



FRANCE-PAKISTAN : RENEWING DIALOGUE AND CHARTING NEW WAYS OF COOPERATION

Report on the visit of the France – Pakistan Inter-Parliamentary friendship group to Islamabad, Lahore and Karachi

10th to 15th April 2016

A delegation of the France-Pakistan friendship group, led by President Mr Pascal Allizard, Vice-President Ms Françoise Cartron and group member Ms Patricia Morhet-Richaud, visited Pakistan from 10th to 15th April.

I. Political Aspects

Since the visit of Secretary of State for Foreign Trade Ms Anne-Marie Idrac in July 2009, no major French political figure had been to Pakistan on an official visit. Since the heyday of the 1970s, when France and Pakistan had a very close relationship in the context of the Cold War, our political ties have grown considerably loose.

This cautious attitude can be explained by several factors: the 2002 attack against DCNS engineers in Karachi, the 1998 nuclear tests and the involvement of Pakistani scientists around Abdul Qadeer Khan in nuclear proliferation such as in North Korea, Libya and Iran, former support to the Afghan Taliban, the instability and fragility of civil governments against a very powerful army and the ongoing conflict over Kashmir with India, which we recognize as a strategic partner.

However, with a population established at 190 million in the last 1998 census and a predicted rise to 300 million by 2040, Pakistan will be the first Muslim country in the world. Since Pakistan is a close ally of China and Saudi Arabia, these reasons for caution are also excellent ones not to turn away from this country, to maintain frequent exchanges and to find cooperation opportunities in terms of security, trade and education.

With a will to renew political dialogue through parliamentary diplomacy, the delegation of the friendship group successively visited the three largest urban centres in Pakistan : the political capital Islamabad, built from 1961 onwards to

house the country's institutions ; Lahore, one of the capitals of the Mughal Empire and a cultural and academic centre; and Karachi, the exponentially growing megalopolis, former capital at the time of independence in 1947 and centre of the country's financial and economic activities.

The Senators' presence was particularly appreciated by the Pakistani politicians, especially by their parliamentary counterparts. By acknowledging the country's strategic value as well as its status as a global power to be reckoned with, the mission aimed to meet the high expectations of the Pakistani side, who have been keen to set the basis for a new sustainable partnership with France.



The Senate delegation is greeted at the Pakistani Senate

The mission noted some positive developments in the domestic situation, even though it remains fragile. Since General Musharraf's withdrawal in 2008, two elections have been held without military interference. The governments of the two major parties, the Pakistan People's Party (PPP) led by Benazir Bhutto's widower Asif Ali Zardari, and the Pakistan Muslim League (PML-N) led by current Prime Minister Nawaz Sharif, have been able to hold power alternatively without incident.

Attempts of reconciliation with India have taken place, but the topic remains highly sensitive. Recently, Indian Prime Minister Mr Narendra Modi, visited Nawaz Sharif in Lahore on 25th December 2015, and the visit was followed by an attack against the Indian military base in Pathankot on 14th January 2016. The Senate delegation managed to tactfully and cautiously bring up the topic –and to catch the attention of its interlocutors and the Pakistani press– by mentioning the historical experience of our relationship with Germany : one century, three wars and millions of casualties from 1870 onwards ultimately led in 1963 to a lasting friendship, without which nothing could be done within the European Union.

Since the spring of 2014, the Pakistani military has also started a major operation against the Taliban in Waziristan, named “Zarb-e Azb” in reference to Muhammad's sword. Hit by numerous attacks which have killed about 50,000 people within the decade, Pakistan was shaken by an attack against a Public Army School in Peshawar, which killed 132 children on 16th December 2014. The attack, followed by that of Charsadda University in January 2016 and of a public park in Lahore in March 2016, has not dented the determination of political forces and the military, who are pressing on with their action against the Taliban scattered around the territory in order to bring back internal security. During the mission, an offensive was underway in southern Punjab, a region presented as a refuge for and home to radical Islamists, and dotted with a dense network of *madrasas* (schools).

The delegation visited the Parliament while the two Chambers were having a joint session, which is a characteristic of the local constitutional law, to resolve diverging opinions on various bills. It also coincided with the 43rd anniversary of the 1973 Constitution of Pakistan.

The delegation talked with Mr Mian Raza Rabbani, Chairman of the Senate and former Minister of Justice to Mrs Benazir Bhutto. He is greatly renowned for his commitment to human rights, which led him to prison under the regime of General Zia ul-Haq in the 1980s.

The delegation also met with the members of the Pakistan-France inter-parliamentary friendship groups, which have recently been restored and bring together MPs from most political parties and all Federated States of Pakistan. They are chaired at the Senate by Lieutenant General Abdul Qayyum, Chairman of the Standing Committee on Defence Production, and at the National Assembly by Mrs Marvi Memon, Secretary of State (French-speaking).

The meetings allowed to outline the foreign policy of Pakistan at the crossroads of the Middle East, Central Asia and South Asia, and to seek increased cooperation with France in terms of security and defence, but also sustainable development (fight against climate change, renewable energy, animal health and agriculture).

Another topic was discussed : the Benazir Income Support Program (BISP). Led by Mrs Memon, this income support initiative for the poorest families targets women in order to promote their education and empowerment. The aim is to protect and enhance the rights of women, who are seen as vital players in the economic and social development, especially in rural areas.



Mrs Marvi Memon (2nd left) and Mr Abdul Qayyum (2nd right), at the Benazir Income Support Program

II. Economy and Businesses

The Senate mission delved lengthily into economic issues in order to assess ways and means to develop cross-investments and trade between France and Pakistan. Bilateral trade declined slightly between 2014 and 2015 but remains around 1.1 billion euros, which does not put us in a favourable position up against our British, German and Italian competitors.

The meeting with Mr Shahbaz Sharif, Chief Minister of the Federal State of Punjab, which has a population of 100 million, focused on economic topics, especially on opportunities for French companies in terms of water (purification and sanitation), solar energy and agriculture.

Near Lahore, the delegation visited a textile factory belonging to Nishat Mills, one of the main subsidiaries in the major industrial and financial conglomerate run by Mr Mian Mansha, who is deemed to be the country's wealthiest man.

This vertically integrated company specialises in spinning, weaving, dyeing, printing, and sewing for clothing and household linen. It has its own power generation units in order to alleviate chronic under-production, a typical issue for local industries.

The bulk of its sales is exported to international brands. After purchasing German and Italian state-of-the-art equipment, it has now started to turn its production towards digital printing.



Visiting the Nishat Mills textile plant near Lahore

In Karachi, discussions with members of the Pakistan Business Council highlighted the improvement of the country's macroeconomic situation, characterised by low inflation, stabilisation of the deficit and low-volatility exchange rates. Exciting opportunities within the Pakistani market were highlighted, with the middle class already amounting to 30 million people with a purchasing power comparable to that of Poland.

In order to support the Pakistani economy, and especially its textile industry, it is vital that Pakistan take part in the European Union's Generalized System of Preferences (GSP+). This "Everything but Arms" type of agreement facilitates exports to Europe without custom duties. The adoption of protective legislation against child labour was a prerequisite. When the next renewal of the GSP+ is due, France could provide support to Pakistan.

Among new opportunities for our companies, one will have to take into account the China-Pakistan Economic Corridor, which will be driven by Chinese investments estimated at 46 billion dollars for the next few years. French technology could well contribute to infrastructure and equipment works (railways, rolling stocks and fixed installations, signalling, engineering) among others.

Besides water, energy and public services mentioned above, other industries could also present opportunities such as the dairy industry, vaccines and the automotive sector. A visit by MEDEF representatives, eagerly awaited by their Pakistani counterparts who have already been to France, would help to explore the full potential of the market. The delegation also met with several representatives of French local firms such as Alcatel, Gemalto, Vinci, IPSOS, Schneider Electric, Total and Alstom.



Meeting with French companies' representatives

It seems that, in order to develop their activities in Pakistan, they will have to overcome several obstacles. The security issue cannot be ignored, but this is also the case in many other countries where French companies are present. The lack of Coface guarantee, especially for sovereign projects, seems to present an issue when it comes to get calls for tenders from the China-Pakistan Corridor. Moreover, French banks refuse to commit even to risk-covered private projects. Correlatively, Pakistani companies find it difficult to open an account in France for investment, and resort to German banks instead. Efforts on the French side are therefore urgently needed in order to grow bilateral trade and investment.

III. Education and Culture

Convinced of the key role of education in the development of a country where 65 % of the population is under 20, the Senate delegation also focused on cooperation in terms of education and culture.

For instance, it met with the Higher Education Commission (HEC), a regulatory body for higher education, whose President, Mr Mukhtar Ahmed, has the rank of minister.

Within 15 years, a significant effort has tripled the number of universities (now 178), with a view to allow 15 % of the population access to higher education by 2020. France is being sought to accommodate additional master and PhD students and to develop joint research projects.

In 2015, 80 Pakistani students were awarded a scholarship by the HEC to do their PhD in France. After several years of low numbers due to the tightening of visa-issuing conditions, France has become the first destination for Pakistani students benefiting from this post-graduate scholarship programme abroad.

Furthermore, the HEC wants to create a joint French-Pakistani research centre on climate change, which would be responsible for advising the Pakistani government. There are already three other joint research centres, all associated with US universities. Pakistan's proposal reflects the excellent reputation of French research there and is worth considering. The delegation visited the three *Alliances françaises* in Islamabad, Lahore and Karachi. The first would like a French expatriate manager, whom they are currently lacking.



Visiting the Alliance française in Islamabad

The second shares premises with the Goethe Institute and is expecting an influx of students thanks to more scholarships awarded to France. The third has benefitted from the Senate's financial support towards its residential pole project aiming to host visiting researchers.

Finally, the delegation visited the National Museum of Lahore and discovered its priceless collections of artefacts from the Indus civilisation, ancient and Islamic numismatics and Greco-Buddhist art of Gandhara.

Museum officials requested France's assistance in terms of conservation, collation and museum layout techniques. The expertise of the Musée Guimet and the Réunion des Musées Nationaux (RMN) would be useful.



Ceremony at the Alliance française in Karachi

* *
*

The Pakistani press expressed great interest in the Senate mission, and met twice with the delegation, to which it devoted a total of 48 articles in English and Urdu.

This reflects a certain expectation from civil society, especially since the Pakistani press enjoys a remarkable level of freedom and features a wide range of opinions, from conservatism imbued with Islamic influence and the work of poet and philosopher Muhammad Iqbal to modern liberalism rooted in British tradition.

The topics of secularism, islamophobia, state of the European Union, Brexit, terrorism, trade development, and student exchanges were freely discussed.

Members of the delegation



Mr Pascal ALLIZARD

President of the friendship group
Senator of Calvados
(The Republicans)



Ms Françoise CARTRON

Vice-President of the friendship group
Senator of Gironde
(Socialist and republican)



Ms Patricia MORHET-RICHAUD

Member of the friendship group
Senator of Hautes-Alpes
(The Republicans-A)

Friendship group members: http://www.senat.fr/groupe-interparlementaire-amitie/ami_619.html