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~ PART II ~

QNO4: ~ INDIA-MIDDLE EAST EUROPE ECONOMIC CORRIDOR as a competitor to BELT AND ROAD INITIATIVE OF CHINA ~

Introduction :

The India-Middle East Europe Economic Corridor represents a monumental development in the evolving geopolitics of the region. Its strategic intent to counterbalance China's BRI comes with a set of challenges and potential risks. While it promises economic opportunities and enhanced connectivity, it also raises valid concerns about regional stability, cooperation, and the exclusion of the key players. As the future of this corridor unfolds, the international community will closely watch

its progress. The success or failure of IMEC significantly impact the balance of power in the region and influence global economic dynamics. The IMEC may not directly threaten the more stable, deep, mature and vast BRI. Instead, it might turn into a parallel and complementary initiative, not an alternative one. Both of them play their role in shaping the dynamics of great power competition and regional stability in a complex and ever-changing geopolitical landscape in the 21st century.

The Global Arena of Geoeconomic Corridors:

In the dynamic landscape of global geopolitics, economic corridors have emerged as strategic chess pieces, shaping the intricate moves of nations. At the forefront are the two colossal initiatives: China's Belt and Road Initiative (BRI) and the recently introduced India-Middle East-Europe Economic Corridor (IMEC). These ambitious

projects conceived against the backdrop of G20 summit, stand as manifestations of economic prowess, geopolitical maneuvering, and the quest for dominance.

Shaping the narrative: IMEC's Genesis and Purpose.

The IMEC born from collaborative efforts between USA, India and their allies, seeks to redefine trade routes among India, Gulf states and Europe. Positioned as a mediator between regions, its proclaimed purpose is to enhance the movement of goods, data, money, and foster people-to-people connections. However, the underlying motivation hint at countering China's BRI, as highlighted by the commitment of \$600 billion by G7 leaders to counterbalance China's influence.

BRI: A Decade of Transformation

Celebrating its 10th anniversary, China's BRI unfolds a multi-trillion dollar global cooperation

platform, showcasing over 3,000 cooperation projects and nearly a billion dollar in investments.

Despite criticism regarding transparency and debt traps, China asserts the BRI positive impact on East, Africa, in fact global connectivity. The BRI's core emphasis on building extensive networks across Asia, the Middle East, Africa, Europe signifies a decade-long commitment to fostering international economic cooperation and supporting growth.

✦ Clash of Economic Visions ✦

In the broader context of US-China rivalry, the BRI and IMEC symbolize conflicting interests and visions for economic development. China's BRI, an answer to the world's infrastructure gap, stands in stark contrast to IMEC's emergence as a response to counterbalance China's growing influence. The geopolitical interplay between these economic trajectories underscores the complexity of

global power dynamics and economic interests.

IMEC's Strategic Significance: India's Response to BRI.

For India, IMEC represents a strategic move to counter China's influence and create its economic and strategic corridor. By strengthening trade and investment ties with the Middle-East and Europe, India aims to diversify its trade partners, reducing dependence on China, and enhance its global influence.

The IMEC, if successfully implemented, could provide India with unique advantages, ranging from energy security to increased political leverage on the global stage.

Regional Dynamics:

Pakistan's Crossroads

Pakistan find itself at the crossroads, potentially benefiting from IMEC projects. The initiative could create new avenues for trade, investment and tourism, leveraging Pakistan's existing

infrastructure under the China-Pakistan economic Corridor. Integration with IMEC could be transformative expanding Pakistan's reach to regional nations and strengthening its position in influential corridors.

Comparative Analysis of BRI and IMEC.

BRI

IMEC.

① Initiation and progress

↳ in 2013 and actively progressing

↳ is in MoU stage indicating its preliminary planning.

② Scale of investment

↳ estimated value of US \$ ~~800~~ trillion

↳ few billion dollars.

③ Geographical coverage

↳ Spans almost 150 countries, primarily developing economies

↳ cover around 20 countries with higher economic development.

④ Transportation Modes

diverse network, 70% focus on land-based routes.

↳ emphasize sea-transportation

⑤ Scope of Projects

↳ Include wide range of projects from infrastructure to energy, agriculture and industrial zone.

↳ its scope is limited, focussing on shipping lanes, rail and road infrastructure.

↳ Prospects of IMEC ↯

- IMEC is 90% complete or operational, with advanced stages in sea lanes and rail-road connections.
- Financial viability is enhanced by the wealth of participating countries.
- Concerns about Chinese dominance drive nations to expedite IMEC's completion.
- Robust private sector involvement can expedite project implementation.
- Economic benefits include regional integration and enhanced economic security.

↳ Future Challenges for IMEC ↯

- Complex coordination among 20 countries.

- Financial hurdles and debt burdens may impact funding and economic viability.
- Geopolitical and security concerns in the Middle East could disrupt operations.
- Environmental and regulatory issues need to be addressed.
- Infrastructure and technological integration across borders are challenges.

Conclusion: Navigating the Future of Economic Corridors

As nations maneuver their pieces on the geoeconomic chessboard, the future of economic corridors remains uncertain. The clash between IMEC and BRI signifies more than just infrastructure development; it represents a struggle for global influence. The complexities of regional dynamics, strategic interests and diplomatic maneuvering will shape the narrative of economic corridors. BRI and IMEC represent distinct approaches, with BRI having large scale & global impact. Let's hope for a healthy and fruitful competition between the two corridors which will benefit the globe.

QNOG : Loss AND DAMAGE CONCEPT OF COP-27, PRACTICAL MATERIALIZATION OF COP-28 AND BENEFITS TO PAKISTAN ✓

Introduction:

Climate Change is a big problem in our world today. It's something that affects all of us and poses a serious threat to humanity's existence. There is a dire need to address the issue for which COPs (Conference of Parties) are conducted every year. From COP1 to COP20, there is a global north and a global south divide. It took a significant turn from COP-21 also known as "Paris Agreement". In every meeting, decisions are made and goals are set but their implementation would left to the next ones; as evident from the "Loss and Damage Concept" decided in COP-27 at Sharm-el-Sheikh and implementation left to COP-28 at Dubai. Pakistan, being the most vulnerable

country to climate change contributed not much. COP-28, held in Dubai marks a crucial juncture in global efforts to address climate change. "The Loss and Damage Fund" is the need of Pakistan and is a positive step by COP-28.

* Loss and Damage - Decoding Severity of Crisis *

The IPCC has found that certain communities, who have not contributed much to causing climate change, are getting hit the hardest by its negative impacts. In the last 10 years, there were 15 times more deaths from floods, droughts and storms as reported by IPCC. During COP-27, setting up a fund to help countries impacted by climate change was a major and contentious issue. At first, it was not on the agenda of the meeting. There is a huge struggle of Pakistan in showing the importance of the issue as a representative of G-77.

After many negotiations, the G-77 and China successfully established the fund at COP-27, but the decisions are left to COP-28.

✦ Debating Adaptation at COPs ✦

Adaptation, in relation to climate change, means making changes in ecological, social or economic systems to response to the effects of climate-related events and their impacts.

At COP-26 in Glasgow, Sharm-el Sheikh Work Program on Global Goal on Adaptation (GGA) was launched. Similarly, at COP 27, a process to create a framework to fully implement the Paris Agreement was established. Same in the manner, Loss and Damage

Fund adaptation is an outcome of COP-28. These are the positive step taken at COPs to overcome the challenges of climate change.

Debating Mitigation at COPs

The IPCC has emphasized what scientists are saying for a while - we need to do more to tackle climate change. This includes increasing efforts in adaptation and mitigation - reducing emissions - to limit the rise in temperature to 2°C and ideally to 1.5°C compared to pre-industrial level. According to UNFCCC,

- ① China - largest emitter of Carbon: 35%.
- ② USA - 2nd largest - 15% +
- ③ India - 3rd largest - 9% +
- ④ Europe - 4th largest - 9% +

Then a series of developing countries also contribute a lot. Therefore, it is a collective responsibility to make carbon cut-offs to reduce the emission process.

COP 28 - Pivotal Role and Birth of Loss and Damage Fund.

COP-28, the 28th conference of parties to the UNFCCC, concludes in Dubai, it marks a crucial juncture in global efforts to address climate change. Attended by representatives from nearly 200 countries, including Pakistan, this conference commenced with a significant achievement - the establishment of loss and damage fund. Pakistan a country profoundly impacted by climate change, had actively lobbied for such a fund at COP-27, making this development particularly significant.

Challenges and Opportunities for Pakistan: Activating the Funding.

While the establishment of loss and damage fund is a positive step, Pakistan's facing challenges in activating

the funding. The country must adhere to stringent checks and balances, showcasing a commitment to utilizing the funds actively. This comes at the time, when Pakistan grapples with severe environmental challenges, placing it among the most affected country by climate change, according to Global Climate Risk Index 2022.

Pakistan's Vulnerability and Economic Impact.

For Pakistan, the stakes at COP-28 are high. According to Global Climate Risk Index, Pakistan is 5th most affected country by climate change. "Extreme weather conditions including heat waves, floods, droughts, pose significant challenges.

UNICEF's Children Climate Risk Index 2021 highlighted that are extremely at risk to climate

change impacts. The economic toll of climate change on Pakistan, estimated by Asian Development Bank, could reach 18-20% of GDP by 2050.

Conclusion: The Path Forward for Pakistan and Global Cooperation.

In conclusion, COP-28 represents a pivotal moment for global climate action, with Pakistan playing a crucial role in advocating for its interests and learning from other countries' experiences. The challenges are substantial from activating climate funds to balancing energy needs with climate goals. As the world grapples with the urgency of mitigating climate change, the path forward requires a continued global cooperation.

effective planning, and decisive action. Time is of the essence and the outcomes of COP-28 will shape the trajectory of climate change for years to come.

QNO7: ^{cc} ONE - CHINA TWO SYSTEM
POLICY and US -
POLICY TOWARDS TAIWAN
and RECOMMENDATIONS

Introduction:

"One country - two system" is a constitutional principle of the People's Republic of China describing the governance of special administrative units. Taiwan is one of those and US also has a defensive policy towards Taiwan. So, Taiwan became a point of rivalry between China and US due to its huge geoeconomic and immense geostrategic importance. It is a point of tussle between them. War cannot be altogether negated but also the chances of war are negligible because it is more of the war

of words. As, it is the world of diplomacy.

Unveiling One China - Two System Policy

It's the constitutional principle of the People's Republic of China describing the governance of special administrative units of Hongkong, Macau, Taiwan. Deng Xiaoping developed the one country - two system policy.

Importance of Taiwan.

Taiwan has much economic importance as it is the world's 17th largest economy and largest silicon semiconductor producer.

China	USA
silicon: 45% exported to China	silicon: 40% exported to USA.

Similarly, the strait of

Taiwan is of geoeconomic importance and also has immense geostrategic importance due to heavy militarization of US-destroyer and deployment of Chinese naval submarines.

Policy of China Towards Taiwan.

China has a long-standing claim on Taiwan as all islands of South and East China sea within nine dash line belong to China.

In 1970s, there is a change in policies of Beijing and Taipei and initiated "one China two system Policy".

Taiwan has given autonomy in :

- ① Currency, economy and foreign reserves.
- ② Legal system
- ③ Paramilitary forces.

How US - Policy is hurting China's Policy &

In 1979, the United States established formal diplomatic relations with PRC. At the same time, it severed its diplomatic ties with ROC. But the USA maintains robust unofficial relationship with island and continues to sell defense equipment to its military.

The United States chief goal is to maintain peace and stability in the Taiwan Strait and it has implored both Beijing and Taipei to maintain the status quo.

According to a report, USA sold more than \$18 billion worth of arms and \$250 million complex to embassy in Taipei.

Recommendations:

War between US and China over Taiwan issue cannot be altogether negated because of the reasons as:

- (i) Massive military deployment by US.
- (ii) China's military expansion
- (iii) Multiple conflict points.

Wars' chances are negligible due to:

- (i) Massive economic interdependency
- (ii) Mutual Assured Destruction.

Conclusion:

Although Taiwan is claimed by China due to its "One China-Two System" policy but also protected by USA. It is a point of conflict but they both should follow the quote of Henry Kissinger.

"Biden and Xi should call and tell each other. We two are the largest enemies of world's peace. So, we should sit together."

QNO8: SIFC - A POLICY FOR
HUGE FOREIGN DIRECT
INVESTMENT ✓

Introduction:

Attracting investments has evolved into a crucial component of a country's development plan in today's interconnected global economy. For Pakistan, a dire need was felt for a holistic approach, one that includes an overhaul of the laws, practices, business procedures, and government regulations to facilitate growth and economic development. Therefore, Government of Pakistan has approved the establishment of Special Investment Facilitation Council that will serve as a "Single Window" for multi-domain cooperation in the relevant fields with GCC countries and other countries in general, aiming to facilitate investment

and create an enabling policy environment. By integrating the expertise and resources of both civilian and military leadership, the SIFC is welcomed by all segments of society i.e. politicians, economists and journalists for the economic revival.

* Birth of the Special Investment Facilitation Council *

In a quest to rekindle the economy, Government of Pakistan launched "Economic Revival Plan" for attracting investments. At the heart of this endeavour stands Special Investment Facilitation Council (SIFC), which envisions to transform our economic approach - debt driven to investment driven. In order to remove obstacles and bottlenecks impeding investment inflows and to provide an environment that is supportive to company expansion, SIFC was created. It has attracted interest and

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support from numerous stakeholders due to its emphasis on fostering an environment that is attractive to investors and promotes economic growth. The SIFC, which operates under the direction of Board of Investment (BOI), is essential in attracting and enabling investments across a range of sectors.

† A Joint Effort of Civilian and Military Leadership †

The foundation of the SIFC under the Economic Revival Plan was also approved by then Prime Minister. This illustrates the government's dedication to fostering possibilities for both domestic and foreign investment and promoting economic growth. One noteworthy change is the ^{↑ cons} intended to boost investor confidence and stability. A collaborative

effort to economic restoration is highlighted by the involvement of both civil and military leadership, also emphasizes the significance of a secure business environment.

Crucial Connection between National Security and Economy in Pakistan

There is a vital link between national security and economy of Pakistan. The strength of country's security depends on having control over its economy. Currently, Pakistan is facing several challenges, including high inflation and continuous decline in the value of Pakistani Rupee. The industrial sector is also struggling. Pakistan is dealing with various challenges and political forces are vying for power. General Asim Munir after attending a meeting of the National Security Council, highlighted the critical juncture in the country. He stressed to develop a national

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consensus among all the stakeholders to overcome the challenges posed by economy and terrorism. In the Asia-Pacific Region, Pakistan's economic performance ranks 34th among 39 countries, indicating the need for significant improvements in the nation's economic situation. Additionally, Pakistan's debt has been increasing reaching \$38 billion in 2022 and expected to reach to \$46 billion in 2024. The economy of Pakistan has been slowing down since 2019 and reached lowest point in 2023. The economic freedom score Pakistan is 49.4 which ranks the economy as 152nd freest economy in 2023. The country is facing an extreme economic crisis, the worst in its history, and immediate measures are required to prevent an economic default.

† Strengthening Ties with

GCC countries †

The Gulf Cooperation Council (GCC) countries have a tremendous amount of potential for investment, thus SIFC is strategically concentrating on forging closer ties with them and luring capital for them. With this program, new significant economic potential will be unlocked and investment sources will be diversified.

† Holistic Approach of SIFC †

The holistic approach of the SIFC initiative becomes evident when we look at the sectors it aims to revitalize:

- ↳ Historically an agrarian economy, through targeted investments, the country can upgrade its farming techniques, enhance yields, and augment exports.

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↳ In an increasingly digitized world, the IT sector represents the future. Pakistan with its young and tech-savvy population, can harness its domain by fostering innovation, setting up IT hubs, and focusing on software exports.

↳ Blessed with breathtaking landscapes, Pakistan's tourism sector can be a significant revenue generator.

↳ A robust defense industry not only ensures national security but can also be a significant export contributor.

• SIFC and China's Investment .

The plan will work through collaboration between national government and provinces, making decisions together to support investment and business promotion. If implemented effectively, this project could be even

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bigger than CPEC. So, China will not be hesitated to invest if free trade policies are introduced and promises made by SIFC are fulfilled.

Conclusion:

What's particularly commendable about the SIFC initiative is its transparent intervention.

With an overarching potential of a staggering \$5 to \$6 billion, the scale and scope of this project are unparalleled.

An investment friendly environment along with creating a conducive ecosystem where businesses can thrive is the ^{dire} need. So, improving taxation mechanism, ensuring clarity, fairness, ease of compliance, political and economic stability, SIFC can achieve its aims. Furthermore, addressing contemporary challenges is also important to attract foreign direct investment from China and Middle East countries. Let's hope for the best."