

2) BOP - Current deficit
3) Implications

✓ a) Trade deficit
✓ b) Decline in Reserves
d) Date: _____

Day: _____

Q3

Answer) Introduction

"Pakistan is a country of concern."

(USAR - Report 2023)

Balance of payment crisis is a current account

deficit of the country.

In fact, BOP crisis has severe impacts on the economy of Pakistan.

Due to some factors there are conditions

by IMF to acquire bailout package. Therefore,

Pakistan needs to make some other measures

to meet the BOP crisis.

2) BOP crisis - current account deficit

Balance of payment crisis is current account deficit of the country.

Pakistan has badly BOP crisis for decades.

Fiscal year 2022-23, the

Day: _____

Date: _____

balance of payment crisis was \$ 18 bn. (The State Bank of Pakistan, 2023). Hence, BOP crisis is a severe current account deficit.

3 - Implications of BOP crisis on economy

Following are implications of BOP crisis:

a) loan

loan is increased to meet with BOP crisis. Unfortunately Pakistan's economy can not survive without loan. Every government coming in power got loan.

Year	Dollar	PKR
2008	6bn	62 trn
2013	12bn	84 trn
2018	30bn	105 trn
2022	49bn	127 trn
Jan 2023	62bn	140 trn

(- State Bank of Pakistan)

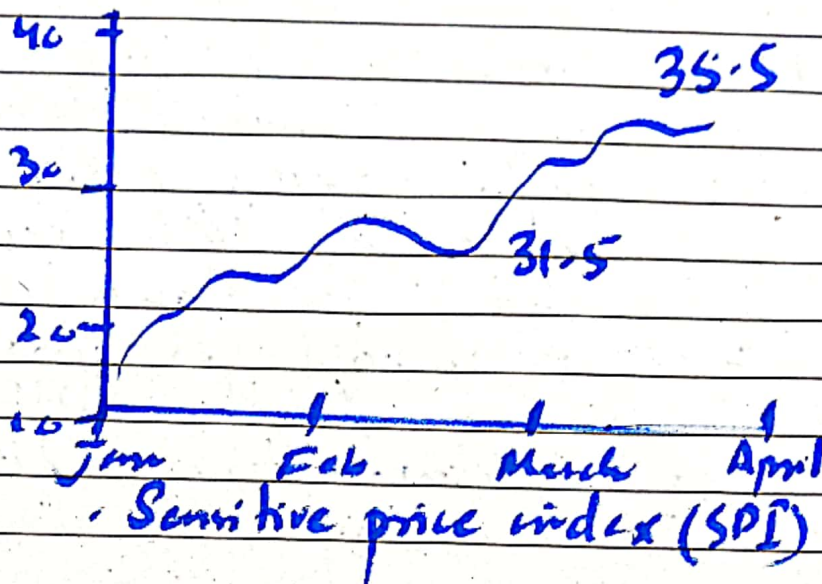
Hence, tremendous debt of loan is increased.

b) Trade deficit

Trade deficit is another serious impact on economy. Pakistan is badly caught in a sphere of trade deficit. FY 2022-23, Pakistan imported \$80bn and exported \$36bn. Resultantly \$44bn was trade deficit. Hence, trade deficit is another impact on economy of Pakistan.

c) Un.precedented inflation

BOP crisis leads to skyrocketing inflation. Pakistan is reached at peak of inflation. As per statistics, inflation in Pak is reached at 35.5 pc in April 2023. (Economic Survey, 2023). Hence, Pakistan faces skyrocketing inflation.



4- Chances of a bailout deal with IMF

Chances of a bailout deal with IMF are according to the following circumstances.

a) Political instability

Pakistan is a political instability facing country. The IMF deal is delayed due to prevailing political instability in Pakistan.

“Pakistan has been revolving in politicking.”
(-Moloch, hedley)

therefore, IMF deal is delayed due to political instability in Pakistan.

b)

Trust deficit

Trust deficit is another reason behind delay of IMF deal. In fact, Pakistan's successive government is unable to fulfill IMF's conditions. Hence, IMF deal is delayed.

"Short-term goals of successive government has weakened the bone of the country."

(think tanks, 2020)

5- Recommendations to meet BOP crisis

Following are recommendations to meet BOP crisis:

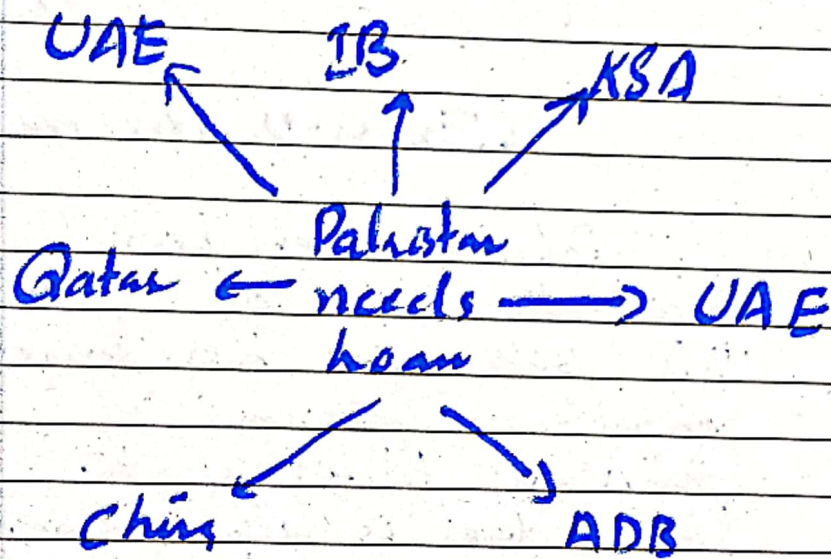
a)

To acquire more loan

Pakistan needs to acquire more loan to meet BOP crisis.

It must be taken from

friend countries such as, Saudi Arabia, UAE, Qatar and from China. Moreover, Pakistan also asks loan from Asian Development and Islamic Bank. As per statistics, Pakistan needs at least \$15 bn to \$20 bn of loan. therefore, acquire more loan.



b) To reduce trade deficit

To reduce trade deficit, Pakistan needs to focus on export. Pakistan is import dependent country, unfortunately, it meets trade deficit. By improving export of Pakistan can

improve its GDP by 60 pc.
(Pakistan Bureau of
Statistics, 2022). Hence,
Pakistan should focus on its
exports.

6 Conclusion

"Economy - healthy;
the nation is prosperous"
(Export's view on TV.)

Pakistan has been
facing the issue of BOP crisis.
This BOP crisis has several
impacts on economy of
Pakistan. Moreover, the
IMF deal is also delayed
due to some factors.
Therefore, Pakistan should
also seek another
sources to meet BOP crisis.

G5
Answer 1)

Introduction

"Growing ties between Saudi-Arab and Iran is the victory of peace."

(Xi-Jinping, 2005)

Saudi-Arab and Iran growing ties is the victory of peace that has changed the map of the Middle East. Resultantly, socio-political implications on the ME and on Pakistan took place. Therefore, Pakistan should move closer to improve its socio-economic conditions too.

2) Stability of the Middle East

"Improving relations between Saudi-Arab and Iran is a sign of the stability of the ME."

(-Xi-Jinping, 2022)

The stability of the ME was severely affected by rivalry between Saudi-Arab and Iran. But, fortunately, stability is returned back home due to improving relations between two Muslim countries of the Middle East.

3- Socio-political implications in the Middle East

Following are the socio-political implications in the ME:

a) Revival of Saudi-Iran deals

Saudi-Iran deals were broken due to animosity between two countries. As per data, the 1996's deal of trade and commerce and 2002's Strategic deal will be revived within two-months.

(The BBC, 2023). Thus, Saudi-Iran deals will be resumed.

1996's deal:

↓
Trade and commerce

2001's deal

↳ Strategic

• Broken deals between
Saudi-Arabs and
Iran

b) Stability between Saudi-
Arabs and Yemen

Stability between Saudi-
Arabs and Yemen was disturbed
due to Iran-Saudi rivalry.
According to the latest
update, KSA with Oman
intervened to Yemen is 'Houthi'
and got prisoners released
about 900 between two
countries. (The victory and
peace of the ME - 2023).
Therefore, stability and
peace return to the
Middle East.



• The Middle East

4- Socio-political implications on Pakistan

Following are impacts on Pakistan:-

- a) Opportunity to deal openly. Pakistan has got an opportunity to deal politically, socio-economically with Saudi-Arabia and Iran. According to the

Think tanks.

"It is an open-gateway for Pakistan to profit itself from the ME."

(- Think tanks analysis on Media, 2023)

Therefore, Pakistan has got an opportunity to deal openly.

b) Iran-gas pipeline - peace pipeline

Pakistan has profited to get favour from Iran-gas pipeline. Unfortunately, Pakistan was in the risk of \$ 18 bn penalty from Iranian-government.

As per report of PBS,

"Pakistan is get rid of \$ 18 bn penalty."

(Pakistan Bureau of Statistics)

Hence, Pakistan is anticipated positively from the peace of the ME.

5- Measure must followed
by Pakistan

Following are
recommended measures:

a) To increase co-operation
in the ME.

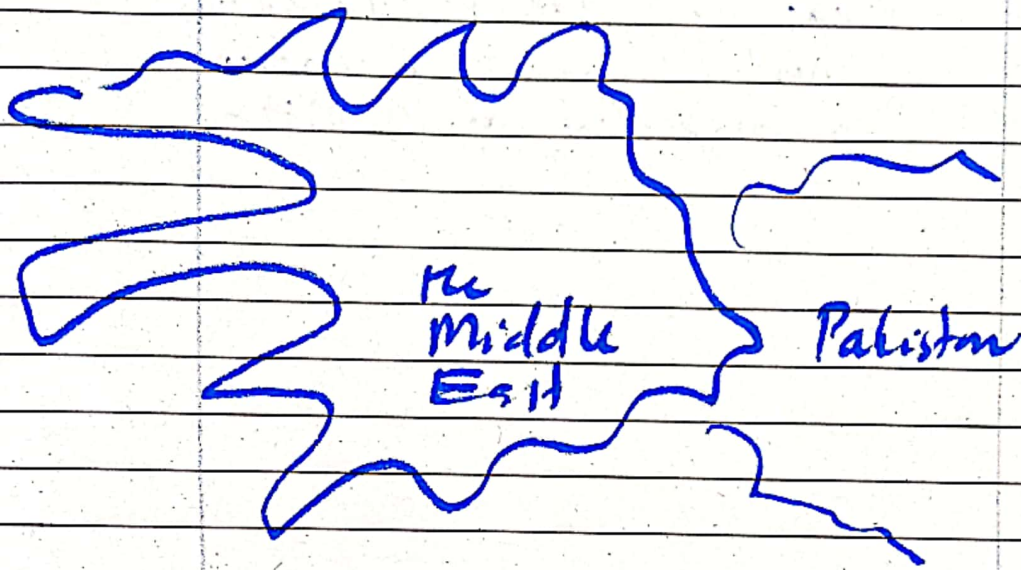
Pakistan needs to
increase co-operation in
the ME to get profit
socio-economically. According
to scholars view
"Pakistan should
deal of oil
from Saudi and
Iran."

therefore, Pakistan should
also put step forward
to increase co-operation
in the ME.

b) Gawadar oil-refine
industry

Pakistan should
get brisk to accomplish
Gawadar-oil refine
project. This will
economically profit Pakistan.
According to Economic

survey, Gwader will be in electrical platform to earn more than \$200 billion. (Economic Survey of Pakistan, 2023)
Therefore, Pakistan needs to be able to profit from the ME.



• Geographically representation between Pakistan and the Middle East.

6- Conclusion

"There is peace after every war."

(- Nelson Mandela)

Saudi-Iran rivalry
is end with peace
diplomacy. Resultantly,
socio-economic conditions of
the ME are improved.
Moreover, Palestine has
also impacted positively
due to SA and Iran
peace. Therefore, Palestine
must strive to increase
co-operation in the ME.

Day: _____

Date: _____

Q 7

Ans 1-

Introduction

"The West must
stopped its 'peace-holidays'!"

(- US secretary, 2022)

The growing in favour of Ukraine towards the west has resulted war between Russia and Ukraine. The consequences of Russia-Ukraine war are not good for Pakistan. Hence, Pakistan needs to step the comprehensive step.

2- Russia-Ukraine war - an overview

After the fall of USSR, NATO started its influence in the fifteen broken parts of USSR. In 2002 Georgia, in 2012 Crimea and now Ukraine was influenced by NATO. This resultantly, hurt the geo-strategic aims of

Day: _____

Date: _____

Russia. Thus, on Feb 2022, the war out-broke between Ukraine and Russia.

Ukraine was caught in the fire of Russia due to influence of NATO.

(Fukuyama, 2022)

3. Implications of Ukrainian war on Pakistan:

Following are impacts of war on Pakistan

a) Decline in crop from Russia and Ukraine

Pakistan imports more than 30% of wheat from Russia and Ukraine. The war impacted on Pakistan's import.

As per statistics, Pakistan imported wheat of \$ 711 m from Russia and \$ 800 m from Ukraine. (Pakistan Bureau of Statistics)

Thus, the need of

crop was impacted.

b) Increase in fuel prices

Increase in fuel price in the world affected Pakistan's economy badly. Due to sanctions on Russia, the international market could not meet its demands and fuel prices increased at the cost of 178 PKR per litre from 127 PKR.

(Fuel prices hike, 2022) - Thus, price of fuel was increased.

c) Restriction in cheap deal with Russia

Due to war between Russia and Ukraine, Pakistan got delayed to get cheaper deal of oil from Russia. As per analysis of think tanks:

"Pakistan will also suffer from the Russian-Ukrainian war."

Therefore, Pakistan was delayed to achieve cheaper oil deal.

d) Increase cost of LNG.

Pakistan imports its LNG from international market. FX 2022, Pakistan imported 5800 megawatt of LNG. (Pakistan Bureau of Statistics, 2022). Hence, due to Russia-Ukraine war, Pakistan has paid heavy cost of LNG.

4- Suggestive measure be taken by Pakistan

Following measure be adopted by Pakistan:

a) Pakistan's foreign policy - national interest or compulsion

Pakistan's foreign policy is in deep concern whether to continue relations with Russia or stay neutral. As per expertise, Russia-Ukraine war is due to influence of NATO-the West.

Moreover, Pakistan is not economically stable to put itself in the war.

"Pakistan needs a balance foreign policy not an independent foreign policy."

(- Majeed, Hecchi, 2022)

b)

Build trust with the USA

Pakistan needs to take trust of the USA with political dialogue. In fact, Pakistan needs to establish such a policy to avoid the US aggression in the sense of Russia relations.

Therefore, by comprehensive policy Pakistan can meet its desired relations.

"Why we are compelled to choose one?"

Why we can not stand by two?"

(- Imran Khan,
former PM of Pakistan)

5-

Conclusion

"The war of one,
is the war of all."

(-philosophy of political
science)

War between Russia and
Ukraine has impacted the
world and Pakistan, too.

Consequences of war are
not good for Pakistan.
Hence, Pakistan should
take a comprehensive
step to stabilize its
peace and prosperity.

Qs
Ans 1)

Introduction

"The Association of an organization depends on unity of member - states."

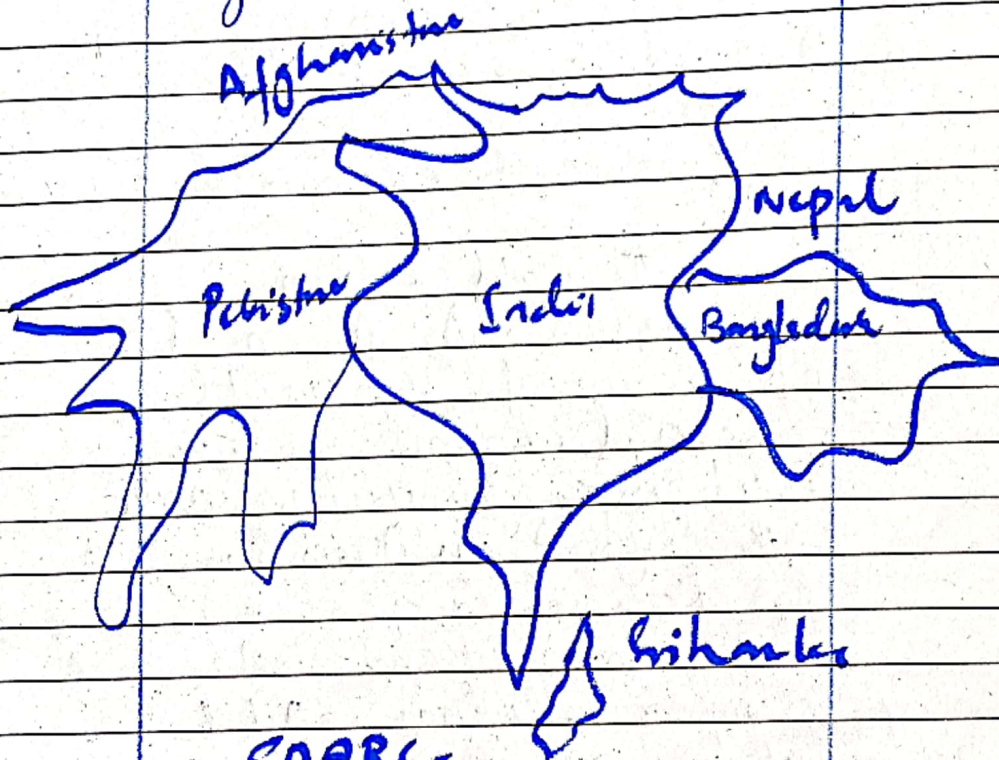
(~ Barack Obama)

The world is an organization. As per need of region of the world several organizations are working. Similarly, SAARC - the South Asian Association for Regional Co-operation is one among them. Like every organization, SAARC also possesses its strengths and weaknesses. Hence, some co-operative measures must be followed to maintain stability of the organization.

2- SAARC - an overview

The SAAR was founded by Zia-ul-Rehman, President of Bangladesh in 1980. It has eight (8) members

states and nine (9) observer states. It is an organization for regional co-operation among regional countries.



• SAARC

3- Strengths of an organization - SAARC
Following are strengths of SAARC.

a) South Asian Free Trade
In 2004, SAARC established (SAFTA) to promote trade between countries of the region.

In 2006 all countries agreed to reduce trade barriers up to 5%. Hence, free trade is promoted by an organization.

b) To reduce food insecurity in the region

Along with trade facilitators, food insecurity reduction is also the strength of an organization. SAARC took a step in 1987 to eradicate food instability from the region. Therefore, to reduce food insecurity is another motive of an organization.

c) To develop region

"To make nations prosper, to develop regions and improve quality of life."

(- the motive of SAARC)

Every organization

establishes regional development. Similarly, in 2010, SAARC started regional developmental body to fund for regional development.

Following are regional development activities of SAARC.

i - Bhutan

Hydro power project

ii - Nepal

Highway

iii - Sri Lanka

Information technology parks

• Regional development overview of SAARC

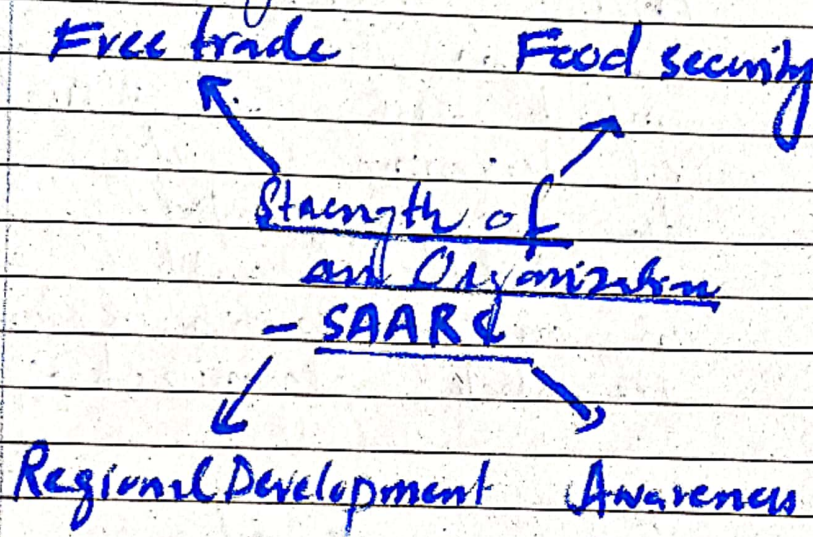
d) Fund and co-operation for education - awareness

"Education is the powerful tool which you can use to change the world."

(- Nelson Mandela)

Like every organisation SAARC also established

educational institution to achieve awareness in order to make the region more stable. In 2010, SAARC founded the South Asian University in India. Hence, it is also the strength of an organization.



4- Weakness of an organization in the context of SAARC

Following are weaknesses of an organization:

a) **Bilateral conflict**

Bilateral conflict in an organization weakens the whole organization.

As in the case of Pak-India animosity, SAARC is crippled. Almost 75 years are passed, but territorial dispute between India and Pakistan is unresolved. Due to this, the functions of an organization are affected badly. Moreover - Pak-Afghanistan issue or Taliban government and ~~is~~ general of terrorism is also the negative impact. So, bilateral conflict in an organization weakens the whole organization.

Pak \rightleftharpoons India
(Kashmir issue)

Pak \rightleftharpoons Afghanistan
(Taliban-TTP)

" Bilateral disputes

b)

Security - strategic issue

Along with bilateral issue, security concern is also another issue that cripple SAARC. Security exists threats are at three levels. as follows:

National security threat



Regional security threat



International security threat

Above three threats can completely weaken the role of an organization. i.e. Tehreek-e-Taliban Pakistan (TTP) is not only a threat to Pakistan's security, but also regional and international threat. Therefore, security concern is also a cause of weakness of an organization.

5-

Measures to strengthen an organization - SAARC

Following are measures to strength SAARC:

a) Political dialogue

"Negotiation is the silent tool to kill any kind of rivalry."

Political dialogue is the best weapon to strengthen relation between members of an organization. Therefore, political will must be in favour of negotiation in order to make stability of an organization.

b) To understand one another's problem

"To understand and appreciate one another's problem."

(- Motive of SAARC)

Further, members of an organization should

understand one another's problem rather to cripple an organization. All members of an organization must appreciate to one another and focus on collective means. Thus understanding problem is another tool of stability of any country.

6- Conclusion

"Problem of one member will pose threat to all."
(-Muhre of SAARC)

Every organization like SAARC has some weakness and strengths. The better weakness and strengths have impact on the whole organization. Hence, focus must be on stable steps for an organization in order to make the role of our organization sustainable.