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Q7:

Outline

- 1- Introduction :- Economic Crisis in Pak
- 2- Sri Lanka Economic Crisis Key Factor
- 3- Comparison With Pakistan Economy
- 4- Recommendation.

Introduction: "Economic Crisis In Pakistan"

It is one of the most crucial to evaluate and compare the economic crisis of Sri Lanka with Pakistan. The economic situation of Pakistan has been badly affected due to the tremendous debt, high inflation, or unemployment, and political instability. Similarly, the economic position of Sri Lanka is down and massively affected during the Covid-19 pandemic. Corruption, increased inflation and huge amount of debt. There are many other parallels b/w Sri Lanka and Pakistan disturbing economy which include the trade barrier, limited source of foreign exchange and dependency on foreign aid. Similarly, they both have faced the situation due to an un-managed governance, and un-managed finance.

According to report the trade deficit of Pakistan grew to 70%.

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In March, 2022. The ~~tm~~ stable political crisis also play a key important role in decreasing economy.

Sri Lanka Economic Key Factor:

There are many reasons and factors which led the economic crisis in Sri Lanka.

The Covid-19 pandemic have greatly affect the economy of Sri Lanka, & Corrupt Government system of Sri Lanka become a reason of deficit. The crippling inflation which badly effect the people of Sri Lanka and due to unemployment occur more and more. Similarly another factor which become of the main cause of economic crisis was ~~the~~ terrorism and ~~separatist~~ <sup>separatist</sup> movement. ~~by~~ ~~the~~ From two decade a long civil war is continuously affecting the economy of Sri Lanka. These factor further create different problem which include the shortage of food items, unemployment, anxiety among the people due to which a huge increase occur in the social crime. The dependency on Foreign aid also become a reason.



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In 2011 the Country was burdened with \$25.7 Billion, which is enough for Country to become defunct, but the situation was not constant and rose to around \$52 billion by 2021. The Corruption in Sri Lanka became an absolute way to destabilize the Country and led toward great economic Crisis. The tourism of Sri Lanka contributed around 10 percent to GDP, which badly affect during Covid-19 and increase Extremism of bangal Tigers. As a result of all these factor the Country economy/GDP felt a large and unbearable jolt.

Comparison of Pakistan and Sri Lanka:

Basic ~~Comparison~~ ~~Comparison~~ Fact and Indicator:

As we can say that Pak and Sri Lanka are brother in Crisis.

The total population of Pakistan is around to 224.8 million, with a total area of 796,096 Km<sup>2</sup> which is 12 time greater than Sri Lanka. When we look to the economic resources of both Countries both are diverse in quantity and variety. As the basic indicators of Pak economy is much better than of

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Sri Lanka, on the other hand the total population of Sri Lanka is almost around to 22.2 million

War against Terrorism:

If we looked into the history Sri Lanka had a facing a difficult time from 1983 to 2009, due to a civil war its development badly affect and its weaken its economy.

The Separatist movement till now from a huge number of locals badly affect the Sri Lanka and a huge amount of its budget to counter the terrorism. Similarly Pak has faced terrorism and more than \$150 billion dollar economic losses occur, more than 70 thousand death occurred due to terrorism in last two year.

Corruption:

Corruption is leading factor which always become barrier in the development of any country, and bad luck both countries are facing it. This massive corruption is found in all sector like education, health, police, ministry, politics and judiciary.



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Covid-19 Pandemic:

As Covid-19 has greatly influence the world economy, but the third world countries are extremely affected. Its impact was in economy of Sri Lanka heavily reliant on tourism and foreign remittances. Pakistan economy is also come under stress due to Covid-19 pandemic. This causes the economy of Pakistan and it is all sector like textile, industries, agriculture education etc. The import and export of Pak has been decrease massively, ~~due to~~ ~~which~~ contributed in which result in weakend economy.

Dependency on Foreign Aids

Both countries are heavily depended upon the foreign loan systems. The total liabilities and debt of Pak has increased into Rs 53.5 trillion. SBP said the export is responsible for adding to public debt basket a sum of 19.5T, during this year. Pak has badly depend upon China, KSA and on IMF and this become an obstacle in the way of development of Pak. Due to this high inflation, unemployment and

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Uncertainty occurs in people. Similarly Sri Lanka has 70% Country Infra structure on China loan. This amount to \$5b to loan from China, \$3.5b owned to Japan and also India to whom Sri Lanka owns upto \$3.8 B.

Balance of payment Crisis:

Both have adverse effect of the Russia-Ukraine Conflict. Due to war Pakistan's Import bill surged due to rising fuel prices. Pak the Current account deficit of fiscal year 2022 has worsened to ~~to~~ \$9 Billion from a surplus of \$1.2 billion. Sri Lanka also faces significant Current account problem. In 2020 CA of Pak of GDP was 0.2% of Pak worsened to -3.5%. Sri Lanka CA balance account of its GDP was 1.3% of its GDP.

Way Forward / Recommendation:

- (1) Pak should focus on their political situation and the political must set together to solve out the situation, and also the protest culture-like burning of tyres, damaging of state property blockage of road must be prohibited.



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- (2) Fair and Free election to be held. Positively contribute in the election and giving respect to each other and have accepted democracy.
- (3) TO established long-term policy.
- (4) More and more focus to CPEC.
- (5) Encouraging the youth by education policy.
- (6) Try to stop brain drain.
- (7) Center and province must build a strong relationship.
- (8) Collectively counter the terrorism by both Federation and Units.
- (9) Small business loan provide to em-employment graduates.
- (10) TO build strong relation and peace talking with neighbour countries.
- (11) TO control inflation.
- (12) TO encourage international investors.
- (13) Play an important role in Afghan stability.
- (14) Autonomous policies for State institution.
- (15) Mandatory check and balance system in every sector.

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- (16) Loan and Aid programme for poor people
- (17) TO promote tax Culture
- (18) More focus on maintaining the Balance of payment.
- (19) TO Digitalize the FBR.
- (20) Trade Connectivity.
- (21) Reduce Import and more focus on Export.
- (22) TO build up dams.
- (23) Proper planning to deal with Natural disaster.
- (24) Planning for flood.
- (25) Appropriate Steps for Climate Change.
- (26) Moved on Clean energy, generation.
- (27) Strong Culture of Accountability.
- (28) Protect Basic Fundamentals of Law
- (29) Gender equality.



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## Q2 Revival Of Militancy in Pakistan:

This is very alarming situation for Pakistan. A new wave of terrorism knocking the door. Day to Day increasing number of terrorist attack in Pakistan become one of the biggest challenge for Pak. From recent few month a militancy is increased in Pakistan. As we can see it in all province of Pak even the federation / Capital of Pak was also under attack. But the situation is more worst in Balochistan and KPK. That not mean that Punjab and Sindh is also safe. There are many attack in Baluchistan where the innocent civilian and military of Pak murdered. Despite that a huge attack occurred in police line Peshawar, where more than hundred police officers martyred. Similarly other places of KP and Balochistan are under attack. This situation rise another question and spread the fears among people. on Jan, 25 a attack occurred in Baluchistan Capital of Quetta Kech where 10 Pakistani military

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officer martyred. The rising militancy in different provinces of Pak fear the people and badly affect the peace of beloved country. As from 20 years Pakistan has facing the terrorism in her soil and have loses billions of dollars and his innocent civilian and military personnel. ~~10~~

Islamic Terrorist Outfits:

There are numerous Islamic Terrorist organization are working as a militance in Pakistan, such as Tehreek-e-Taliban. The TTP from In April 2021 attack the luxury hotel in Quetta Balochistan. TTP leadership claim many suicide attack in Pakistan. These orga are involved in many suicide attack in KP, Balochistan, and Punjab and In Sindh.

### Separatist org in Baluchistan:

During many year the groups are involved to disturb the peace of Pak. From 2020 a huge increased occurred in this group. Last year 30 organised violent acts involving Baloch Separatist and 95 death as a July 31.



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The attacks have continued this year and more than 90 terrorists killed in these attacks, according to statement by Pak military press wing. BLA and Baloch Separatist group have claimed responsibility for attack stating that more than 100 enemy personnel were killed in Nostki and Panjgur.

### Role of Afghanistan:

After the fall of Kabul, the control of Afg was taken by Taliban. As Afghanistan is safe haven for TTP and other extremist group. Pakistan has visited Kabul to convey messages. NSA Security advisor visit afg and convey Pak concern regarding sleeper cells of TTP. He was assured Afghan will not be used to plan attack against Pakistan. The peace in Afg is very much important for peace in Pakistan. Pak Afghan border is unable to cover.

### Raw play:

Raw India always in focus to disturb the peace of Pak and for that he always played his role. There are many org who has been funded by Raw

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to Unstable peace in POK. The media's approach is one of the worst approaches and an anti-muslim and anti-pakistan. India does not want the success of CPEC, for which using different ~~the~~ method. Raw has been placed to target CPEC project and its evidence had been provided by ISPR in the form of dossier.

### Policy Recommendation:

Islamabad must opt such policy to counter the militancy and to stabilize peace on the land of our soil.

### (1) Military Operation:

Pakistan should resume the military operation.

First of all must need to identify the places and areas of these terrorist. ~~and~~ The base place for these groups are mostly Ex-Lata and Baluchistan. So it is required to clear these area through military operation.



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(2)

Surgical Strikes

Pak already did Surgical strikes in Baktia Province and the Kunar area. Pakistan continued these surgical strikes because Kabul Govt has failed to control the situation.

(3)

Need to put pressure on Kabul:

Pakistan must take painful decision. If not the situation can't be controlled. As the safest place for TTP and other groups is Afghanistan. The Afghan soil is being used against by different organizations. India is using Afghan soil against Pakistan. Thus Islamabad should put pressure on Taliban Govt and to ensure that Afghan land will be not used against Pakistan.

(4)

Peace Talking with Neighbour Countries:

Pakistan should go to peace making process by involving the regional countries. Collective military or joint military established to counter the terrorism. China, Russia, Iran, Arab forces with Pakistan.

Pakistan should convey the clear message to its neighbour countries that this wave of terrorism can also badly affect all the allies.

This wave can destroy the peace of whole region.