



IPS INSIGHTS

Perspectives On the Issues Shaping Policy

A New Chapter in Regional Diplomacy: Analyzing President Pezeshkian's Visit to Pakistan

Tughral Yamin¹

The official state visit of Iranian President Masoud Pezeshkian to Pakistan, his second in his present capacity, marks a critical juncture in regional geopolitics. With stops planned in Lahore and Islamabad, the high-level visit goes far beyond standard diplomatic protocol. It serves as both a powerful gesture of gratitude and a practical mechanism to solidify bilateral cooperation on three critical pillars: *diplomatic mediation, mutual border security, and geo-economic integration.*

1. Concrete Appreciation for Pakistan's Strategic Mediation

The foundational backdrop of this visit is Pakistan's central role as a diplomatic bridge. Alongside Qatar, Islamabad successfully facilitated intensive negotiations between Tehran and Washington, culminating in the *Islamabad Memorandum of Understanding (MoU)* signed on June 18, 2026.

- *The Switzerland Momentum:* Following intense expert-level talks in Switzerland, a 60-day roadmap has been established toward a final agreement.
- *Diplomatic Equity:* By traveling to Pakistan immediately after these breakthrough talks, President Pezeshkian is publicly acknowledging Pakistan's credibility as a reliable, neutral regional mediator. This significantly strengthens bilateral trust and places Pakistan at the center of Middle Eastern de-escalation efforts.

2. Reinforcing Mutual Security Along the Shared Border

Border security remains a complex, high-stakes issue for both nations, especially given the shared, volatile Balochistan frontier.

- *Joint Counter-Terrorism Mechanism:* The talks in Islamabad provide a direct platform to operationalize intelligence-sharing agreements and better coordinate actions against cross-border militant groups and smuggling networks.
- *Border Management:* Transitioning the international border from a security friction point into a regulated, peaceful corridor is a shared priority. Establishing formal mechanisms ensures that localized border incidents can be defused through institutional dialogue rather than escalating into diplomatic standoffs.

3. Revitalizing Trade and Geo-Economic Connectivity

Despite sharing a nearly 900-kilometer border, formal trade volumes have historically lagged behind true potential due to external geopolitical pressures.

- *Border Markets:* A key focus will be expanding the "Border Sustenance Marketplaces" initiative. These markets formalize local trade, boost employment in under-developed border regions, and

¹Retired Brigadier and PhD

transform security-centric zones into economic hubs.

- *Institutional Trade Targets:* The leadership is expected to follow up on mechanisms to bypass banking hurdles, including barter trade frameworks and direct border clearing systems, aiming to push bilateral trade past previous stagnation points.

4. Overcoming the Energy Impasse

Energy cooperation is perhaps the most tangible, yet complicated, aspect of the bilateral relationship—most notably represented by the long-delayed Iran-Pakistan (IP) gas pipeline project.

- *Sovereign Energy Security:* Facing acute energy shortages, Pakistan has a strong incentive to find practical pathways to import Iranian energy.
- *Navigating Restraints:* With the recent easing of regional tensions via the Islamabad MoU and ongoing diplomatic roadmaps, this visit opens a critical window for technical working groups to discuss the legal, financial, and infrastructural adjustments needed to revive joint energy projects without triggering external sanctions.

The Expansion of Border Sustenance Marketplaces (such as the ones operating at Gabd, Mand, and Chadgi) alongside synchronized security protocols will fundamentally alter the socio-economic landscape of Balochistan. Historically, this sprawling, sparsely populated province has faced high poverty rates – peaking at nearly 47%. By shifting the border dynamic from a heavily fortified security wall to a regulated economic gateway, this approach addresses the core issues facing the region.

5. Formalizing the “Informal” Economy

For decades, border communities in western Balochistan have depended on informal trade – particularly the cross-border transport of Iranian petroleum products (locally known as Irani diesel) and basic foodstuffs – for survival.

- *From Smuggling to Sustainable Commerce:* The joint border markets provide a legal framework for local traders. Instead of navigating dangerous, unregulated routes, locals can buy and sell consumer goods, fruits, and construction materials within designated, tariff-exempt or low-tariff zones.
- *Price Stabilization:* Regulated trade insulates the local population from supply shocks and predatory pricing, making daily essentials more affordable for low-income households.

6. Infrastructure Development and Energy Injection

Economic corridors require physical support, which triggers a domino effect of development in historically neglected districts.

- *The Power Multiplier:* Economic cooperation is closely linked to critical infrastructure like the Polan-Gabd electricity transmission line, which brings Iranian power directly into Pakistan’s coastal belt. This extra electricity is crucial for powering local businesses and cold storage units, and improving the quality of life in areas disconnected from the national grid.
- *Logistics & Transit Wealth:* With the operationalization of the Pakistan-Iran Transit Corridor, routes like the short 89-kilometer corridor from Gwadar Port to the Gabd-Rimdan border crossing are seeing real traffic. The transit of goods toward Central Asia creates immediate secondary economies along Balochistan’s highways: warehousing, logistics hubs, vehicle maintenance, and hospitality.

7. Creating Employment for Local Youth

Balochistan’s security issues are heavily exacerbated by economic marginalization and a lack of formal employment for young people.

- *Direct and Indirect Jobs:* The border markets create thousands of direct

jobs for vendors, customs clearers, and laborers.

- *The Gwadar Connectivity:* Projections indicate that tapping into the overland trade network via Gwadar could generate millions in localized annual revenue, funding local employment and providing an alternative to the illicit economies or militant recruitment that thrives on financial desperation

8. Replacing Friction with Community-Led Stability

Security cooperation between the Frontier Corps and the Iranian Revolutionary Guards is shifting from a purely defensive stance to an economic protective measure.

- *Coordinated Security as an Economic Enabler:* When both nations coordinate to curb cross-border terrorism and high-level drug trafficking, it stabilizes the local environment. Security fences

and checkpoints are no longer seen by locals merely as barriers separating divided families, but as secure perimeters protecting legitimate commerce.

- *Grassroots Stakeholders:* When local communities directly profit from cross-border markets, they become active stakeholders in maintaining peace. Stability becomes directly tied to their livelihoods, disincentivizing local protection or tolerance for militant elements that disrupt trade.

In light of all such opportunities, President Pezeshkian's visit represents a transition from reactive crisis management to proactive strategic alignment. By anchoring the bilateral relationship in real-world diplomatic achievements (the US-Iran mediation) and addressing core structural issues (security, trade, and energy), both capitals are building a more resilient, interdependent partnership capable of navigating future regional shifts.

