

Q6

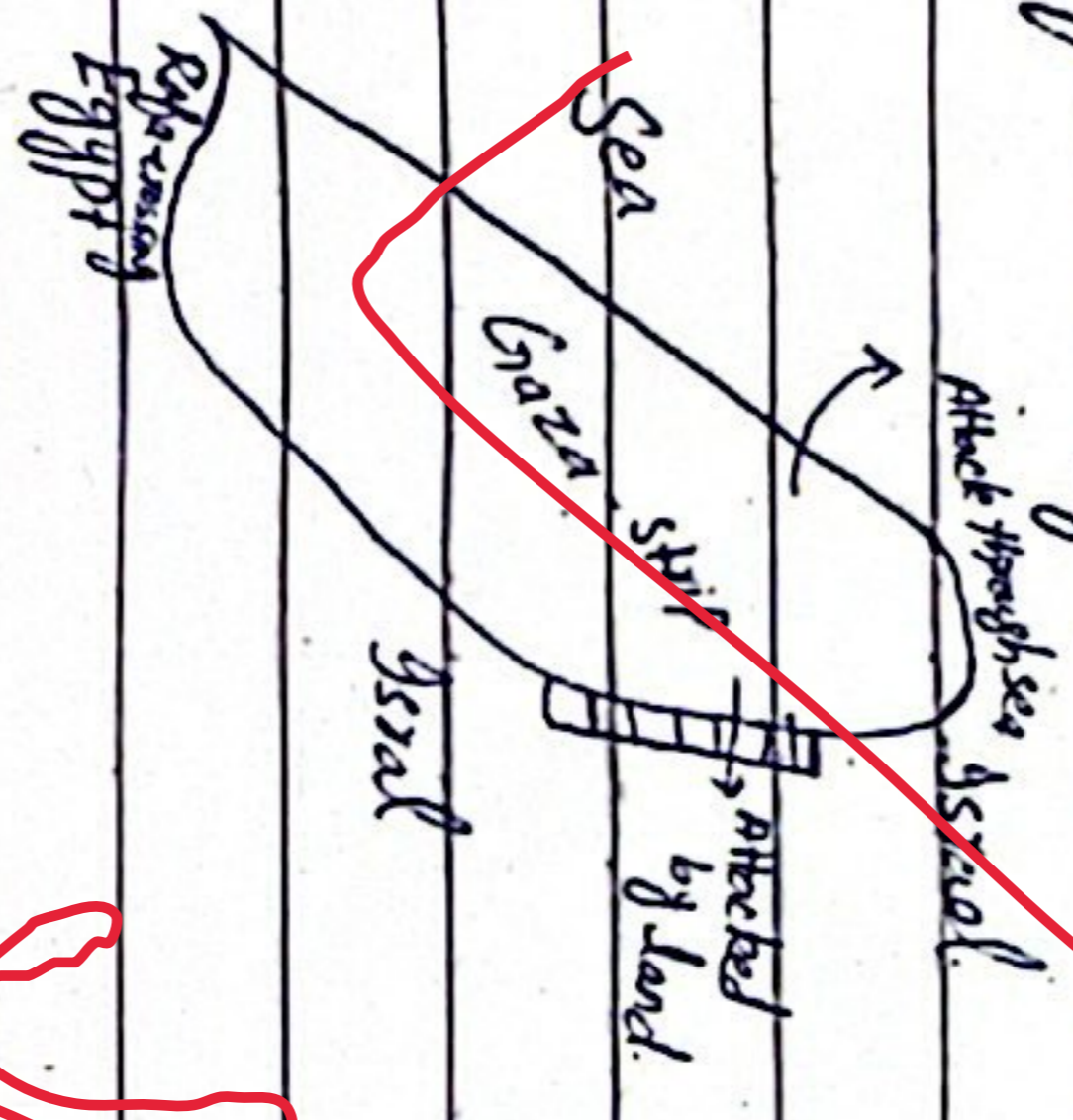
Introduction:

In 1991, a baby in Gaza had a precious life with his family in early life. Unfortunately, first his mother then his father and then his two brothers were killed by Israel Defence Forces. After that, small baby was living alone in world open jail and his name is Muhammad Daff, who is the mastermind of October 7, 2023, an unprecedented attack on Israel. This attack has far-reaching implications on Israel, US along with Arab world and in Middle East. This attack also <sup>has</sup> setback on negotiation deal between Israel and Kingdom of Saudi Arabia.

Hamas-Israel War and it IMPLICATION ON ISRAEL

On October 7, 2023, the freedom fighters of Hamas attack from three way on Israel. After 1970s, it was first time that freedom fighters entered in Israel so-called territory. This attack was so unprecedented that Israel's agency, Mossad, the CIA, USA agency, was not in mind. Freedom fighters enter in Israel from land, air and sea. More than 200 <sup>Israeli</sup> were captured by Hamas and took

these are Gaza base camp. Question rises here is that how it is possible when US and Israel have totally control the security of this region. How Hamas fighters have advanced weapons when it is siege under Israel army. It was an intelligence failure of Israel and US because this attack was planned 6 month before according to Muhammad Daftis.



## APPLICATION ON ISRAEL AS A STATE

Israel as a state completely failed because of unprecedented attack. Israel Defense Forces were not in active position when Hamas started attack. They entered in Israel through Air and forced no heavy resistance from IDF side. Israeli opposition leader called this attack as a result of PM and its cabinet sleeping behaviour. Moreover due to unprecedented attack first time in history that a defence cabinet was formed in which

equal members from opposition and other side in it. Question rise here is that, was the Israeli went such attack or it is unprecedented. The circumstance shows that it was result of IDF failure.

## APPLICATION ON KSA AND ISRAEL

### DEAL

Deal between Israel and KSA under USA mediator has been halted due to this attack. In 2020, under US President Donald Trump, Abraham Accord was useful deal because 5 Arabian nations including UAE recognized Israel as sovereign nation is also halted. The US plays an important role in this. Before attack first time in KSA history that it allows Israel to use its air space. Moreover Muhammad Bin Salman said "If Arab has the right to live in Arab land then why Jews not was the sign the deal was so closed. According to series of media organization when this unprecedented attack started a KSA delegation was in Israel and Israel delegation was in Riyadh.

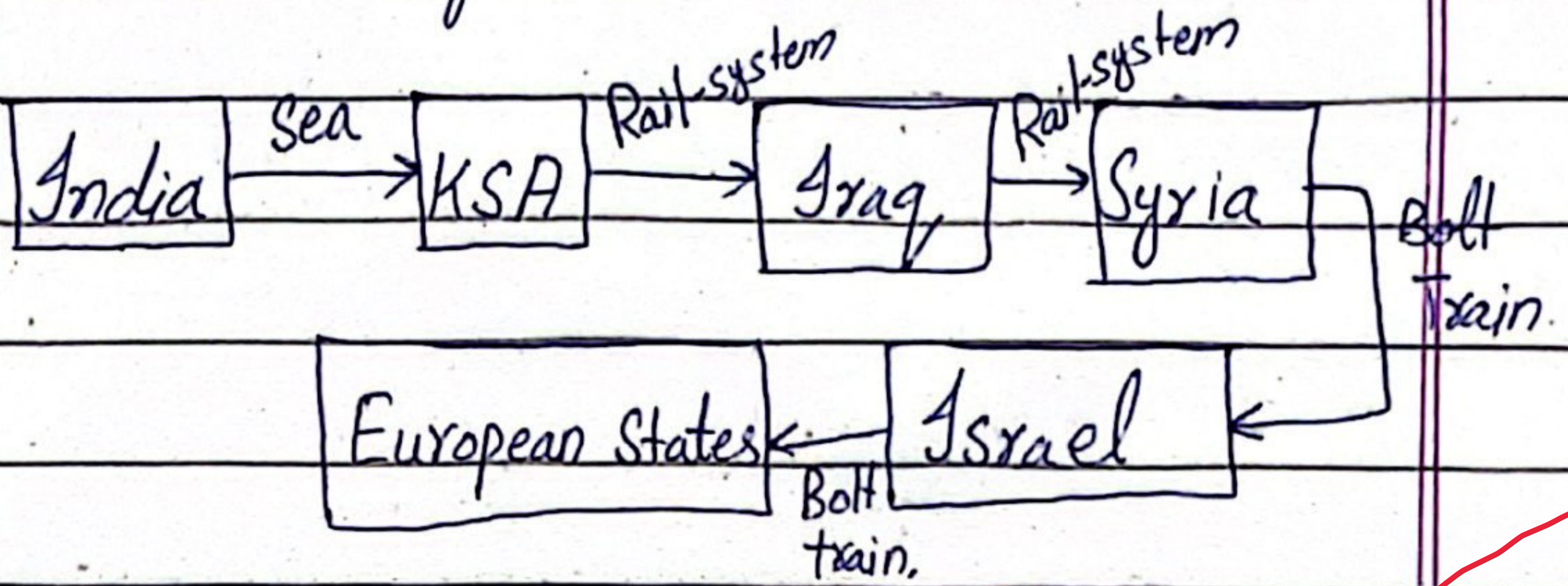
## IMPLICATION ON IRAN: AS A BENEFCIAR OR NOT

War between KSA and Iran is not hidden. Although, with the help of China, a negotiation deal was done in 2022, still KSA needs weapons for balance of power against Iran. From Iran point of view, this deal may halted the negotiation and normalization process between Iran and KSA. Moreover, the race between these country to become leader of Muslim Umma is still continue. Iran is also trying to gain nuclear weapons. That's why KSA has been looking security umbrella. But, this unprecedented attack halted KSA's wish. On the other side, Iran plays emotional card against Israel, as muslims around the world support Hamas. This is what Iran wants and it always place hard policy against Israel.

## IMPLICATION ON New Route That Counter the BRI

To counter BRI, the G20 members countries during their summit in India inaugurat a new trade route that connects Middle East to European states. ~~The~~ big setback to this idea after Hama unprecedented attack after October 7.

This route was started from India and passing through different arab states, it connects EU. The route diagram is:



This route was mostly cross through muslim state. But, after Hamas attack, the public opinion and public sentiments are with Hamas. These countries leaders never take decision against public opinion. Hamas attack gives a big set back to India because of major benefior in this route.

## IMPLICATION ON ASIAN REGION AND ASIAN POLITICS

Asian countries are mostly muslim populated countries and after this attack, their narrative about USA and European Nation have been changed because they are supporting Israel diplomatically as well as economically. Muslims leaders are also against western policy because of unresolved Kashmir and Palestine issues. In coming years, most Asian countries have elections and public

support those who voice against Western and in favour of Hamas.

## IMPLICATIONS ON GLOBAL POWER AND GLOBAL POLITICS

The unprecedented attack of Hamas on Israel has completely changed the balance of global power. One side US, EU and Israel and on the other side China, Russia and Muslims country. China and Russia openly condemned the Israel brutality in Gaza. Further, Russia uses VETO in UN security council when Israel moves the resolution for land attack on Gaza. EU leaders are with Israel but their public are with Palestine because of oppression that Israel did and does on Palestinian. This changes the global narrative and for the first time, EU leaders are speaking against Israel.

### Conclusion

Although, Israel has USA and EU diplomatic and economic support, the public narrative is with Palestine. Moreover, there is presidential election in US in next year that may influence due to US supports with Israel. India also setback

because of public support with Hamas that influence and reluctant the Muslims leader in new route development that counter BRI.

Q3

### Introduction

From its independence till now, Pakistan is facing financial crises. To overcome these crisis, Pakistan almost took 23 time IMF program. IMF not only provides funds, but also provides technical support to its member countries to put the microeconomy on right path. As economy is most important factor in country development because everything is directly linked with economy. There are many factors which help like fiscal, monetary etc. policies that tells about country economy.

### BALANCE OF PAYMENT CRISIS:

Balance of payment crisis started when country has low reserved and it has to pay loan and meets other necessary. Pakistan economy is consumer-based economy. Pakistan import is high and export is low. To import, country required money in dollar because international trade held in dollars. Pakistan faces balance of payment crisis due

many reasons like devaluation factors. According to state Bank of Pakistan, dollar rates in different governments are:

Year	Price	Government
2000	1US = 37PKR	Musharaf's Era
2008	62PKR	End of Musharaf
2013	84PKR	PP
2018	125PKR	PMIN
2022	475PKR	PTI
2023	270PK.	PDM

Dollar devaluation is the main factor beyond balance of payment crisis. As government has no dollar, so it purchased dollar from the market, resultant devaluation of rupees. To overcome it, Pakistan approached IMF. IMF provides technical assistance in it.

## ROLE OF IMF in Fiscal Policy

Fiscal policy is maintained and prepared by Finance Division of Pakistan. Pakistan faces crisis then IMF provides assistance to Finance Division during budget preparation. It provides assistance how to set budget and provides technique to maintain it. In 2023 Budgets, IMF provides

data which it obtained from different Pakistan departments and stakeholders like FBR etc. IMF only provide assistance not force them to follow its assistance, but due to current crisis, Pakistan follows all its assistance.

Pakistani Government puts more taxes on middle class, stops the subsidy to industry and austerity measure. Two mini-budget also passed under IMF recommendation. This puts the middle class more in critical condition. Pakistan has 8700 crore of debt, about 3 trillion rupees circular debt and to overcome these, special recommendation are given by IMF.

## ROLE OF IMF IN MONETARY POLICY

Monetary policy is the policy in which the exchange rate of dollar and other currencies are controlled.

Artificial control of dollar in some government put Pakistan at current severe condition. There are two types through which currencies can be controlled.

One is state control and other is market control.

State control the exchange rate as it does in 2014-2016 and in 2022-2023. In 2022, State Bank of Pakistan

sets 1 Dollar = 225 PKR, but exchange companies sell 1 Dollar = 275 PKR. Under IMF loan conditions

the government removed cap and allow the market to control the value of Pakistan currency.



Pakistan currency is devaluted because of market dependent. And market is depending on inflow and outflow of dollar. Dollar inflow only successful when export is high. But, in Pakistan, small material is imported. Because of high import Pakistan faces balance of payment crisis. IMF continuously monitor the dollar rate and under IMF condition, government never put a price cap on dollar. It's means, monetary policy is totally dependent on inflow and outflow of money. Moreover, the State Bank of Pakistan is also enjoy autonomy because of IMF conditions.

## IMF and State BANK OF PAKISTAN.

State Bank of Pakistan is no more under the government of Pakistan and it was passed in PTI government. SBP takes independent actions to control the economy of Pakistan. IMF also takes direct data and information from State Bank of Pakistan. It helps in interest rate fixing and control the prices of different currencies. State Bank of Pakistan takes actions on the bases of present data because it was allegation from IMF that government controls the money and exchange rate.

## ROLE OF IMF IN Foreign POLICY

Economic crisis most hit the foreign policy of country. Like in 2022, when IMF bailout out package was not cleared because of some technical reason. As a result, KSA, UAE and China did not provide loans because these countries first assured that IMF first provide financial assistance to Pakistan. But, on the other side, IMF asked Pakistan to provide assurance that these countries provides financial assistance. This show that foreign policy is also affected due to IMF role. Although, it does not affects directly, but indirectly foreign policy is affected.

## Impacts of IMF Role in FISCAL Monetary and Foreign Policy on Pakistan

Pakistan has beared a lot of positive as well as negative impact because of IMF involvement in these. On one side, it provides technical assistance in financial department but the resultant of this, people of Pakistan faces extreme inflation. According to WB, Pakistan economy next year growth is less

than 3%. Moreover, it affects the development projects. The SAP (Structural Adjustment Program) provided by IMF causes the impact of gender biasness. Because IMF mostly recommends to stop the human development projects. It affects public health and brings it in severe conditions.

## Conclusion:

Pakistan economy is consumer based economy and it always face balance of payment crisis till, the stateholders not focus on industrialization. Because more industrializations results in high export and more export means more dollars which overcome this crisis. International Monetary Fund although provides financial as well as technical assistance but its involvement in country economy policy is not good for country sovereignty.

You need to elaborate the asked part  
Elaborate implications

Q5Introduction:

Power sector of Pakistan is responsible and hurdle in country development. Power is essential for household as well as for industry. But in Pakistan, it become big problems in both field. As a result, Pakistani society and Pakistan economy are in sever and difficult condition. It puts negative implication on the economy, social and political sector of Pakistan. It is reason of balance of payment crisis because of imported coal used in the power plants.

Power Sector and Country Economy:

Economy is just like car, and power is the fuel that is used to put this car on track. Industry and all economy sectors are directly linked with the energy. In 2007 to 2016, Pakistan faced sever type of loadshedding. To overcome this loadshedding, government and private sector built expensive power houses. The development of these <sup>power</sup> houses are beneficial for industry but now it becomes burden on economy because all the coal used in

mostly power plants are important. Mostly expensive in Asia and 3<sup>rd</sup> most expensive production in the world.

## Power Sector: A Big Stone on Development Process

Pakistan produces electricity using oil, gas, imported coal and through hydropower process. Oil production in energy is most expensive form of product and Pakistan produce 30% of its energy from oil. Secondly, it uses gas from energy production which is 2<sup>nd</sup> most expensive source of production in the world. Similarly coal is 3<sup>rd</sup> most expensive source that is used for energy production. All these three natural sources are import from other countries in dollar. Pakistan also face dollar-shortage because of these imports. As a result most of country reserves are used in purchasing of these. Then how other development occurred or even planned when country has even not full money to buy these for full use.

## Power Sector: Budget Deficit and Negative Implication on Social Life

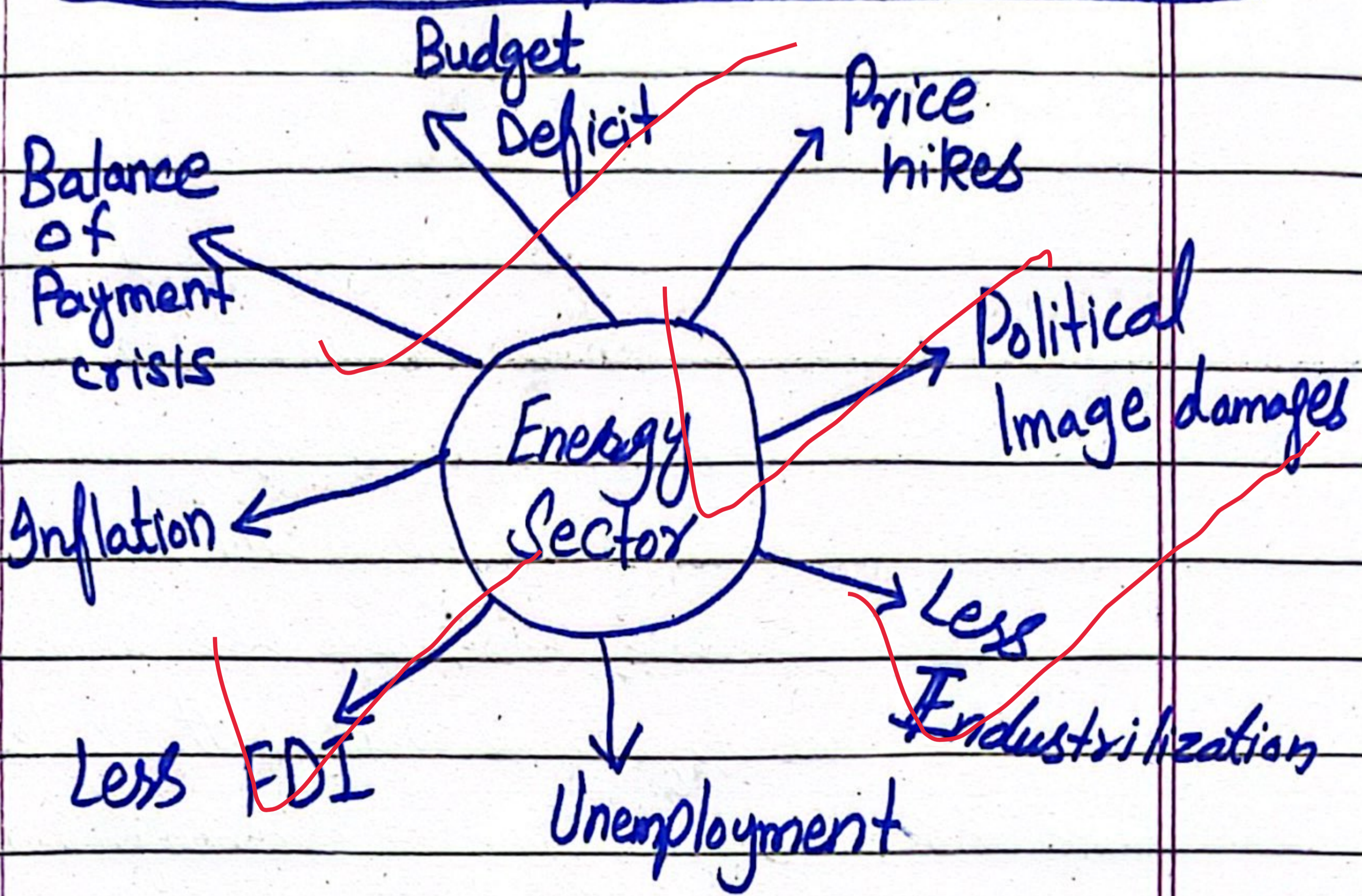
Electricity is about 50 PKR per unit then how one can say that social life is enjoyable when other countries provide 5 PKR per unit to their consumers. This is what Pakistani people condition might now. There is 3 trillion circular debt and to overcome it, government increased the price of electricity and also takes loans. From one side, people have less incomes because of industry closure and on other side more and more price hike of electricity. Thus power sector not only put the civil society in difficult condition, but also disturbed their personal life. Circular debt causes to budget deficit and as a result more tax on people.

## Power Sector: Implications on Political Life of Country

From one side, it affects the social life and on the other side it destroy the political imp image of the country. There is very less FDI because of high energy prices. Even government admire that FDI is not coming because of

energy prices. Pakistan takes loan from other countries to overcome its energy crisis and continuously loan process hurt political image of Pakistan.

## Power Sectors Implications on a State



## Conclusion

Energy is the basic needs of life. For country development, it play a role like blood role in human body. If its production is expensive, then irrespective of being beneficial for country and its people, it become burden on it. Less FDI, inflation, unemployment because of no or less industrialization.

Q7Introduction

China, the emerging superpower of the world, faces a lot of challenges from the US side. One of the challenge is Taiwan. Taiwan plays a crucial role in US, China and world's technological development. China declared it as its territory but US oppose it. Moreover, economical barriers also put put countries at this level.

Taiwan as Semi-Conductor Producer:

Taiwan is a major producer of semi-conductor. It produce about 92% and remaining 8% produced by South Korea. Semi-conducts are used in all types of electronic, industrial and development of advanced air-crafts etc. Since 1995, it contributed \$ 3 trillion dollar in World GDP.

Importance of Taiwan for US and China

US and China have traditional rivalry. But Taiwan provides both countries, semi-conductors because of industry required it. Their contribution is very large in both countries GDP.



## US - Policy on Taiwan

Before 2018, US deals Taiwan through China and did not interfere in its sovereignty. But after 2018, it supports the Taiwan and to protect it, US totally militarize the South-China sea. The Foreign Minister of US and President stance on Taiwan is that "If China attacks on Taiwan, US protects Taiwan"

## China Policy on Taiwan

China policy on Taiwan is that all such islands are in One-China. And China called it "9-Dash-Line". China Foreign Minister words "US plays with fire if it interferes in Taiwan". China also militarize the South-China Sea. China also performed its highest Naval exercises in Taiwan sea area and also warn other countries to not involved in it.

# Taiwan Issue: One China Two System

general instructions to get good marks in current affairs

add references and link with current developments

Go for pictorial presentation of certain ideas

attempt all parts in the question. do not neglect one

add facts and figures to support your argument

Go for deep understanding of topics to make good analysis

China gives two system for its 9 islands. For Taiwan, Macau and Hunan, China is "People Democratic Republic of China", for remaining its policy is "People Republic of China". China follows democratic rule in Taiwan and people of Taiwan chose their PM through democratic process but foreign policy and other policies are under the control of china.

## Implications of Taiwan Conflict

China never back on its stance, that's why it also no signed on UN Sea Line Rules. There is a chance of war on this because of US. On the other side no chance because US is already involved in Ukraine war.

## Conclusion

In conclusion, both presidents sit and solve this issue because both are big problem for world.

How it is hurting US?????