year growth of large scale manufacturing was 8.8 percent. Growth rates of other industries were impressive e.g. sugar (19.6%), beverages (28.4%), shoe (13.2%), paint and varnish (43.8%), motor tyre (17.2%), cement (21%), steel (24%), air conditioning (36.8%), electric transformers (25%) and tractor manufacturing (11.4%).

Mr. Speaker

72. Did earlier regimes pay any attention to this area? Did they give any useful suggestion? Did they constitute any working group? Did not they know that exports are essential for survival of a nation? But their agenda was not country's economy, public welfare or future of the nation but negative politics, propagation of hatred, and degradation of national institutions. People are not going to accept such an agenda as

they are aware of the people who have looted public money and built bank balances in foreign countries.

Mr. Speaker

73. The reason for Chinese fast paced development is its manufacturing industry. A SEZ near Lahore is being set up for Chinese products, with Chinese assistance. Chinese companies would exclusively invest there. Apart from that, companies intending to set up SEZs would be given various tax breaks. Those companies making investment will be given different incentives. These measures would boost up industry. Appropriate laws are being framed for setting up of Special Economic Zones. I would like to ask that our relations with China have been cordial throughout. Then why are they investing in Pakistan now and not before. I want to repeat that it is so because of good intentions, sound policies and good governance.

Mr. Speaker

74. Many drastic changes have come about in the industrial sector on account of measures taken by government. These have benefitted the people. Those days have gone when SRO culture was order of the day: an SRO issued in the morning used to be changed in the evening by vested interests. Those days have gone when people would approach concerned quarters for issuance of permits. Those days have gone when people would strike deals with ITO to the detriment of national exchequer. Today tax payers are free from the fear of victimization.

Today industrial base has expanded. Today new employment opportunities have been created. Today we are self sufficient in food. Today we have laid extensive road network in the country. Today we have provided safe drinking water. Today we have used national resources on welfare of people. Today families of the people getting employment are praying for us.

Mr. Speaker

75. All this has been made possible on account of continuity of policies, good faith, sincerity, honesty and dedication of the government. International investors have responded to the call of the government for making investment in the country. This has resulted in investment of US \$ 6 billion during one year.

Mr. Speaker

76. People who avoid facing facts shall be held accountable before public. They shall have to explain as to why they did not do adequate development? Why did not they set up the needed industry? Why could not they achieve the required level of investment? Why did not they provide relief to people from national exchequer? They would be unable to answer these questions. During their period of government, precious time of the nation was wasted. Nation has a right to ask them to explain the reasons for the wasted time and lost opportunities.

## **PART-II**

Mr. Speaker

77. Now I want to draw your kind attention towards the tax policy and tax administration reforms introduced in the tax structure of Pakistan. As you are aware,

the present government has introduced wide-ranging reforms in the CBR, which have been highly successful. The basic objectives of these reforms were not only to increase the tax collection, but also to provide tax facilitation and better tax environment to the taxpayers.

Mr. Speaker

78. The tax administration is a continuous process; therefore, additional taxpayers' friendly reforms are being introduced in the CBR. The future strategy is to co-locate all the domestic taxes under one roof, for which Regional Tax Offices (RTO) are being established in the major cities of the Country. Similarly, the international taxes are to be handled through the Model Customs Collectorates (MCC) which is being established by adopting best international practice. For large taxpayers, three large taxpayers units have been established equipped with modern resources.

Mr. Speaker

79. Due to introduction of these changes, CBR has been able to achieve its revenue targets. This will be fourth consecutive year when the start-of-the-year revenue target will be met. May I inform you that the revenue target for the first 11 months of current fiscal year has been successfully accomplished and it is expected that the yearly target of Rs. 835 billion will also be achieved (InshaAllah). Similarly, the revenue target of Rs. 1025 billion fixed for fiscal year: 2007- 2008 will also be successfully achieved (InshaAllah).

Mr. Speaker

80. Now I will turn to the tax policy measures being proposed for the coming fiscal year, wherein revisions have been proposed in tax rates taxpayer friendly in nature.

### **Customs**

81. As you are aware, tariff reform is an integral part of tax policy initiatives. For the last many years not only the tariff rates have been gradually reduced, but the number of tariff slabs has also been reduced considerably. The Tariff Rationalization process is an on-going process.

Mr. Speaker

82. I want to convey to you that the Tariff Reforms process will continue in the coming years as well. Furthermore, in order to reduce cost of raw material, a zero tariff slab has been proposed. This change is expected to accelerate industrial development, promote exports and increase national income.

Mr. Speaker

83. The guiding principle of our government policy is to increase exports, ensure availability of cheap raw material for industries. To continue with the policy, customs duty is proposed to be withdrawn from the machinery used in horticulture, furniture, marble & granite, surgical and medical instrument-business. Similarly, the customs duty on raw material used in the electrical, capital goods, paper & paper board, chemicals, plastic and rubber industries is proposed to be reduced by 5%. The

objective is to keep the momentum of industrialization going so that enough jobs are created for the wellbeing of common citizens.

Mr. Speaker

84. The country is facing acute shortage of electricity. To provide relief to the people and industrial establishments, it is proposed to withdraw customs duty on generators for home consumption. Similarly, reduction in customs duty is proposed on generators for industrial consumption. Likewise, it is also proposed to withdraw customs duty on the components used in alternative energy sources such as solar energy and wind energy. The sales tax at import stages on these items has also been proposed to be waived off. To encourage energy saving lamp, customs duty is proposed to be reduced from 15% to 10%.

Mr. Speaker

85. Presently CVT is levied on imported cars, while the domestically manufactured vehicle are exempt from CVT. In order to remove this disparity, withdrawal of CVT on imported vehicles is proposed. However, to maintain protection level intact, adjustment in customs duty at the rate of 5%, 10% & 15% for different CCs of cars is proposed. There is a proposal to levy 5% withholding tax on the local vehicles. To facilitate the middle income groups customs duty on 800cc cars is not being charged. Finally, the capping for old and used cars previously for 5 years is being reduced to 3 years so that the domestic industry attains stability. The condition of 3 years will be applicable to TR, Gift Scheme, and Baggage rules.

Mr. Speaker

86. Textile is the back-bone of the economy. Besides export earnings, this sector is a prime source of employment generation. Therefore, more attention is required to be focused on this sector so that to make it internationally competitive. Some time ago R & D facility was provided to this sector. Now the DTRE system is being revamped whereby the import of PSF will be allowed. Through DTRE, R&D facility will also be available to fiber manufacturers @ 3.5%, which will be availed through SBP. The facility of debt/swap to spinning sector is granted. Similarly, for exporter the existing WHT rate of 0.75% to 1% is being rationalized and 1% rate of WHT is being proposed. The textile exporters will also be the beneficiaries. We hope that with these initiatives, the textile sector will flourish further.

Mr. Speaker

87. The imports have increased many folds during the past few years. This phenomenon is not only reflective of industrial development, but also highlights improved consumption expenditure by individuals. However, the growing imports have badly impacted our trade deficit, due to which there is a huge burden on the national resources. Therefore, keeping in view the widening trade deficit and also to restrict the conspicuous consumption, 1% levy special surcharge is levied on all imports with the exception of petroleum product, edible oil, fertilizer, medicine, necessary food items (vegetable & pulses). Furthermore, the already exempted items will continue to remain exempt from this levy.

### **Sales Tax & Excise**

Mr. Speaker

88. Few years back the concept of zero rating was introduced so that the business community may not face liquidity constraints. It is a great pleasure for me to announce that the scope of zero rating is being widened to include sewing machine, bicycle & cotton seed oil.

Mr. Speaker

89. Cable TV is a basic necessity of daily life, therefore, excise duty on cable TV is proposed to be withdrawn. The traders belong to FATA & PATA are facing difficulties in carrying out their businesses due to unresolved disputes lying pending with the courts. Therefore, in consultation with them, the sales tax already due is proposed to be waived off enabling them to carry out their business.

Mr. Speaker

90. In the country, iron and steel, plastic and paper industries are fast growing but unfortunately majority of them are functioning in the unorganized sectors, resultantly the government as well as the organized sector industry are facing continuous losses. In order to establish equilibrium, the raw material imported for iron and steel plastic and paper industries the sales tax of 15% is proposed to be enhanced 20%. However, the rate of 15% sales tax on final product for these sectors will remain the same.

### **Income Tax**

Mr. Speaker

91. A task force was constituted to bring improvement in the provisions of law relating to holding companies. In view of the recommendations made by the task force, amendments are proposed in legislation relating to Holding Companies; 75% share holding will be required if none of the companies is a listed public company; 55% share holding will be required if one of the group companies is listed public company; Current losses can be surrendered by Holding Company to a subsidiary or between subsidiaries which fulfill the requirements of share holding; inter-corporate dividend shall be liable to 10% adjustable withholding tax.

Mr. Speaker

92. The concept of group taxation is not new. It has however, not prospered in Pakistan due to certain impediments in law which discourage the formation of groups. In order to implement the recommendations of the Task Force, it is proposed that for formation of group, transfer of shares between companies and the owners in one direction may not be treated as taxable event. Further, group taxation is allowable for 100% owned companies as one fiscal unit and no relief will be available in respect of losses prior to formation of group. It is also proposed that group taxation will be restricted to domestic companies only and for assessment on group basis option will have to be exercised for a minimum period of 5 years.

Mr. Speaker

93. Acquisition and merger is invariably treated as a non-tax event. The existing provisions of law do not expressly provide disposal of an asset under

amalgamation/merger to be a tax neutral event. Therefore, there is a need to introduce specific provisions regarding non-taxability of capital gains in the hands of share holders. It is proposed that transfer of shares between companies and share holders in one direction under an approved scheme, (not involving cash) may not be taken as taxable event if the purpose of such transfer is formation of a group. The incentive will be available under scheme of Merger and Acquisition, approved by High Court, SECP or SBP (as the case may be) which does not involve cash payments.

94. For computation of income of the banking companies a separate schedule will be added to the Income Tax Ordinance, 2001. This measure is being taken on the recommendations of the SBP and PBA on the analogy of taxation of Insurance Companies. Inter corporate dividend is proposed to be subjected to adjustable withholding tax @ 10%.

Mr. Speaker

95. I hope that with the introduction of this new system, the revenue generation will increase manifold. It will also provide relief to common citizens and the industrial production will accelerate in the process.

Mr. Speaker

96. This budget is a budget of relief. This is a budget of investment. This is the budget of a fast growing economy. This is a budget of the people. A budget that has reduced the price of kitchen items. As a result of this budget, we want to develop our youth into a skilled force. This a budget to ensure our self-sufficiency. The question is where did the funds for the welfare programmes initiated by our government in the last 5 years come from? Where did this new zeal in the people come from?

Mr. Speaker

97. This was all made possible because there was continuity and transparency in our policies and good governance. There are many who will not admit this reality but the fact remains that the country needs intelligent and honest leadership. The people are aware of who brought bankruptcy to the country. The Pakistani nation today can stand on its own two feet with its head held high. They know that there is a strong and powerful country behind them. They know that continuity in policies is essential. They know that there are people who want to thrust Pakistan into darkness again.

Mr. Speaker

98. In the end I would just like to say that Pakistan has traveled a long journey in the last 8 years. We have come out of bankruptcy, are steadily reducing poverty and are ranked as one of Asia's faster growing economies where poverty is on the decline, unemployment is reducing and which is on its way to become a strong, viable country. In other words, Pakistan is fast moving towards a better future.

Presently our reserves stand at 14.5 billion US dollars compared to 200 million US dollars some time back. Today we are not a nation with a begging bowl in our hands but a strong and proud nation that helps others also. We are a country where foreign investors want to invest; at no other time was Pakistan's future as bright as it is today. Today we can give our new generation the promise of a better future.

Mr. Speaker



99. Today with the grace of God, our country can never again be pushed towards the destruction which previous governments wrought upon it and who only devised policies that served their own interest. The whole nation including our youth are now mobilized. We have started the journey towards a prosperous future. It is this path that will lead us to a great Pakistan. The democratic journey we started in 1999 will continue, InshaAllah.

May God protect and help us all, Aameen, Pakistan Paindabad.  
[http://www.app.com.pk/en/index2.php?option=com\\_content&do\\_pdf=1&id=10519](http://www.app.com.pk/en/index2.php?option=com_content&do_pdf=1&id=10519)