

Q2//

1. Background:

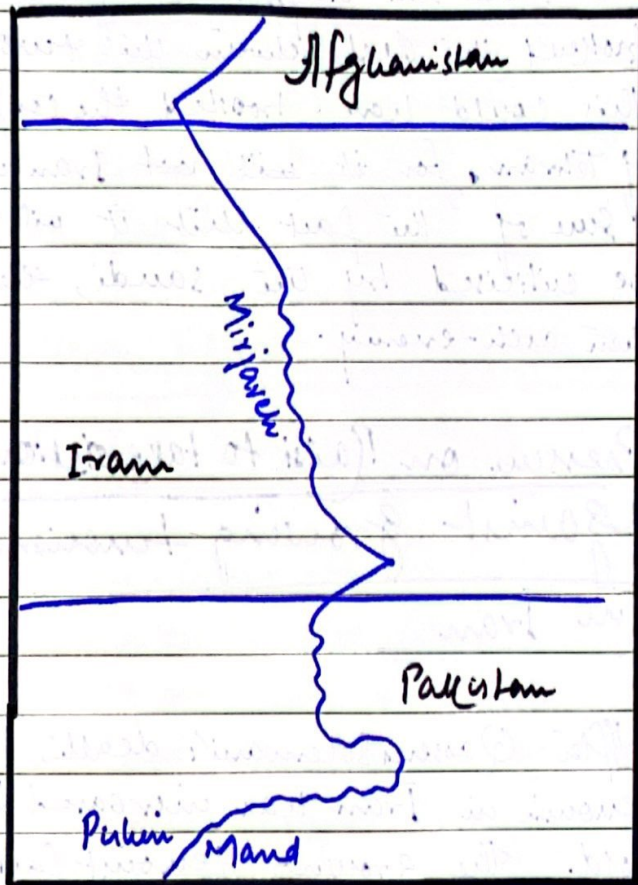
The recent tensions between Iran and Pakistan, after cross-border strikes, have affected the historical relations of both countries. The unexpected strike of Tehran on Pakistan has questioned the credibility of Iran's brotherly relations with Islamabad. Islamabad and Tehran have engaged in Pak-Iran Naval military exercise at Strait of Hormuz recently. Apart from this, Pak and Iran initiated Mand-pakistan border market place. These all diplomatic events could not justify Iran's bold moves.

2. Reasons of the tensions between Iran and Pakistan:

a. Pakistan's reluctance to resume Iran - Pakistan Gas Pipeline

The long due IP gas pipeline was put ~~to~~ ^{on} halt amid ^{on} sanctions of Iran.

Though Pakistan addressed the issue by ensuring timely completion of project, Iran might have misook the Pakistan's intentions. Pakistan's move, to put the construction of pipeline on hold, might have sent the wrong impression to Iran.



Iran - Pakistan
Border

b. Saudi-Iran Rapprochement and
Iran's Confidence Boosting

According to Aizaz Chaudhry, former Foreign Secretary, Iran's bold act of striking Pakistan is a result of Saudi-Iran rapprochement. Iran's relationship with Saudi has improved after China brokered the deal between the two.

This could have boosted the confidence of Tehran, for it ~~will not~~ Iran was sure of the fact that it will not be criticised by the Saudi, the then arch-enemy.

c. Pressure on Raisi to take action
against growing terrorism
in Iran

After Qassem Soleimani's death, terrorism in Iran has increased ten-fold. The growing terrorist factions, such as Jaish al-Adl, in Iran have made Raisi unpopular in Iran. People are demanding justice and peace. However, attacking Pakistan's sovereign

territory, by mentioning the reason of tension, has decreased the pressure on Paktia to take steps against terrorism.

d. Indian involvement in Iran:

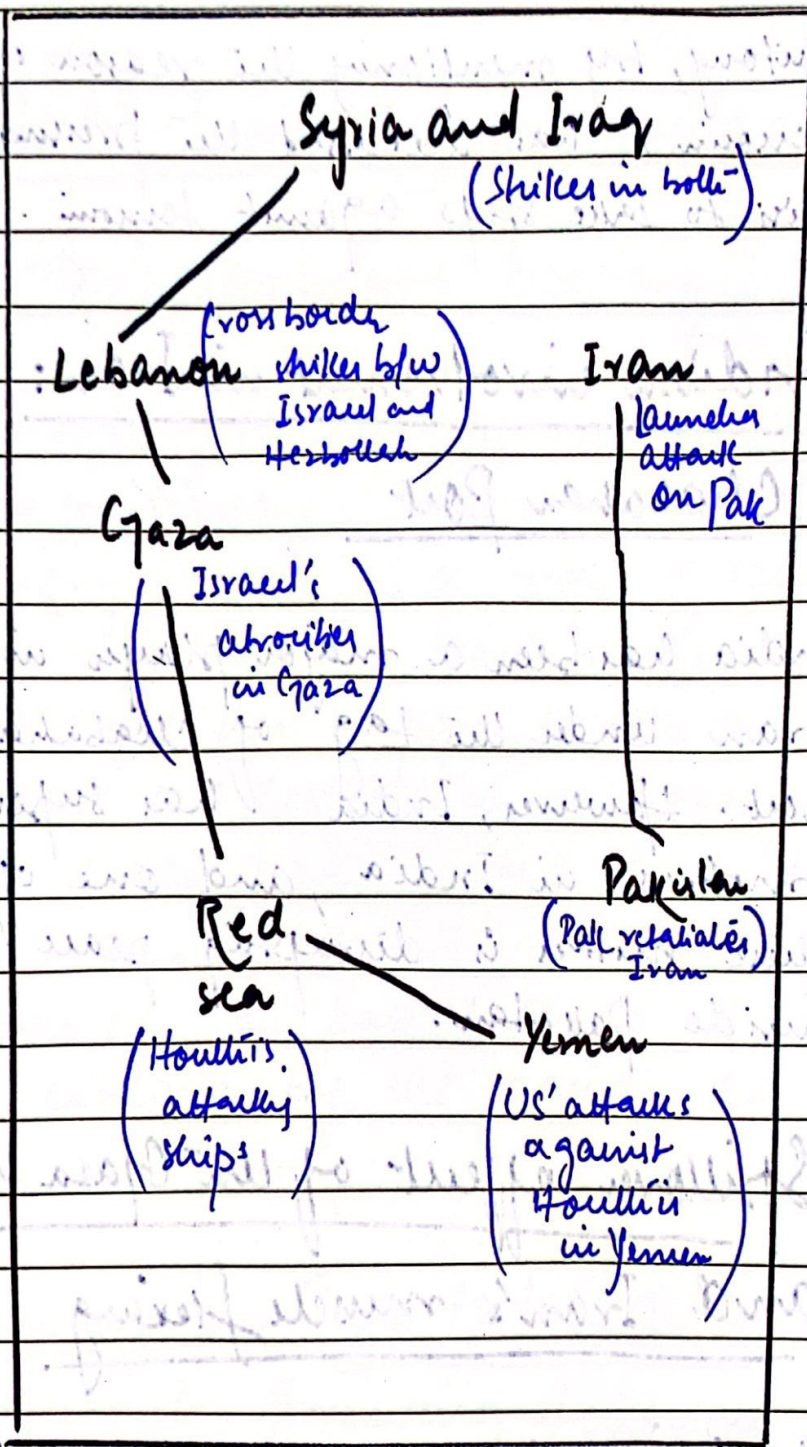
Chabahar Port

India has been a major player in Iran under the tag of Chabahar port. However, India has superior motives in India, and one of these motives is disrupting peace inside Pakistan.

e. Spillover effect of the Gaza war and Iran's muscle flexing

The Israel - Gaza war has affected whole region. The Iran's proxies in the region, such as Houthis in red sea and Hezbollah in Lebanon, have equally played the role in affecting regional peace. However, this thing has pressurized Iran.

The collective alliance of Israel and the U.S has after retaliated Iran, which ~~to~~ made Iran to flex its military muscle by attacking Pakistan.



Spillover effect-

3. Beneficiaries of the tension:

a. America:

The U.S. as an arch rival of Iran is the major beneficiary of the friction between Pakistan and Iran. As Biden quoted that "nobody likes Iran in the region". This statement came after the cross-border shelling. This event was given boost to the U.S. to have an open campaign against Iran.

b. Israel: successfully shifting the attention from Gaza

Israel's main motive, and that is to shift international attention from Gaza, proved successful. Israel got another reason to condemn Iran's actions in the region.

4. Ways to deescalate tensions and attain normalcy:

a. Simplifying China, Iran, Pakistan trilateral counterterrorism and regional security consultation

The three countries recently held their first meeting on counterterrorism and regional security consultation in China. It is a high priority to amplify its execution to work against terrorism in the region, which is suffering from Iran and Pakistan terrorism.

b. Resuming talks on confidence building measures.

Iran and Pakistan should amplify bilateral talks to work on confidence building measures. It is a need of an hour.

Resumption of talks on confidence building measures

Q3 //

1. India-Middle East Europe Economic Corridor as a Competitor to Belt and Road initiative: Overview

The announcement of India-Middle East Europe Economic Corridor (IMEEC) at the sidelines of G20 summit stands a competitor to BRI on the geoeconomic landscape. Though it has the potential to stand as a competitor to China's Belt and Road initiative, BRI has got strong roots in realm of its expansion and project-theme diversity. IMEEC is yet to be implemented.

2. The Potential and Future prospect of IMEEC:

a. Economic integration of Middle East via IMEEC

IMEEC has potential to integrate Middle east, along with Israel, with India and Europe. The railway

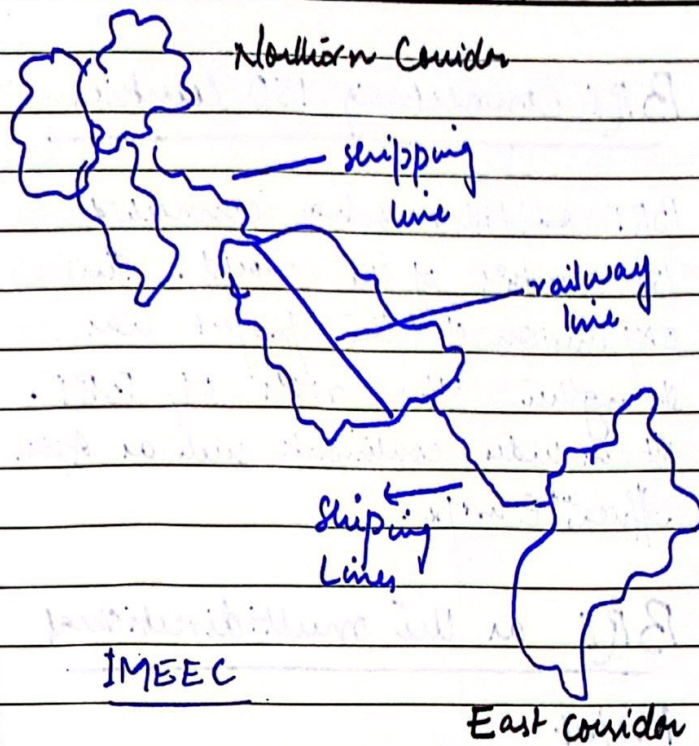
and the road connectivity can connect almost 20 countries in the region. It can pave a way for middle Eastern countries to normalize ties with Israel and start with Teraviv.

b. Potential to reverse declining influence of the U.S. in Middle East

The waning influence of the U.S. in the middle east has given another chance to the U.S. to settle scores with China. The IMEEC has the potential to bring the U.S. back in the region.

c. IMEEC reducing transportation costs and time by 40%.

IMEEC, with its two-track transportation, has the ability to reduce transportation costs and time time by 40%, as mentioned in the Diplomat.



3. The Potential and Future Prospects of Belt and Road Initiative

a. Potential of BRI to expand:

Xi's announcement of 8-point vision

Xi Jinping's announcement about expansion plans of BRI at BRI's 10th anniversary shows the potential of the project.

The 8-point vision concerning BRI shows the prospective future of the project. The "vision" was the plans to expand its project to Europe with the multidirectional projects, including e-commerce, AI, and green economy.

b. BRI Connecting 150 Countries

BRI ~~an~~, till now, has connected 150 countries of the world. This expansion of the project has strengthened the roots of BRI. It includes continents such as Asia, Africa, ^{and} Europe.

c. BRI as the multidirectional Project

Unlike IMEEC that only focuses on trade connection, BRI has developments in the project concerning economy; trade; science; cultural; and infrastructure. It is a multidirectional project.

4. IMEEC vs BRI: Critical analysis of the feasibility of Both projects

IMEEC's plans are still paper-confined. Just like Build Back Better World (B3B), IMEEC is yet to be implemented. However,

even if implemented, it has limited prospects unlike BRI. BRI connects almost 150 countries and IMEEC connects 200 countries. In this similar vein, the major stakeholder of the BRI is just one and that is China; but IMEEC has got several stakeholders.

Character of investment in

Portugal

China's growing interest in Portugal's infrastructure and the "Belt and Road Initiative" (BRI) has led to significant investments in Portugal's infrastructure.

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Q8 //

1. Overview of the SIFC and Foreign direct investment :

Special Investment Facilitation Council (SIFC) is Pakistan's economic revival plan to tap Pakistan's potential in key sectors, such as agriculture, information technology, and mining. SIFC is looking forward to investment from friendly countries such as China and Middle East.

2. Chances of investment in Pakistan :

a. China's growing interest in "Rural Revitalization" and SIFC's inclination towards agriculture

China's interest in rural revitalization, as projected in his schemes at home, can open doors for Pakistan. The major pillar of SIFC is agriculture, which can attract investment such as China.

b. Land and information management system and Pakistan's plan to collaborate with Middle East and China

Government initiative "Land and information management system" (LIMS) center intends to work with China and Middle East under the SIFC. It could enhance agriculture projects, as well as exports. LIMS has the chance to boost confidence of investors. It has the potential to attract investments in Pakistan.

c. Pakistan facilitating mining for foreign investors

China, as the huge investor in mining facilities, has the potential to invest in the mining industry of Pakistan. Pakistan, too, has accelerated its efforts to attract foreign investors for mining. The recent Mining Summit in Pakistan is an evidence of the Pak's efforts. It can double-fold the chances of investments in Pakistan under the SIFC.

d. Facilitation of Business to Business model

The facility of Business to Business (B2B) model under SIFC project has the potential to accelerate the chances of investment in Pakistan. It will make hassle-free investment for foreigners, without the worry of government procedures.

3. The Challenges :

a. Political instability in Pakistan

The continuous instability in Pakistan can pose as a barrier to attract foreign direct investments. The unpredictability in the country, due to political tensions, can push away investors. The fluctuating economy as a result, can scare away potential investors.

b. Geopolitical risks

The geo-political risks, such as cross-border terrorism, can pose as a challenge to investments. Peace is a pre-requisite to attract foreign direct investments.

No investor would want to invest in a crisis affected country.

c. Infrastructure Limitations

Pakistan lacks proper infrastructure to implement its projects. Inadequate infrastructure could impede SIFC's ability to facilitate and support foreign investment effectively, potentially deterring investors.

4. Conclusion

Pakistan has multiple chances of investments or Foreign direct investment, as ~~country~~ countries such as China and Middle East want potential partners. However, there are some challenges that Pakistan need to address before implementing the SIFC project.

Key Sectors under SIFC

Agriculture

IT

Mining

defense
Production

Livestock

Q7 //

1. What is "One China two systems policy"?

One China two systems policy suggests maintaining one sovereign China while allowing Taiwan to have an autonomy in political and economic systems. The U.S., however, does not explicitly endorse One China policy. It is more ~~is~~ tilted towards Taiwan by providing support in military equipments. This tilt of the U.S. towards Taiwan, has been a source of tension with the China.

2. How US policy towards Taiwan is hurting?

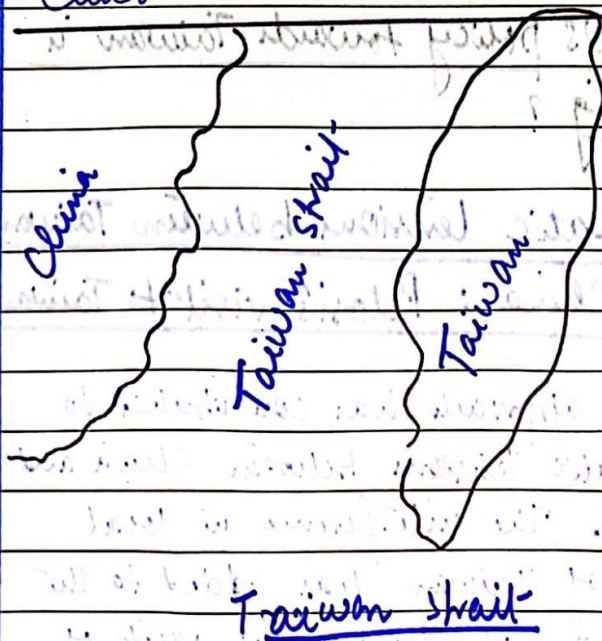
a. Diplomatic tensions between Taiwan and China: Pelosi's visit to Taiwan

The U.S. approach has contributed to diplomatic tensions between China and Taiwan. The interference in local affairs of Taiwan has added to the cold stance of China. The visit of US speaker Pelosi added fuel to

the fire to the already ruined relations of China and Taiwan.

b. The U.S' military build up in Taiwan Strait and growing security concerns

The U.S' military build up in the Taiwan Strait has made China suspicious about the bold activities of the Washington. The sale of defensive weapons has been a consistent point of contention, apart from U.S' physical presence. It has exacerbated security concerns of China.



3. Implications:

a. Regional instability

The U.S. policy has the potential to escalate tensions between the U.S. and China, potentially impacting regional stability. It can impact the broader geopolitical landscape. For example, it can have spillover effect in the south China sea menace, for it can allow the claimants in the sea to make an alliance against China.

b. Trade Constraints

Ongoing tensions could have economic implications, affecting trade relations and global markets. The U.S. and its alliance in south China ~~base~~ are already in friction with China, blocking the strait of Malacca for sea trade. The strait of Malacca, being an huge oil ~~import~~ lane, can disrupt trade.

4. Recommendations:

a. The U.S and China clearing the air through bilateral talks: Xi's and Biden's San Francisco meeting

The peaceful dialogue between Taiwan, the U.S and China can address the differences and can open the doors for mutually acceptable resolution.

The recent meeting of Xi and Biden at the sidelines of APEC can be taken as an example; as it allowed the two to clear the air and discuss about important issues.

b. Avoiding gestures that provoke China's response

Dealing Taiwan as a sovereign state ~~and~~ ^{and} exchanging ~~its~~ military equipments are triggering China to take steps such as surveillance on Taiwan. Avoiding such gestures can limit China's bold response to the situation.