

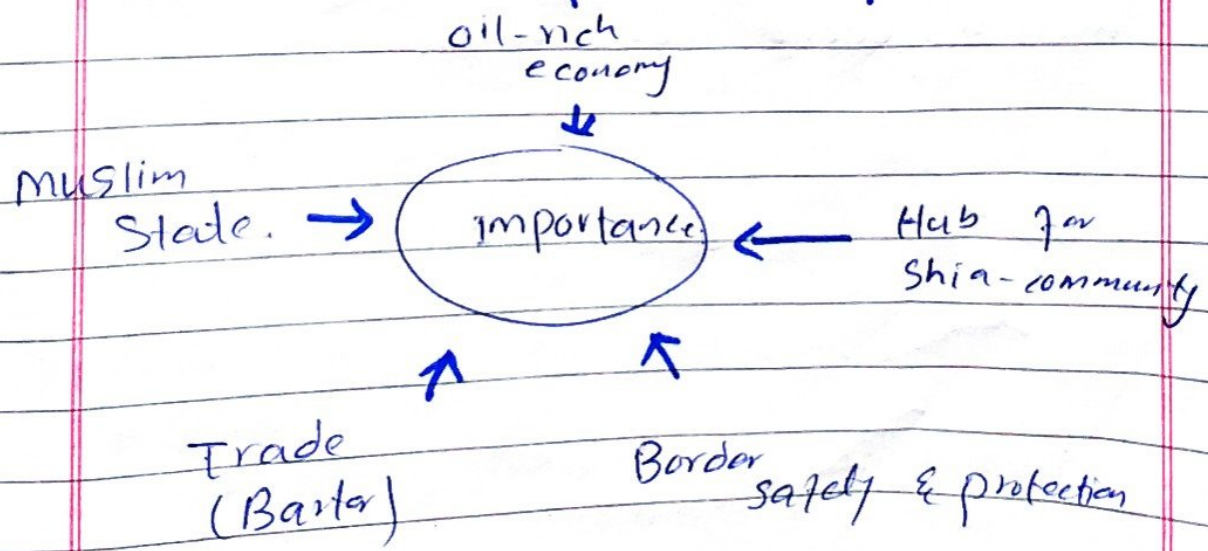
Q No : 6

### Introduction:

"No one can change its neighbor."

Iran is Pakistan's immediate neighbour and a close ally. Moreover, both states have some commonalities in culture, practices and religion as well. From couple of decades relations have seen little turbulence, including Shia and Sunni conflicts, border clashes, Indian factor and proxies of Iran. Iran has also experienced a great case of trials and turbulence since 2011. Being neighbouring countries, it is a high time for both economies to extend an olive branch. Furthermore, extend relations in cooperation. Most importantly, stable Iran isn't only favouring Pakistan but for region as a whole.

### Importance of Iran for Pakistan





- ① Iran is an oil-rich economy. Pakistan can get oil and other products easily.
- ② Shia community on both sides have sympathies for each other. To minimize ~~threat~~ Sectarian threats then it is imperative to have serenity in relations with Iran.
- ③ India uses Iran's soil to operate pipelines. A healthy relation can minimize the threat for Pakistan & can secure Pakistan's growth.
- ④ Barter trade has recently started. Both countries can ~~gain~~ procure ample of benefits through barter style of trade.
- ⑤ Iran is a muslim state. Balance in relation can further strengthen muslim world cooperation.



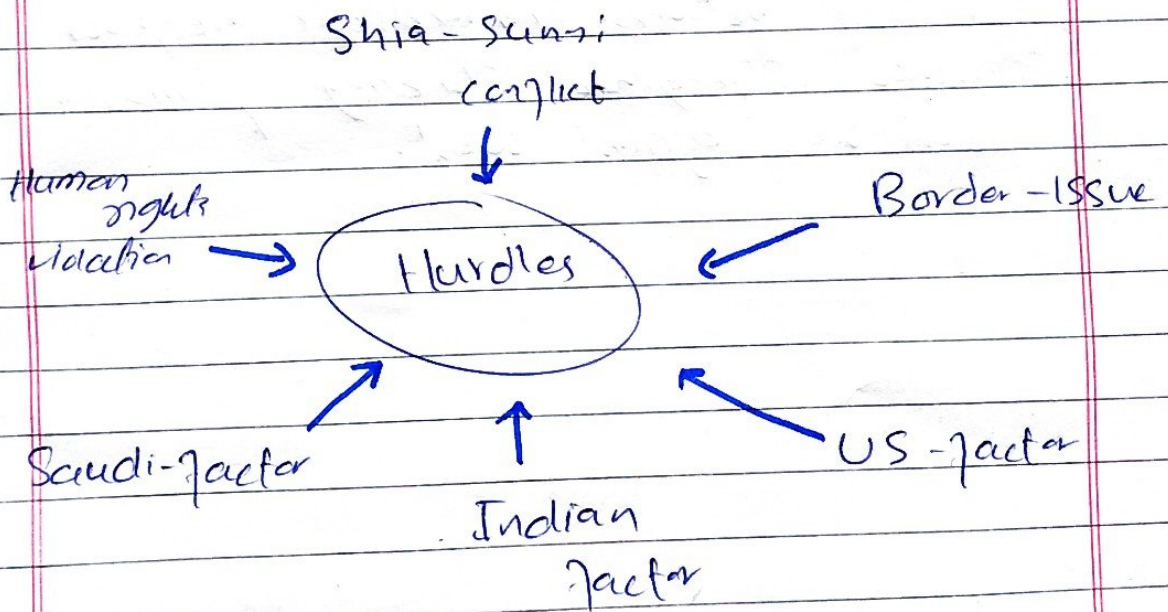
# Significance of Pakistan for Iran

All imply  $\Phi$  to Iran. Both countries can achieve their respective goals by mutually assured relationship.

Pakistan is a nuclear power; a ally of China, can help Iran in removing sanctions.

Relationship between both countries is inevitable!

## Hurdles in engagement.



## opportunities





## Conclusion:

Iran as an immediate neighbor carries utmost importance for country like Pakistan whose economy is under pressure due to multifaceted crises. There are some hurdles, ~~which~~ which can be eradicated with right policies and by avoiding miscalculation. It, without any doubt, is a high time for both economies to mend old path and unite to tackle issues related to their economy, security and social issues as well. Finally, friendship between immediate neighbor further strengthens standing of Muslim countries against west.



## Question no: 5

### Introduction:

Since 2016, after the execution of Shiite cleric Nimr al-Nimr in Saudi Arabia, both countries cut ties on immediate causes. However, recent development in relations between arch rivals has projected positive sign for stability in the region. China has played a crucial role in rapprochement between two mighty powers of Middle East. After this thaw in relationship, a new wave of socio-political transition have emerged. Consequently, new deal between Iran and Kingdom of Saudi Arabia has long-lasting socio-economic implications not only for middle East as a whole but also for Pakistan as well. Hence, it is a high time for Pakistan to balance its relations with both of the oil-rich economies and coin this opportunity to overcome its social, political and economic woes.

### (1) Overview of this Rapprochement

#### (a) Arab Spring initiated chain of crisis in Middle East.

2011 was a year that came with a chain of unprecedented crises in middle East. A great surge in violence had been recorded. However, "Jasmine Revolution" ended with some



historical marks. Many people ~~had~~<sup>were</sup> killed; governments were toppled.

This revolution initiated a war between two regional powers, which had been struggling to dominate the region.

## (b) Background of this historical deal

China had already started to get Iran and Saudi Arabia closer. All this started with two key high profile visits.

### (1) Iranian president visited Beijing

In February, 2023 Iran's president visited Beijing and talked deeply & presented the possible ways to lessen rivalry with Saudi Arabia.

### (2) Xi- attended summit level three meetings in Saudi Arabia.

President Xi visited Saudi Arabia and attended three summit level meetings.

These two high profile visits has set a ground for 10th March brokered deal between Iran and



Saudi Arabia

## Positive aspects of this Reapproachment

### (i) Significance of this deal for Iran

After failure of JCPOA and unilateral withdrawal of the US created impediments for Iran's progress in the region. The US imposed more than 100 sanctions on Iran. After such sanctions, Israel started a series of attacks which made it difficult for Iran to deal state's affairs comprehensively.

Consequently, Iran started counting US ally Saudi Arabia through proxies and attacks on its oil installations. All this must have ended. For this, Iran needed such deal which could counter the US led sanctions.

By this, Iran can avoid diplomatic isolations and can stabilise its ailing economy.

### (ii) Saudi Arabia and this Thaw

Iran backed proxies and drone attacks made it arduous for Saudi Arabia to achieve its goals of 2030.

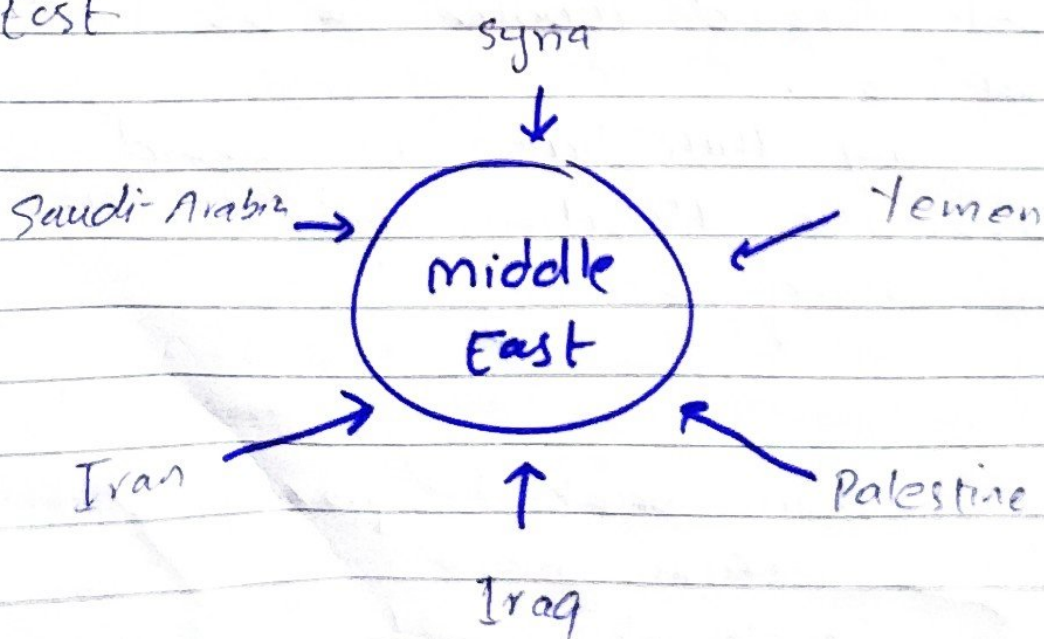


Regional instability and excessive  
stutters protests have created obstacles  
on the way of achieving settled  
goals for Saudi Arabia.

Now, Saudi prince Mohammad  
Bin-Salman wants a stable Middle  
East. That is why leaders of both  
States have overwhelmingly accepted  
this offer of China to come and  
offer for solution to their long  
standing rivalry.

### This New deal; its socio-political implications in the Middle East:

China has proved itself as  
a neutral mediator. This deal  
has captured world's attention.  
Furthermore, this rapprochement has  
immense potential to stabilise Middle  
East





① : 7

## Introduction:

On 24 February, 2022 Russia invaded Ukraine. At first, world was unaware of its aftermaths. Soon, world has realized that invasion of Ukraine has a potential to initiate another major war. The US immediately inflicted sanctions upon Russia. As a result of, these sanctions global supply chain has adversely affected. Furthermore, developing countries are still facing brunt of this collision, especially Pakistan. Pakistan is badly affected by war in Ukraine. High oil prices and inflation have wreaked havoc on shambolic economy of Pakistan. Taking all in consideration, Pakistan needs to formulate its future policy in way that acquire maximum benefits from Russia as other regional economies did.

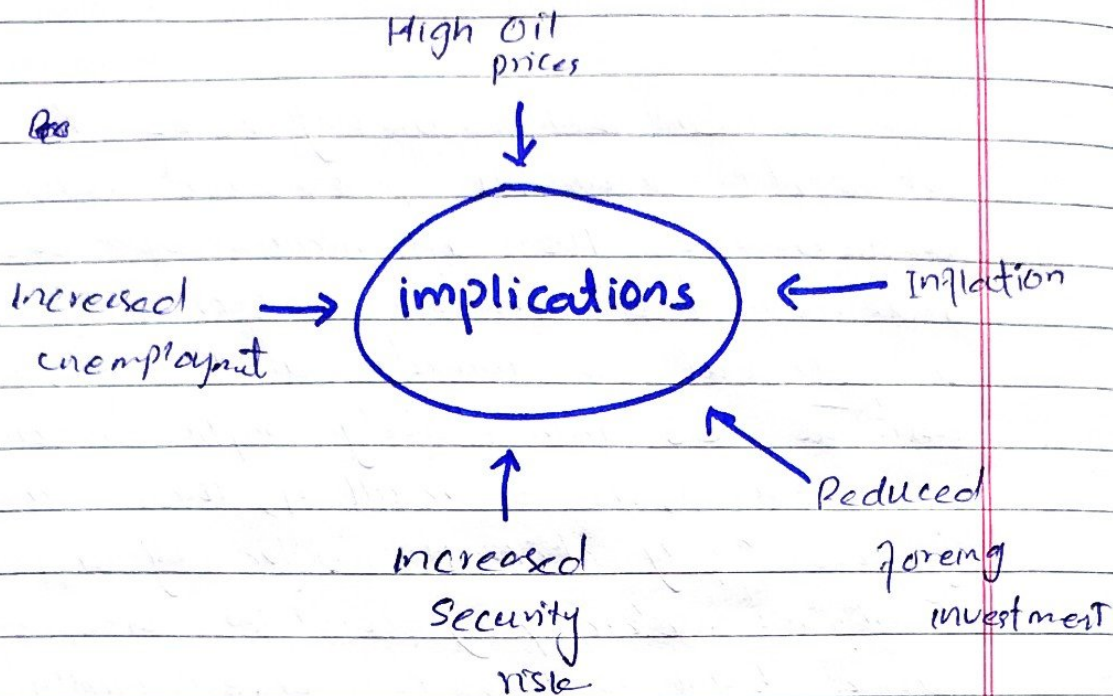
## War in Ukraine; world

War in Ukraine has warned world for a formidable future. It has been more than a year but war is still going on despite of heavy sanctions on Russia.

According to recent reports: Russia has gained enough economic strength.



# Implications of war on Pakistan



## (a) High oil prices

Pakistan is an import based economy, heavily relied on imported oil for energy. After war in Ukraine, and sanctions on Russia have created a gap in global supply chain along with a great price hike in international market.

## (b) Elevated inflation in Pakistan.

High oil prices resultantly has given push to the commodities prices.

"Pakistan has recorded inflation rate of 38% after 1971"

~ Pakistan Economic Survey 2022-23

Wheat shortage as Pakistan 60%

... wheat from Ukraine. (PBS)



### c) Increase in Unemployment.

High inflation rate has made difficult for owners to pay their employes. War in Ukraine has exacerbated the situation; country has recorded highest unemployment rate of 6.2%. (World of Statistics).

### (d) Reduction in foreign investment

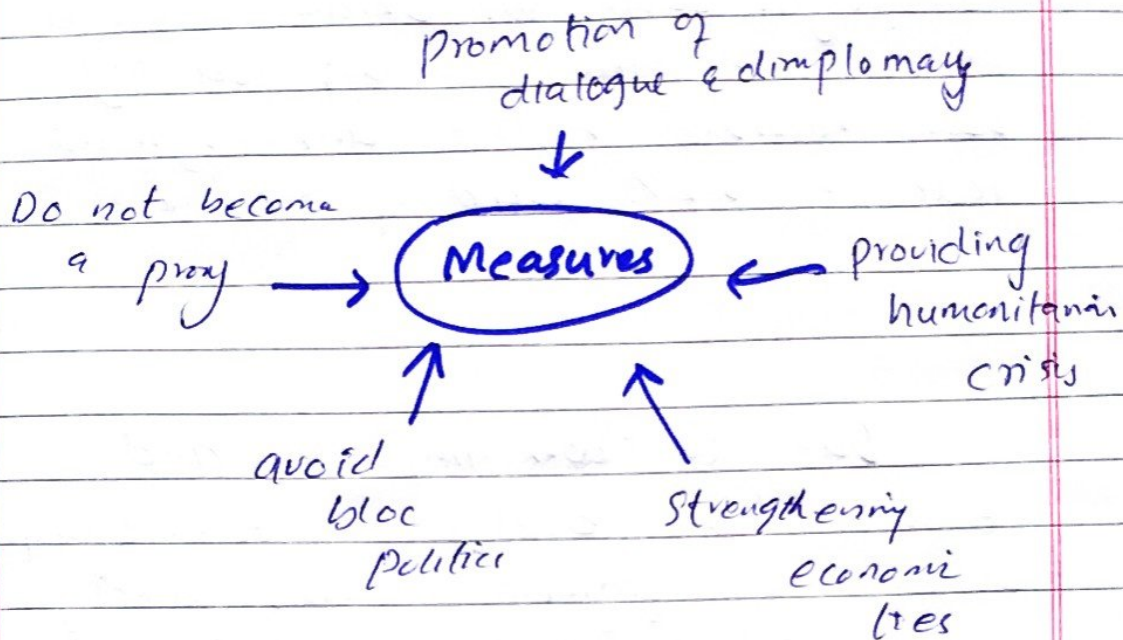
Due to war, imports and exports have badly affected. Consequently, balance of payment crisis and fiscal deficit have enhanced at unprecedented levels. This has made investors doubtful for their future investment in the country. Resultantly, trust deficit has prevailed.

### (e) Security threats

Multiple reports have suggested that Iran is assisting Russia by providing drones and other weapons. As, Iran is Pakistan's immediate neighbour, any turbulence in Iran can lead to instability across the border. After war, security threats, especially near to ~~Iran~~ Iran's border, has increased. As a result of such security threat, economy damages as a whole.



Measures Islamabad needs to take amidst such crisis



### Conclusion:

Wars not only damage two rivals but they destroy world as a whole. Today's wars are more lethal in this globalized world. War of Russia and Ukraine have caused bad impacts on many developing & even for developed countries as well, Pakistan is one of the countries. This war has caused a lot of damage to the Pakistan's economy. High inflation rate, elevation in unemployment, security threats and reduction in foreign direct investment. Thus, there is need to formulate better policies to strength relations with both Russia & Ukraine. Finally, need to avoid bloc politics to maintain trust.