



REGIONAL TRADE & CONNECTIVITY

Discovering New Horizons & Opportunities

INTERNATIONAL SEMINAR

9 January 2025



**INSTITUTE FOR STRATEGIC STUDIES, RESEARCH AND ANALYSIS (ISSRA)
NATIONAL DEFENCE UNIVERSITY, ISLAMABAD**

Conversations



@Foothills



Report of ISSRA-NLC International Seminar

**Regional Trade and Connectivity:
Discovering New Horizons and Opportunities**

Supervised by

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Disclaimer: The discussions and report have followed Chatham House rule.

The statements, facts and opinions by speakers do not constitute the official policy of ISSRA/NDU.



Concept Note

Regional trade and connectivity are essential for promoting stability and shared prosperity among nations. Pakistan, strategically located at the heart of Asia and at the crossroads of several regions, is uniquely positioned to act as a bridge for economic cooperation.

This Seminar aims to explore the growing role of Pakistan and regional countries in enhancing trade and connectivity through modern infrastructure, transportation, and digital networks. It will focus on improving trade flows and competitiveness while assessing opportunities for stronger trade ties and economic integration both regionally and beyond. The Seminar seeks to generate insights and viable policy options through a cross-border dialogue that includes experienced diplomats, policymakers, trade and commerce experts, economists, business leaders, and academics.



Programme

Time	Activity
0915-0945 hrs	Arrival / Registration of Seminar Attendees
1000-1030 hrs	Inaugural Plenary
1000-1005 hrs	Recitation of Holy Quran National Anthem
1005-1020 hrs	Introductory Remarks by President NDU / DG ISSRA & DG NLC
1020-1030 hrs	Group Photograph
1030-1110 hrs	Session 1 Moderator: Ms. Qurat ul Ain, Vice President Federation of Pakistan Chambers of Commerce & Industry (FPCCI) Talks by:
1030-1040 hrs	H.E. Mr. Alisher Tukhtaev, Ambassador of Republic of Uzbekistan
1040-1050 hrs	H.E. Dr. Reza Amiri Moqaddam, Ambassador of Islamic Republic of Iran
1050-1100 hrs	H.E. Mr. Atadjan Nurlyevich Movlamov, Ambassador of Turkmenistan
1100-1110 hrs	Mr. Zahid Maqbool, Former President FPCCI
1110-1130 hrs	Tea & Coffee Break
1130-1320 hrs	Session 2 Moderator: Dr. Ayesha Malik, Professor, Faculty of Aerospace & Strategic Studies (FASS), Air University, Islamabad Talks by:
1130-1140 hrs	Mr. Yuvraj Narayan, Deputy CEO & Group CFO, DP World
1140-1150 hrs	H.E. Mr. Sharifzoda Yusuf Tohir, Ambassador of Republic of Tajikistan to Pakistan
1150-1200 hrs	H.E. Mr. Avazbek Atakhanov, Ambassador of Kyrgyz Republic to Pakistan
1200-1210 hrs	H.E. Mr. Khazar Farhadov, Ambassador of Republic of Azerbaijan to Pakistan
1210-1220 hrs	Mr. Syed Hamid Ali, Additional Secretary, Ministry of Commerce, Pakistan
1220-1320 hrs	Discussion for Both Sessions & Wrap Up by the Moderator
1320-1405 hrs	Concluding Plenary
1320-1335 hrs	Talk by the Guest of Honour Mr. Sultan Ahmed bin Sulayem, Group Chairman & CEO DP World
1335-1340 hrs	Souvenirs Presentations
1340-1400 hrs	Keynote Address by the Chief Guest Mr. Musadik Masood Malik, Federal Minister, Ministry of Energy (Petroleum Division), Pakistan
1400-1405 hrs	Souvenir Presentation to the Chief Guest
1405 hrs onwards	Group Photograph Lunch Dispersal

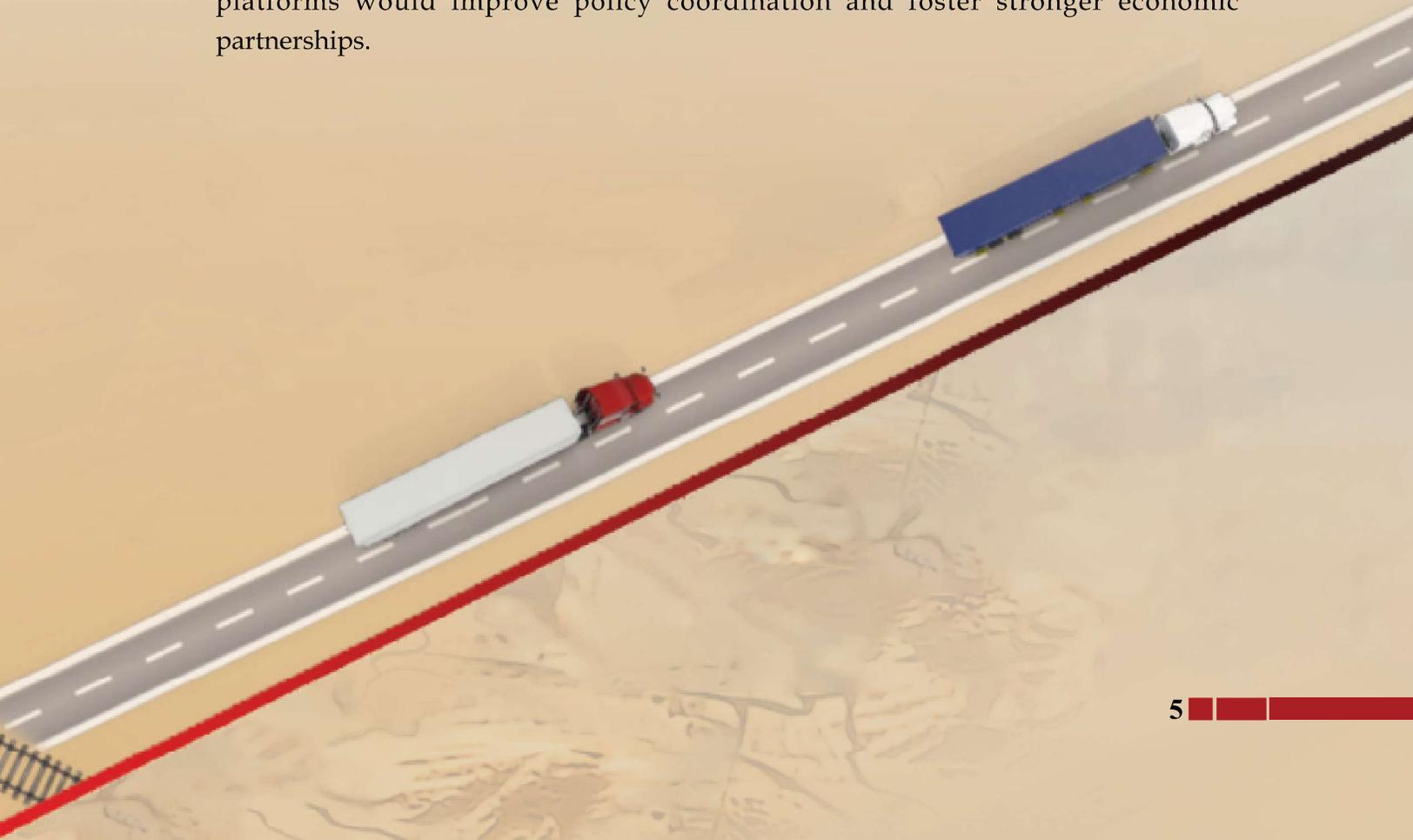
Introduction

- The Institute for Strategic Studies, Research, and Analysis (ISSRA) at the National Defence University (NDU), Islamabad organised an International Seminar on “Regional Trade and Connectivity: Discovering New Horizons and Opportunities.” The event occurred on 9 January 2025 in collaboration with the National Logistics Corporation (NLC).
- The Seminar explored the increasing role of Pakistan and regional countries in enhancing trade and connectivity through modern infrastructure, transportation, digital networks, and energy cooperation. It also addressed the geopolitical dynamics that influence regional trade and aimed to improve trade flows and competitiveness while identifying opportunities for stronger trade ties and economic integration regionally and globally.
- Distinguished guests from the diplomatic community, government officials, and business leaders attended the event. Guest speakers included the ambassadors of the Economic Cooperation Organisation (ECO) member states, who play a crucial role in fostering regional trade connections and economic collaborations.
- The Seminar provided a unique platform for all stakeholders to share their expertise, develop actionable strategies, and collectively shape a prosperous future for Pakistan and the surrounding region.

Key Findings

- Regional trade and connectivity are crucial for fostering stability and shared prosperity among nations. The Seminar highlighted the potential for strengthening economic ties between South, Central, and West Asia through trade agreements, investment facilitation, and policy alignment.
- There is considerable potential for expanding trade in agriculture, textiles, pharmaceuticals, and technology sectors.
- However, despite recent progress, intra-regional trade between Central and South Asia remains underdeveloped. This is primarily due to fragmented regulations, bureaucratic inefficiencies, and inadequate infrastructure.
- Pakistan can play a crucial role in enhancing regional trade and connectivity due to its strategic location at the heart of Asia, serving as a crossroads for several regions. The country's infrastructure development initiatives and policy commitments aim to strengthen economic ties with its neighbours. Pakistan's National Security Policy focuses on realising the vision of transforming Pakistan into a hub for trade and connectivity.
- By leveraging its transport corridors, seaports, and road networks, Pakistan can facilitate cross-border trade and improve supply chain efficiency. The China-Pakistan Economic Corridor (CPEC) is a transformative initiative for Pakistan and the entire region. It offers improved infrastructure, energy projects, and industrial development, connecting China and Central and South Asia to global markets through Pakistani ports.

- Energy trade is vital to regional connectivity, mainly through expanding electricity and gas supply projects between Central and South Asian countries. Integrating renewable energy and investing in power infrastructure must be top priorities.
- Significant infrastructure projects include the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline, the Trans-Afghan Railway, and the Central Asia-South Asia Electricity Transmission and Trade Project (CASA-1000), which will facilitate the export of surplus hydroelectricity from Kyrgyzstan and Tajikistan to Afghanistan and Pakistan.
- Expanding Pakistan's Gwadar port and Iran's Chabahar port are complementary. These are not competitive ports and are rather essential for enhancing trade routes.
- Efficient transportation networks and reduced trade barriers will enhance regional cooperation. Seamless regional supply chains can be created by integrating road, rail, air, and maritime transport. Additionally, establishing modernised border terminals and logistics hubs will facilitate the cross-border movement of goods.
- Digital connectivity is crucial in promoting e-commerce, financial technology (fintech) solutions, and blockchain-enabled logistics. To lower costs and improve efficiency, it is essential to have harmonised customs procedures and simplified trade regulations.
- Regional organisations such as the Shanghai Cooperation Organisation (SCO) and the ECO are vital for enhancing trade and connectivity. Greater engagement in these platforms would improve policy coordination and foster stronger economic partnerships.



Summary of Proceedings

- The Seminar began by highlighting the importance of regional economic integration and the role of connectivity in promoting trade, investment, and cooperation across South, Central, and West Asia.
- The discussion centred on identifying opportunities to enhance trade through infrastructure development, transport corridors, energy cooperation, and digital connectivity.
- The first session focused on the potential for regional trade and economic partnerships, emphasising the need to strengthen trade relationships through bilateral and multilateral agreements.
- The second session focused on developing regional infrastructure and digital trade solutions.
- It was noted that despite geographical proximity and shared economic interests, intra-regional trade is significantly underutilised. Key challenges, such as inadequate infrastructure, complex trade regulations, and logistical bottlenecks, were highlighted as significant obstacles.
- Speakers emphasised the need for policy harmonisation, streamlined customs procedures, and enhanced trade facilitation measures to reduce costs and improve efficiency.
- The discussion focused on investment in key sectors such as agriculture, textiles, pharmaceuticals, and technology, emphasising that regional collaboration could yield significant economic benefits. Participants highlighted the importance of diversifying trade beyond traditional goods by incorporating knowledge-based industries and digital trade.
- Another key topic was the transit and transport infrastructure development, specifically the Trans-Afghan Railway, which connects Uzbekistan, Afghanistan, and Pakistan, and the Lapis Lazuli Corridor, linking Turkmenistan to South Asia. These projects are anticipated to significantly reduce transportation costs and transit times between Central and South Asia. It was noted that the Trans-Afghan Railway can handle up to 20 million tons of cargo annually, potentially decreasing transportation costs by 30-35% and cutting transit times from two weeks to just a few days.

- Tajikistan's investments in information technology (IT) infrastructure, Azerbaijan's development as a “land-linking” hub, and Turkmenistan's global-standard transport corridors highlight the essential role of infrastructure in transforming transit economies.
- The significance of Pakistan's seaports, particularly Gwadar and Karachi, in facilitating regional exports and imports was emphasised.
- It was also stressed that connectivity between Gwadar and Chabahar ports should be strengthened to ensure synergy rather than competition. These ports and new Iran-Pakistan border crossings, such as Rimdan-Gabd and Pishin-Mand, serve as complementary gateways for regional connectivity.
- The speakers highlighted Pakistan's role as a bridge, providing vital transit routes, port access, and trade facilitation mechanisms to enhance regional integration.
- Central Asia possesses untapped mineral resources, while Pakistan has unexplored hydrocarbon reserves, both offering significant opportunities, provided there is improved connectivity between the regions.
- Speakers emphasised the importance of peace and stability in Afghanistan as a key factor in the success of regional trade initiatives. A stable Afghanistan ensures uninterrupted connectivity between Central and South Asia. It was suggested that special transit arrangements should be developed to allow Afghan goods access to international markets via Pakistan.
- Additionally, it was proposed that reliance on Western-dominated trade markets should be reduced by enhancing regional self-reliance. This can be achieved by building strategic economic partnerships with China, Russia, Türkiye, and Gulf countries to diversify trade routes and supply chains.
- The speakers emphasised that connectivity goes beyond just physical roads and railways; it also involves integrating digital platforms to facilitate efficient trade. Implementing digital single-window solutions can streamline trade documentation and reduce processing times. Additionally, enabling cross-border digital payments and financial integration will support online trade.
- The discussion also highlighted how blockchain technology and e-commerce-based trade facilitation systems will ensure secure, transparent, and efficient transactions.
- There was a strong emphasis on harmonising digital trade regulations, reducing bureaucratic red tape, and facilitating cross-border banking solutions to support

seamless financial services. Additionally, regional financing programmes and credit facilities will support startups involved in digital trade.

- It was observed that the lack of integration in digital trade raises costs and discourages small and medium-sized enterprises (SMEs) from entering the regional market.
- The implementation of Pakistan Single Window (PSW) and digital trade facilitation measures was discussed as a key step in reducing bureaucratic delays, ensuring transparency, and improving trade efficiency.
- The importance of multimodal transport systems—integrating road, rail, air, and maritime transport—was highlighted as a way to improve efficiency and cost-effectiveness.
- There is a pressing need for greater participation from the private sector in infrastructure development. This includes investing in modern border terminals, logistics hubs, and warehousing facilities to facilitate seamless trade flows.
- Encouraging Public-Private Partnerships (PPPs) for infrastructure projects is also essential to ensure sustained transportation, warehousing, and logistics investment.
- Additionally, it is crucial to develop regional skills and offer technical and vocational training programmes focused on logistics and supply chain management. Establishing training institutes for young entrepreneurs will help create a workforce driven by trade.
- Speakers emphasised the significance of regional energy cooperation, mainly through initiatives like CASA-1000, which aims to transmit surplus electricity from Central Asia to South Asia. Additionally, the successful implementation of the TAPI gas pipeline project is expected to be a significant milestone in regional partnership. This project will boost the region economically, promote interdependence, and contribute to regional stability. Furthermore, it will enhance connectivity and create opportunities for increased collaboration in energy, trade, and investment.
- Additionally, there was an emphasis on the importance of cross-border investment in renewable energy initiatives, including solar, wind, and hydropower. The participants advocated for developing energy-sharing agreements to balance regional supply and demand and standardising regulations, pricing mechanisms, and investment frameworks to facilitate regional energy trade. It was acknowledged that stable and reliable energy supplies are essential for industrial growth and the expansion of trade.
- To achieve better trade and connectivity targets, simplifying customs clearance is

necessary. This includes introducing fast-track processing for perishable goods and establishing harmonised tariff structures and mutual recognition agreements to eliminate trade inefficiencies.

- The third session examined the broader geopolitical context of trade and connectivity, emphasising how global changes influence regional economic policies.
- The discussions highlighted that we are moving away from absolute globalisation towards regional trade blocs and strategic economic alliances. It was emphasised that nations must reassess their economic strategies by strengthening regional partnerships to stay competitive in a rapidly evolving global economy.
- The impact of deglobalisation, rising protectionism, and economic nationalism on trade was discussed in detail. Some argued that global trade is increasingly shifting toward regionalisation, with countries prioritising trade within their geographic blocs rather than depending solely on open global markets.
- This shift is attributed to trade wars and geopolitical realignments. Conflicts in the Middle East and disruptions such as the Red Sea crisis highlight the fragility of global supply chains, making it essential to develop resilient regional alternatives.
- The increasing impact of economic alliances, including the SCO, the ECO, the South Asian Association for Regional Cooperation (SAARC), and the Belt and Road Initiative (BRI), was highlighted.
- It was noted that aligning trade policies within regional trade blocs like the BRI could enable countries to take advantage of Chinese-led infrastructure projects.
- There was an emphasis on updating and expanding Preferential Trade Agreements (PTAs) and Transit Trade Agreements (TTAs) to reduce tariffs and non-tariff barriers.
- During this session, a significant portion of the discussion centred on how Pakistan's strategic location can connect landlocked Central Asian states with global markets through transit corridors.
- Participants acknowledged that Pakistan's ports, road networks, and rail infrastructure could serve as essential links for regional trade, provided that regulatory bottlenecks are addressed.
- The role of industrial and special economic zones (SEZs) in attracting investment and promoting industrial cooperation was also examined.
- Developing industrial clusters along key trade routes was proposed to enhance production capacity, create jobs, and boost regional exports.

- Additionally, strengthening academic partnerships between South and Central Asian universities is essential to promote trade and technology transfer. Expanding student exchange programmes and language training centres will improve cross-cultural business engagement.
- Furthermore, green and sustainable trade policies can be introduced by developing eco-friendly ports and logistics hubs that align with global environmental standards.
- A key aspect discussed was the impact of technological advancements on trade. Participants noted that artificial intelligence (AI) and automation are reshaping the future of commerce.
- The importance of e-commerce in reducing trade barriers and enabling SMEs was highlighted as a critical driver of economic growth. To facilitate networking between businesses and promote sustainable growth, it was proposed that regional business forums and trade fairs be organised along with strengthening human capital development and cultural ties.
- Tourism, particularly eco-tourism in mountainous regions and religious tourism along ancient Silk Road routes has significant untapped potential to generate revenue and empower local communities. Millions of Pakistani tourists travel to neighbouring countries, highlighting the necessity for a high-level Tourism Council to facilitate these exchanges.
- Additionally, historical connections, exemplified by the Multani Caravanserai in Baku, reinforce the shared heritage as a basis for contemporary collaboration.
- The discussions highlighted the necessity for a unified regional trade strategy. Participants called for establishing institutional mechanisms, such as a Regional Trade Council (RTC), to coordinate policy measures, monitor trade performance, and resolve disputes. Any delays in these efforts could hinder progress in a rapidly evolving global economy where regional blocs are reshaping trade dynamics.
- The Seminar concluded with a call to action for enhanced collaboration among governments, the private sector, and regional institutions.
- The participants agreed that regional connectivity is a shared responsibility that requires political commitment, financial investment, and practical policy coordination and unlocking the full potential of regional trade and connectivity will promote economic prosperity and stability in the region and beyond.

PLENARY SESSION



Mr. Musadik Masood Malik
Federal Minister of Energy
(Petroleum Division)



Maj Gen Raza Aizad, HI (M)
DG ISSRA



Mr. Sultan Ahmed bin Sulayem
Group Chairman & CEO DP World



SESSION I



H.E. Mr. Alisher Tukhtaev
Ambassador of Republic of Uzbekistan



H.E. Dr. Reza Amiri Moghaddam
Ambassador Islamic Republic of Iran



Ms. Qurrat ul Ain
Vice President of FPCCI
(Moderator)



H.E. Mr. Atadjan Nurlyevich Movlamov
Ambassador of Turkmenistan



Mr. Zahid Maqbool
Former President FPCCI



SESSION II



Mr. Yuvraj Narayan
Deputy CEO & Group CFO, DP World



H.E. Mr. Khazar Farhadov
Ambassador of Azerbaijan



H.E. Mr. Sharifzoda Yusuf Tohir
Ambassador of Tajikistan



Mr. Syed Hamid Ali
Additional Secretary



Ms. Ayesha Malik
Lecturer Air University
(Moderator)



H.E. Mr. Avazbek Atakhanov
Ambassador of the Kyrgyz Republic



Photo Gallery





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