

JOINT PAPER

PAKISTAN-UKRAINE BILATERAL COOPERATION AND WAY-FORWARD

20/12/21



Copyright: @ADASTRA and International Institute for Global Strategic Analysis (IIGSA), 2021. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of ADASTRA and International Institute for Global Strategic Analysis.

Disclaimer: Any opinions in this publication are those of the author(s) alone and do not necessarily state or reflect the opinions or positions of the International Institute for Global Strategic Analysis or ADASTRA.





ISLAMABAD, PAKISTAN



IIGSA.ORG



INFO@IIGSA.ORG



+92 51 8446818



INTERNATIONAL INSTITUTE FOR GLOBAL STRATEGIC ANALYSIS



12 VASILYA VERKOVINSTA STREET, 03148 KYIV, UKRAINE



ADASTRA.ORG.UA



ADASTRA@ADASTRA.ORG.UA



+380 66 499 04 30



THINK TANK ADASTRA

PAKISTAN-UKRAINE BILATERAL COOPERATION AND WAY-FORWARD

Islamabad and Kyiv have held good bilateral relations since the independence of the latter in 1991. The development of diplomatic relations between the two countries in 1992 led to the simultaneous opening of embassies for comprehensive engagement. Initially, both the countries focused on fields including education, biomedical sciences, legal and aerospace technologies for strengthening their ties.

Shortly, the military industrial complexes of Islamabad and Kyiv started cooperation by acquisition of different military equipment. This not only laid the foundation collaboration between the defence sectors but also proved as a major breakthrough the military engagement. Moreover, the two countries started sale-purchase, upgradation and joint manufacturing of weapons, tanks, aircrafts etc.

Most recently, in the wake of rapidly changing geostrategic landscape. geopolitical and Pakistan and Ukraine have shown resolve to strengthen their relationship. geostrategic geo-economic regional and conditions in Eurasia, especially driven situation in Afghanistan, China's intensification of Belt and Road Initiative (BRI) and Shanghai Cooperation Organization (SCO) along growing multi-polarity has converged the broader national interests of Pakistan and Ukraine.

Over the last few years, a wide-ranging components have emerged as driving factors for steering the partnership between Pakistan and Ukraine. Trade has significantly increased, cultural and academic exchanges have been intensified, and political support has become evident. However, many sectors remained unexplored like tourism, IT etc. which can enable the two countries to further align their foreign policies and strategic interests.



Pakistan-Ukraine Bilateral Cooperation and Way-Forward

Table of Contents

Introduction	4
Current Status of Cooperation between Pakistan and Ukraine	4
Modern Ukrainian-Pakistani Trade and Economic Relations	5
Modern Pakistan and Ukraine Political Relations	8
Future Perspective of Bilateral Cooperation	9
Economic Cooperation	10
Defence/ Military Cooperation	11
Conclusion	12

Introduction

The current relations between Pakistan and Ukraine can be evaluated as a partnership based on cooperation in the trade and economic sphere. Food, military-industrial textiles and iron make up the most significant part of bilateral trade. Both countries were also cooperating quite actively in the fields of education, medicine and aerospace technology. Over the past year, cooperation between the countries has become much more active, resulting in a significant increase in trade turnover. Furthermore, a number of joint events for business representatives, which in turn can be a good springboard for the introduction of joint infrastructure projects. In addition, collaborative activities in the cultural and humanitarian fields could be auspicious for both countries. Political cooperation between countries is not pronounced and is generally limited to the necessary diplomatic assistance for the intensification of economic cooperation.

Current Status of Cooperation between Pakistan and Ukraine

One of the most promising areas of cooperation for Ukraine from an economic point of view is the Asian countries. Both economically and geopolitically, Pakistan is one of the most influential international actors in the South Asian region, which arouses interest in potential cooperation from the Ukrainian Government. The Government of Pakistan, for its part, responds to this reciprocity and also declares its desire to intensify cooperation with Ukraine in various areas such as trade, the economy, the military and technical sphere, and infrastructure projects. In this section of the article, our goal is to analyze and describe the current state and dynamics of relations between both countries.

A brief history of Pakistan and Ukraine relations

Pakistan and Ukraine established diplomatic relations in 1992. Trade relations between States began almost immediately after Ukraine's acquisition of subjectivity as a sovereign State. In particular, in 1996, Pakistan and Ukraine started fruitful cooperation in the field of the military-industrial complex - the parties agreed on the acquisition of 320 tanks and engines from Ukraine. Military and technical cooperation between the two States was also supported by training Pakistani army personnel in Ukraine and joint projects to develop high-technology weapons. Total trade between Ukraine and Pakistan in the military-industrial sector is already about \$1.6 billion. In addition, the parties have developed cooperation in areas such as aerospace technology, medicine and education.

In the twenty-first century, the parties continued to deepen trade and economic cooperation. In the early 2010s, the intensified cooperation between the countries was institutionalized, with Ukraine and the Islamic Republic of Pakistan concluding the Agreement on Trade and Economic Cooperation and the Convention on Avoidance in 2011.¹ In 2012, both governments signed an agreement to establish a joint Ukrainian-Pakistani economic cooperation commission.² Then the Minister of Economic Development and Trade of Ukraine, Volodymyr Bandurov, stressed that the purpose of the creation of the Ukrainian side is to simplify communication between the business representatives of both countries and deepen cooperation in areas of energy, rail, coal, and space. However, despite initial ambitions and expectations, no meeting has been held to date. This is explained by the fact that the existence of critical existential challenges in foreign policy, such as the military aggression by the Russian Federation, has made the development of relations with Asian countries, particularly Pakistan, a secondary issue. In 2016, political consultations were held between the Ministries of Foreign Affairs of Ukraine and Pakistan.³

In general, in retrospect, Ukrainian-Pakistani relations can be characterized as permanent partnerships. Similarly, cooperation between Ukraine and Pakistan is characterized by a certain cyclicality, with successive phases of intensification and slowdown of relations. Taking into account the most relevant official statements and statistical data, both parties have shown great interest in fruitful bilateral cooperation to date. Therefore, it is likely that cooperation between Ukraine and Pakistan will reach a new level in the near future.

Modern Ukrainian-Pakistani Trade and Economic Relations

The trade and economic component is undoubtedly the foundation of the Ukrainian-Pakistani partnership. As mentioned earlier, Ukraine and Pakistan have a long-standing positive trade experience in the military and technical sectors. Textiles and foodstuffs are also essential components of bilateral trade. Looking at the current dynamics of trade and economic

¹ "Agreement between the Government of Ukraine and the Government of the Islamic Republic of Pakistan on Trade and Economic Cooperation," Official web-portal of the Parliament of Ukraine, 2011, https://zakon.rada.gov.ua/go/586_007.

² "Ukraine and Pakistan Sign Agreement on Establishment of Joint Ukrainian-Pakistani Commission on Economic Cooperation," August 13, 2012, https://pakistan.mfa.gov.ua/news/6481-ukrajina-ta-pakistan-pidpisali-ugodu-pro-stvorennya-spilynoji-ukrajinsyko-pakistansykoji-komisiji-z-pitany-jekonomichnogo-spivrobitnictva.

³ "Ukrainian-Pakistani Political Consultations Took Place in Kyiv," June 7, 2016 https://pakistan.mfa.gov.ua/news/48235-u-kijevi-vidbulisya-ukrajinsyko-pakistansyki-politichni-konsulytaciji.

cooperation between Ukraine and Pakistan, it should be noted that there are clear positive trends.

According to the data of the Cabinet of Ministers of Ukraine, bilateral trade between the countries for 2020 amounted to \$411.8 million, which is 288% more than in 2019, and the figure for the first eight months of 2021 was \$276 million, which is almost twice as much as last year's figure for the period in question. This surge is due primarily to the unprecedented performance of Ukrainian exports to Pakistan. Cereals account for the lion's share of exports (78 percent). In 2020, Pakistan faced a cereal shortage due to a combination of supply disruptions and low yields caused by the COVID-19 pandemic. With exports of Ukrainian products, Pakistan was able to cover about 75% of the grain deficit. Also, the main groups of goods exported from Ukraine to Pakistan are ferrous metals and machinery. In the opposite direction, Pakistan began to supply more textiles, clothing, and rice to Ukraine. The traditional approach of Ukrainian-Pakistani economic cooperation - the military-industrial sphere - continues to develop. In 2021, Pakistan entered into two contracts with Ukrainian companies for the maintenance of tanks and aircraft.

Anot

Another essential factor confirming the interest of Governments and entrepreneurs from Ukraine and Pakistan in deepening bilateral economic cooperation is holding many joint meetings and events this year at the official level and the level of business and entrepreneurs. In October 2021, the former Minister of Economy of Ukraine, Olexii Lubchenko, met with Ambassador Extraordinary and Plenipotentiary of the Islamic Republic of Pakistan to Ukraine, Noel I. Khohar.⁷ The

meeting was also attended by the Vice-Presidents of the Chambers of Commerce and Industry of the Pakistani cities of Sialkot and Ragimyar Khan. The main subject of discussion at the meeting was the search for ways to enhance trade and economic cooperation among countries through the implementation of joint business initiatives. This included the potential involvement of Ukrainian companies in large-scale infrastructure projects in Pakistan, such as

⁴ "Ukraine Is Interested in Expanding Comprehensive Cooperation with Pakistan, - Oleksiy Lyubchenko," October 21, 2021, https://www.kmu.gov.ua/news/ukrayina-zacikavlena-u-rozshirenni-vsebichnogo-spivrobitnictva-z-pakistanom-oleksij-lyubchenko.

⁵ "Trade and Economic Cooperation between Ukraine and Pakistan," May 5, 2020 https://pakistan.mfa.gov.ua/spivrobitnictvo/torgovelno-ekonomichne-spivrobitnictvo-mizh-ukrayinoyu-ta-pakistanom.

^{6 &}quot;Malysheva Starts a New Contract with Pakistan for the Repair of Tanks," March 3, 2021, https://www.ukrinform.ua/rubric-economy/3258454-zavod-im-maliseva-pocinae-novij-kontrakt-iz-pakistanom-na-remont-tankiv.html.

⁷ "Malysheva Starts a New Contract with Pakistan for the Repair of Tanks."

the construction of electric power facilities and the modernization of hydro-technical systems. In general, Mr. Noel I Khohar announced the interest of the Pakistani side in increasing bilateral trade to \$1 billion per year. Also, the Ukrainian side informed about such instruments of investment attraction, such as the law on investments, industrial parks, and rebooting privatization.



Figure 1 Meeting of the former Minister of Economy of Ukraine Olexii Lubchenko with the Ambassador Extraordinary and Plenipotentiary of the Islamic Republic of Pakistan to Ukraine Noel I. Khohar in Kyiv, October 2021. Cabinet of Ministers of Ukraine.

In addition, Pakistani-Ukrainian Business Forum and Business Event were held in the same month attended by officials of both countries and private entrepreneurs. ⁸ These events discussed progress made in enhancing trade and economic cooperation, particularly in agriculture, as well as prospects for future cooperation and potential joint projects. Within the Business Event Ukraine-Pakistan framework, an agreement on cooperation between the Ukrainian National Committee of the International Chamber of Commerce and the Chamber of Commerce and Industry of the city of Sialkot was signed. This large number of meetings in a short period indicates that both countries are now showing considerable interest in deepening and expanding bilateral cooperation.

⁸ https://eventsnew.ukrinform.com/event/пакистансько-український-бізнес-фор/

Overall, trade and economic cooperation between Ukraine and Pakistan is currently in a phase of recovery. Between March 2020 and June 2021, Ukraine became one of the top 20 exporters of products to Pakistan. The experience of the last two years shows that the intensification of bilateral trade and the diversification of its structure is very attractive to both States. Therefore, it is reasonable to expect that countries will continue to move in this direction and that new joint projects will be established for the foreseeable future.

Modern Pakistan and Ukraine Political Relations

Political relations between Ukraine and Pakistan developed much less intensively than economic relations. This is due to the great distance between states and the virtual absence of common geopolitical risks and interests. However, building quality partnerships in the sphere of trade and economic cooperation is impossible without official communication among states at the political level. In general, it may be noted that the intensification of trade cooperation between Ukraine and Pakistan has also impacted political interaction, which has also become more active.

In August 2021, it became known that the Minister for Foreign Affairs of Ukraine, Dmytro Kuleba, and the Minister for Foreign Affairs of the Islamic Republic of Pakistan, Makhdum Shah Mahmud Qureshi, had a focused telephone conversation. On the basis of the results, the heads of the Ministry of Foreign Affairs agreed on the need to hold the first meeting of the Joint Ukrainian-Pakistani Economic Cooperation Commission. The meeting is expected to take place in late 2021 or early 2022. In addition, diplomats from both countries expressed their intention to resume political consultations at the level of the Ministries of Foreign Affairs of Ukraine and Pakistan, and stressed the need to develop relations in cultural and humanitarian spheres, to organize student exchange programs and joint cultural events.

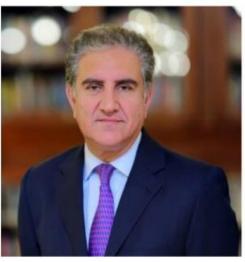
⁹ "Ukraine Covered 60% of Overall Pakistani Wheat Import Potential - Updated," accessed December 8, 2021, https://www-apk--inform-com.translate.goog/en/news/1516416? _x_tr_sl=auto&_x_tr_tl=de&_x_tr_hl=en-GB.

10 "Dmytro Kuleba: Ukraine and Pakistan Will Hold the First Meeting of the Joint Economic Commission in History," August 10, 2021, https://www.kmu.gov.ua/news/dmitro-kuleba-ukrayina-ta-pakistan-provedut-pershev-istoriyi-zasidannya-spilnoyi-ekonomichnoyi-komisiyi.



Dmytro Kuleba

Minister of Foreign Affairs of Ukraine



Makhdoom Shah Mahmood Hussain Qureshi

Minister of Foreign Affairs of the Islamic Republic of Pakistan



Figure 2 Source: State Website of Ukraine

Despite the friendly relations between both countries, the growing level of cooperation in the economic and cultural spheres, these countries are hardly close geopolitical allies. In particular, the Islamic Republic of Pakistan, based on the principle of conducting its foreign policy (*peace within and peace without*), refuses to recognize the occupation of Crimea by the Russian Federation and to impose sanctions against it. In this matter, official Islamabad adheres to consistent neutrality, which is logical from a pragmatic point of view since the Russian Federation is also an important trading partner of Pakistan.

Overall, political relations between Ukraine and Pakistan are not highly active. They are maintained at the level necessary to maintain mutually beneficial cooperation in the trade, economic, military, technical and cultural spheres. But, given that the bilateral Ukrainian-Pakistani dialogue has recently begun to cover an increasingly wide range of issues, political interaction between Ukraine and Pakistan may become closer in the long run.

Future Perspective of Bilateral Cooperation

Since Islamabad recognized Kyiv's independence on December 31, 1991 followed by establishment of diplomatic relations on March 16, 1992, the two countries formed an over-

arching approach vis-à-vis bilateral cooperation. The two countries have not only increased bilateral engagement but have also facilitated the process of people-to-people contact through academic, cultural and technical exchanges. The two countries are collaborating in fields such as education, biomedical sciences, legal and aerospace technologies to name a few.¹¹

Embassy of Ukraine to Islamic Republic of Pakistan describes bilateral relations between the two countries as a "dynamic process" that traditionally includes the high-level ties of political, military, technical, trade and economic, humanitarian, conducted in coherence of frameworks of international organizations. ¹² Similarly, Pakistan's Foreign Minister Shah Mahmood Qureshi recently highlighted that Pakistan gives great importance to its relations with Ukraine and would desire to further enhance bilateral cooperation in all areas of mutual interest including political, trade and investment, defense, education and culture. ¹³

At the present stage of development of Ukraine-Pakistan relations, there is an urgent need to apply the positive experience of bilateral cooperation in the military and technical fields to the civilian aspects of cooperation. To this end, the intensification of political and diplomatic dialogue, the expansion of agreements and legal basis, and the creation of appropriate conditions to enable trade in the markets of both countries are of paramount importance. Inter-regional and inter-sectoral cooperation should be further mobilized which provides a good basis for direct contacts between the business circles of Ukraine and Pakistan.

In addition, as military relations are concerned, due to Ukraine's international authority, Pakistan relies on Ukraine's support for measures to combat the threat of terrorism, resolve the situation in Afghanistan, and strengthen confidence-building measures in South Asia at large.

Economic Cooperation

Over the years, diplomatic relations between Ukraine and the Islamic Republic of Pakistan have reached a high level of mutual understanding and trust in the political and diplomatic arena. With the traditionally active development of bilateral military technical cooperation and the immense potential for mutually beneficial cooperation in the trade and economic

¹¹ "Political Relations between Ukraine and the Islamic Republic of Pakistan," Embassy of Ukraine to the Islamic Republic of Pakistan, May 6, 2020, https://pakistan.mfa.gov.ua/en/partnership/political-relations-between-ukraine-and-islamic-republic-pakistan.

^{12 &}quot;Political Relations between Ukraine and the Islamic Republic of Pakistan."

[&]quot;Pakistan Highly Values Relations with Ukraine: FM," Radio Pakistan, August 10, 2021, https://www.radio.gov.pk/10-08-2021/pakistan-highly-values-relations-with-ukraine-fm.

fields, it provides favorable conditions for further development of bilateral Ukrainian-Pakistan relations.

In a recent telephonic conversation with Ukrainian Foreign Minister Dmitry Koliba, Pakistan's Foreign Minister highlighted the country's focus on geo-economics in line with the vision of the Prime Minister of Pakistan and reiterated the importance of enhancing economic relations between Pakistan and Ukraine. He stressed the need for Pakistan-Ukraine Business Council to play a significant role in this regard. The two Foreign Ministers emphasized the importance of exchanging high-level visits between the two countries to further enhance bilateral relations. Foreign Minister Qureshi and Foreign Minister Coliba invited each other for bilateral visits. This conversation was based on the spirit of friendly relations between Pakistan and Ukraine. As Ukraine has prioritized trade and economic relations with Pakistan to enhance bilateral trade and investment opportunities, Pakistan should also focus on enhancing its economic cooperation with Ukraine to enhance future opportunities.

Defence/ Military Cooperation

Military-technical cooperation is one of the key pillars of Ukrainian-Pakistani relations and the most well-known contract provided modern tanks to Pakistan. Cooperation in various fields is required in the military and military technical fields, especially through the training of officers, technicians and Pakistani pilots in Ukraine, as well as through the delivery and joint development of advanced technical weapons and equipment for Pakistan's military forces.¹⁵

The Pakistani Military-Industrial Complex should intend to continue its cooperation with Ukraine in the development of technology and production of military equipment. Signing of a MoU between the two countries for upgradation and service of Al-Khalid tank in 2017 shows the potential of further collaboration between the two countries. ¹⁶ It also implies to the fact that Islamabad and Kyiv can enhance their military interoperability by using common platforms which would enable them to prevent and combat terrorism in the longer run.

16 Ihid.

¹⁴ BR Web Desk, "Pakistan, Ukraine Look to Enhance Bilateral Ties," Brecorder, August 11, 2021, https://www.brecorder.com/news/40112651.

^{15 &}quot;Political Relations between Ukraine and the Islamic Republic of Pakistan."

In the aerospace sector, Pakistan Air Force expressed its interest in jointly working with the Ukrainian Air Force for training of Pakistani repair and maintenance specialists by Ukrainian counterparts to enable them for upgrading PAF helicopters. In 2019, a Ukrainian delegation visiting Pakistan welcomed this idea and extended their wide support for the activities. ¹⁷ Such cooperation can be further matured to other aerospace technologies as well including intelligence surveillance and reconnaissance, skill-worker exchanges, capability enhancement and joint ventures for developing innovative equipment and technologies.

Ukraine and Pakistan should move forward with the arms deal and focus on further defence agreements to build friendly relations between the two countries. Defense cooperation between the two countries has traditionally been an important component of our bilateral relations. Pakistan seeks to enhance defense cooperation with Ukraine in the future on the basis of Transfer of Technology and Joint Ventures as both sides can benefit from each other's experiences.¹⁸

Conclusion

Islamabad and Kyiv have held strong relations from around three decades. Cooperation between the two countries has expanded in nature and scope and continues to grow to unprecedented heights. The collaboration between Islamabad and Kyiv on economic, political, academic, technical and military fronts has enabled both the countries to align their foreign policies and develop joint national interests – both issue specific and general. With the emergent multipolar world order, the nature of interaction between Pakistan and Ukraine continues to evolve. It is overly evident that the two countries can become key regional players and add to the existing political, economic and military structures. In addition, they are also seen working together to become leading regional power states which would also help them to establish a stronger alliance network.

Although Pakistan and Ukraine have cooperated in most of the areas, many sectors remained unexplored like tourism, IT, textile etc. which can enable the two countries to further align their foreign policies and strategic interests. One of the primary factor accounting for the sluggish growth of cooperation between the two countries is based on foreign influence

¹⁷ Omer Aamir, "Ukraine-Pakistan Relations," June 17, 2020, https://casstt.com/post/ukraine-pakistan-relations/216.

[&]quot;Pakistan for Boosting Bilateral Ties with Ukraine: COAS," May 21, 2021, https://www.thenews.com.pk/print/837768-pakistan-for-boosting-bilateral-ties-with-ukraine-coas.

which hinders collaboration between the two in many core strategic domains. Moreover, development of economic corridors, joint military platforms and political forums could help Pakistan and Ukraine gain traction in boosting bilateral relations.

Mr. Taras Prodaniuk is a co-founder of the Ukrainian Think Tank ADASTRA. His alma mater is the Institute of International Relations Kyiv National University of Taras Shevchenko and also the Law Faculty of Chernivtsi National University of Yuriy Fedkovich. His research focuses mostly on Ukrainian foreign policy and the development of economic ties of Ukraine all around the world. He is a member of the Central European Association for Canadian Studies. Taras has published many articles and book chapters on the Security of Ukraine, Russian aggression, and the war in Eastern Ukraine. He often broadcasts and comments on leading Ukrainian media about current events in the international arena and Ukraine's participation in it. Prior to establishing a think tank, he worked for the international audit & consulting company, Crowe Global in Ukraine, chiefly as a strategic analyst on economic development.

Mr. Sarmad Ali Khan is the Founder and CEO of IIGSA. He is associated with Global Foundation for Cyber Studies and Research, USA as a Policy Researcher. Earlier, Mr. Khan worked at South Asian Strategic Stability Institute (SASSI) University as a Research Fellow. He has multiple research publications to his credit ranging from book chapters, research papers, and technical reports to white papers. Mr. Khan has been actively engaged with various international think tanks notably SIPRI, TASAM and technical institutes such as BI-MGT. He holds an M.Phil Degree in International Relations from Bahira University, Islamabad Campus. His areas of research include Cyberspace Strategic Competition between U.S and China, Transforming Deterrence Stability in South Asia & Emergence of New Security Alliances in Asia Pacific.

Bakhtawar Pervaiz is a Research Officer at IIGSA. She holds an M.Phil degree in Government and Public Policy from National Defence University (NDU), Islamabad and a Master's degree in Computer Science from Islamia University of Bahawalpur. Bakhtawar has worked on many national security and policy issues. She contributes research articles on various contemporary national issues and has previously worked for the National Assembly of Pakistan and Institute of Strategic Studies, Research & Analysis (ISSRA). Her major areas of interest include Public policy, governance, Cyber security, Defence policy, National and International Security and Water Crisis.

Andrii Horb is an intern at the Ukrainian Think Tank ADASTRA. He got bachelor's degree on Management in the National Technical University of Ukraine "Igor Sikorsky Kyiv Politechnic Institute" and now gets his master degree in the Institute of International Relations Kyiv National University of Taras Shevchenko (IIR KNU). Generally, spheres of Andrii's researches are international relations in the regions of Middle East and Northern Africa, and also bilateral relations between Ukraine and other states. Andrii worked on probation in the Ministry of Digital Transformation of Ukraine. He worked as a chairman of the polling station election commission in the election of the President of Ukraine and was imvolved to the organization of electoral process in Ukraine. Andrii's sphere of scientific and researching interests is foreign policy of states of Middle East and Central Asia. He speaks Ukrainan, English, Russian and Spanish.





