

Current Affairs

Q: Discuss Pakistan's Historic Role in the Economic Cooperation Organization (ECO) and under the framework of regional integration. What are the Future Perspectives of ECO for Pakistan?

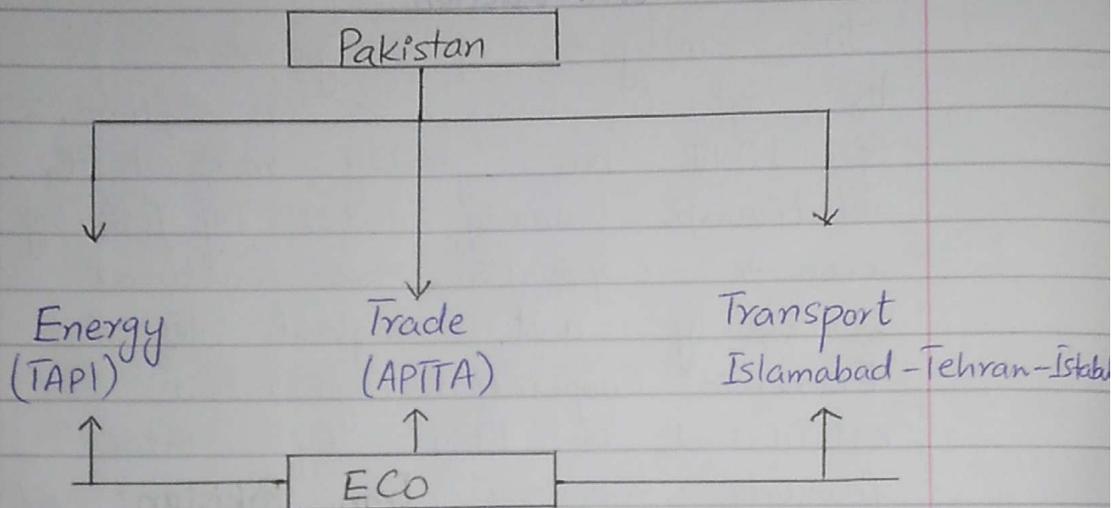
Introduction

The emergence of regionalism in the global arena as an aftermath of WWII has greatly morphed the relationships among states by fostering economic cooperation, socio-cultural connectivity and regional integration. Economic Cooperation Organization was established in 1985 by three founding members Iran, Pakistan and Turkiye to promote economic, cultural and technological cooperation. Moreover, ECO stretched its circumference in 1992 by including seven new members: Afghanistan, Azerbaijan and Central Asian Republics. ECO has the potential to become a powerful engine to boost economic growth in member states due to its leveraging geostrategic location and abundant natural resources.

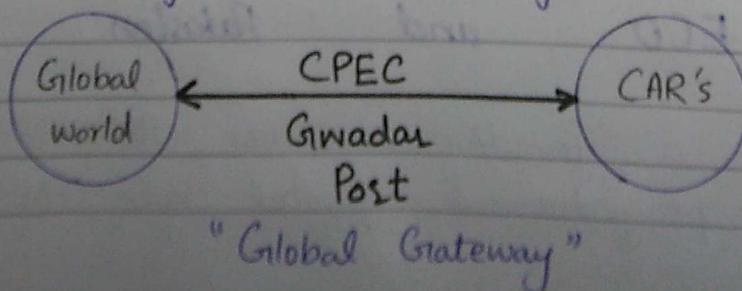
ECO and Pakistan

As a founding member, Pakistan has played a pivotal role in

ECO by signing free trade agreements
 Afghanistan Pakistan Trade Transit
 Agreement (APPTA) corridor, road and
 rail corridors and developing infrastructure
 through bilateral and multi-lateral
 projects.



Likewise, the intrinsic aspects of the
 'Islamabad Declaration' adopted in the
 13th ECO Summit align with '**ECO
 Vision 2025**' with core principles of
 sustainability, integration and a
 conducive environment in areas
 of socio-economic development in
 the region. In addition, Pakistan acts
 as a transit hub between member
 countries of ECO and global world as well.



Thus, Pakistan needs to revamp existing policies and focus on dynamic pathways to collaborate with member states to revive ECO and amplify its due share in international trade.

"Let's make ECO the organization not just of words but action, not just of commitments but implementation".

Anwar-ul-Haq Kakar,
16th ECO Summit,
Tashkent.

Keeping in view,
The global ECO trade volumes and intra-regional trade have gradually increased as per statistics of ECO given in the following table:

Years	Global ECO Trade	Intra-regional
2015	648 bn \$	58 bn \$ (9%)
2022	1035 bn \$	85.6 bn \$ (8.2)%

Elucidating Pakistan's Historic Role in ECO:-

Pakistan has remained a fundamental participant in multidimensional initiatives supported by ECO in the spheres of communication, transport, trade and

energy. Pakistan also contributed in ECO Summits and Meetings of the Council of Ministers (COM).

i- Strengthening Regional Integration through Trade:-

Free trade and transit trade agreements form the backbone of effective regional economic integration by reducing tariff and non-tariff barriers, encouraging cross-border capital flows and promoting common markets. According to Ministry of Commerce, Pakistan signed

	Trade Agreements	ECO Member States
i-	Preferential Trade Agreement (PTA)	→ Azerbaijan, Uzbekistan, Iran
ii-	Transit Trade Agreement (TTA)	→ Azerbaijan, Tajikistan, Afghanistan.
iii-	Free Trade Agreement (FTA)	→ Turkiye.

Despite these efforts, intra-ECO trade remains limited at \$ 76.5 billion — only 8.2% of the bloc's total external trade — while Pakistan's share constitutes merely 3% of its overall foreign trade. This disparity underscores both the underutilized potential and the urgent need to deepen economic cooperation within the region.

2. Enhanced Transport Connectivity:-

Well-designed transport infrastructure is central to regional trade and cross-border integration. Recognizing this, Pakistan adopted the **Quetta Plan of Action (1993)** under the Treaty of Izmir and became a signatory to the ECO Transit Transport Framework Agreement (2006) to promote corridor-based connectivity, curb illegal trafficking and reduce non-physical trade barriers through harmonization and modernization.

Pakistan → Iran → Turkey → Europe
(ITI Railway Corridor)

These rail and road corridors will serve as an alternative to maritime choke points. Pakistan also joined **Ashgabat Agreement (2016)** to facilitate goods transport between Central Asia and the Persian Gulf. Hence, Pakistan has always contributed to ECO initiatives to establish connectivity in businesses, tourism and economic and cultural exchanges.

3. Energy Diplomacy: Pillar of Regional Integration

Beyond transport connectivity, Pakistan has actively pursued regional integration through major bilateral and multilateral energy initiatives under the ECO

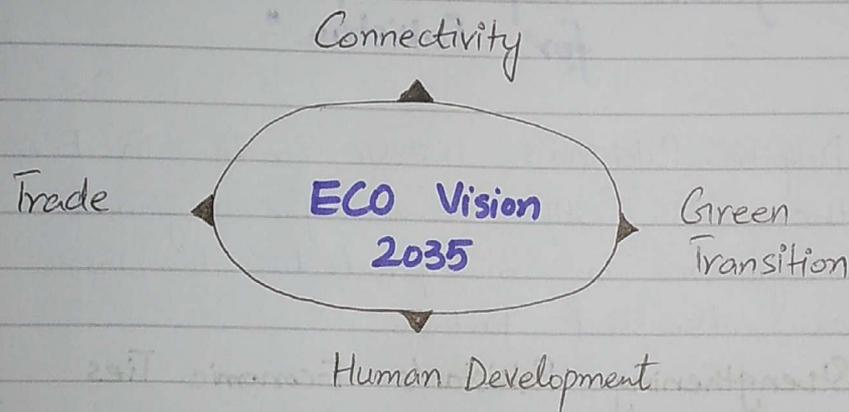
framework. The **TAPI gas pipeline** (1991) was designed to transport 33 billion cubic metres of Turkmen gas annually, allocating 42% each to Pakistan and India and 16% to Afghanistan, underscoring Pakistan's frontline commitment to shared energy security. Similarly, the **Iran - Pakistan Peace Pipeline** (1995) envisioned a 785 km network supplying 750 million cubic feet of gas daily to Pakistan. Despite geopolitical hurdles and delays, both projects underscore Pakistan's enduring commitment to regional cooperation, energy interdependence and economic integration.

(CASA-1000)

4. **Climate Vulnerability and Regional Solidarity.**

Climate change increasingly threatens the ECO region through floods, droughts, water scarcity and land degradation. Despite contributing less than 0.8% to global carbon emissions, Pakistan remains among the most climate vulnerable states, as seen in the 2022 and the recent 2025 floods affected and sub-merged one-third of the country. Using the ECO platform, Pakistan has amplified its call for "climate justice" and collective action. At the 26th ECO Council of

Ministers in Tashkent, it urged support for a "Loss and Damage Fund" at COP 27 and stressed enhanced regional cooperation for adaptation and mitigation. Earlier, Pakistan also endorsed the 2014 Istanbul Declaration on Climate Change and Green Economy, reaffirming its commitment to coordinated climate action within ECO.



5. ECO's Institutional and Cultural Leadership:-

Pakistan stands at the heart of ECO's institutional and cultural architecture, demonstrating leadership through both structure and vision. By hosting the ECO Science Foundation (ECOSF) in Islamabad, it advances regional scientific research and technological cooperation, while the ECO Trade and Development Bank's representative office in Karachi strengthens trade and financial connectivity. Complementing

this institutional role, Pakistan hosted the 13th ECO Summit in 2017 under the theme of "Connectivity for Regional Prosperity" and Lahore's designation as ECO Tourism Capital for 2027 further underscores its growing cultural and diplomatic influence within the organization.

"Future Prospects of ECO for Pakistan"

Despite Pakistan's historic role in ECO, there is still room for regional integration in multifaceted domains, as discussed further -

1. Strengthening Pakistan's Economic Ties with ECO Members:-

Under the ECO framework, Pakistan can enhance diplomatic relations by expanding its export base, reducing trade barriers, and implementing economic reforms. With a diverse manufacturing sector in textiles, agriculture and technology, Pakistan offers regional partners access to affordable labor and strategic routes to South Asian Markets. Aligning the "Islamabad Declaration" with ECO Vision 2025, Pakistan aims to promote sustainable intra-regional trade, transport, energy, tourism and

Social welfare - Dynamic economic policies and multilateral cooperation among ECO members can further boost regional connectivity, trade, people-to-people interaction and tourism.

2. Transitioning to a Regional Energy Transit State:-

Pakistan is poised to become a vital transit corridor for energy surplus in Central Asia to reach energy-deficient South Asian markets. Significantly, CARs pose total reserves of around 150 billion barrels of crude oil and 1234 trillion cubic feet of natural gas.

Recent Development:-

Under ECO Vision 2025, member states are working toward establishing a regional power and electricity market such as implementing the CAREC Energy Strategy 2030 and ECO Clean Energy Center to promote sustainable energy trade.

3. Synergy between ECO and CPEC:-

Pakistan's primary future prospect lies in linking ECO transport corridors with the CPEC. This integration aims to create a unified "ECO Silk Road", positioning Gwadar Port as the main maritime gateway for landlocked

Central Asian states - Referring to its prime location in the Arabian Sea near the **Strait of Hormuz**, the Gulf of Oman, and at the junction of South Asia, Middle East, and Central Asia, the port has the potential to function as the **transshipment harbour** and attract traffic around the world.

Recent Development: Trans - Afghan Railway Project 2025.

4. Trade Liberalization via ECOTA:-

The operationalization of the ECO Trade Agreement remains a corner stone of future economic growth. While intra-regional trade is currently low (approx 8-9%), the goal is to double this share by reducing tariffs and harmonizing customs procedures.

Recent Development:-

In November, 2025, the 5th Eco Ministerial Meeting on Commerce adopted a Roadmap for ECOTA Renegotiations, with a Technical Negotiation Committee set to begin work in early 2026 to transition toward a full **free Trade Area**.

5. Cultural Diplomacy and Tourism Growth:-

Pakistan aims to revitalize its service sector by positioning itself as a premier regional tourist destination. This is expected to foster social cohesion and generate significant foreign exchange. It is evident from the fact that Pakistan has been ranked **101st** in the World Economic Forum (WEF) Travel and Tourism Development Index 2024. Similarly, Türkiye sets an example among ECO member states by becoming the best travel and tourism destination, ranking **29th** among 119 countries in World Tourism Index 2024.

Recent Development:- Lahore was unanimously declared the **ECO Tourism Capital for 2027** in April 2025. This designation will see the city host major international cultural events and high-level ECO meetings to showcase Pakistan's heritage.

Conclusion

To cap it all, Pakistan's geostrategic position and infrastructure projects like **CPEC** offer immense potential to lead ECO's regional integration. By prioritizing policy reforms and energy collaboration, Pakistan can

transform into a central economic hub connecting Eurasia. Realizing these goals will significantly amplify its share in regional trade and diplomatic influence.

"The Economic Cooperation Organization (ECO) region, with its 500 million people and vast natural resources, has the potential to become one of the most powerful economic blocs in the world".

Excerpt from ECO Vision 2025.

