

CURRENT AFFAIRS

PART- II

QUESTION NO: 08

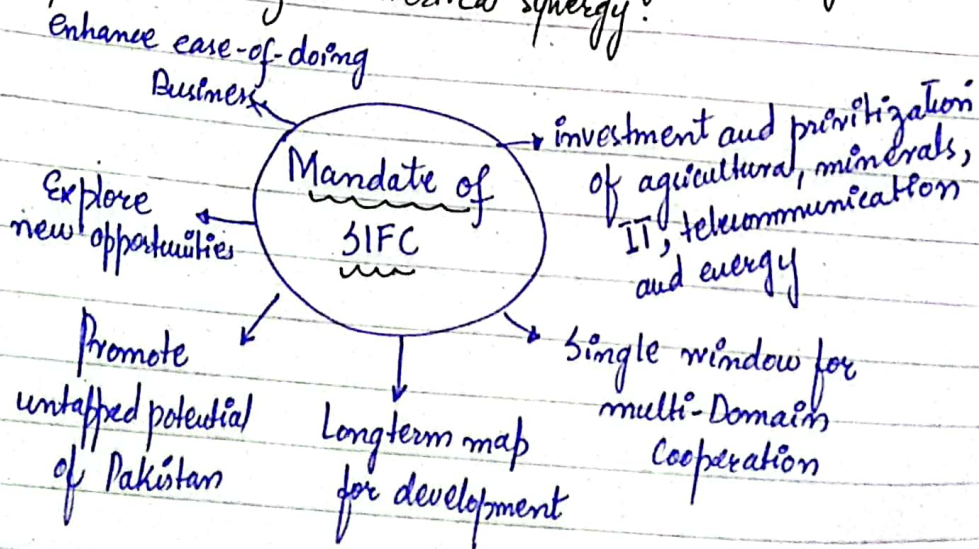
SIFC is expecting huge foreign direct investment in Pakistan from the ME and China. How do you see the chance of investment in Pakistan?

INTRODUCTION:

Since its inception, Pakistan is facing plethora of crisis in its various sectors, such as, economic, political, judicial and social. Also, due to global conflicts, the economy of Pakistan is also facing huge challenges and hurdles. Such as, due to Russo-Ukrainian war, the threats of food insecurity is looming and has faced volatility in oil exchange rates. Resultantly, the economy of Pakistan led to downfall and faced the threats of default. It impacts on the foreign reserves and foreign investment. Therefore, to resolve those issues, the country comes with a long term and short term plans and made a committee, to attract foreign investment, made special investment facilitation committee. Hence, to resolve the economic crisis, the country is formulating and progressing through attracting investment and enhance the economic productivity and growth.

Special Investment Facilitation Council (SIFC): Decoding its Mandate

Special Investment Facilitation Council (SIFC) was introduced by former Prime Minister Shehbaz Sharif with collaboration of military. This council is a sort of amalgam of military and civilian efforts to uplift the economic condition of the country for the prosperity and progress. Its vision is to attract investments from friendly countries in identified sectors through an empowered organisation that serves as a 'single-window' platform for facilitation. Also, to facilitate investors in doing business through a 'Whole Government Approach' by achieving optimal horizontal-vertical synergy.



SIFC's Expectation To Attract Foreign Investment in Pakistan's ~ Sectors Analysis ~

Special Investment Facilitation Council is expecting huge foreign direct investment (FDI) from friendly states, especially Kingdom of Middle East and China. They are expecting investment in following sectors:

01) Investment in Agriculture Sectors

It is expecting huge investment in agriculture because agriculture sector of Pakistan is 15th largest agriculture producing country. Due to dwindling state of economy, this sector has faced heavy setbacks along with adverse climate change.

02) Investment in Energy Sectors

Pakistan is facing challenges in its energy sector due to reliance on imported fossil fuels. Therefore, in SIFC, this sector is a focused one to attract investment. Saudi Arabia already announced to install an oil refinery in Qadai. It will help in enhancing energy production and build energy infrastructure.

03) Investment in IT sector:

Pakistan is the 2nd largest IT freelancer and 4th largest IT workforce present in it. However, due to weak and underdeveloped technological infrastructure, it is unable to tap the full potential. Thus, now the government is focusing to enhance this sector using foreign investment.

Positive Factors of SIFC:

The positive factors and promises of investment council will enhance the chances of economic growth and productivity. A few are highlighted below:

01) Strong Interest of friendly states:

The middle east and china have their interest and it is undiable. Their interests are highlighted below in a chart. Pakistan has a huge potential and significance due to states which states will invest in it, ultimately help Pakistan to enhance its structure.

Middle East Interests

- ↳ Geopolitical motivations
- ↳ Diversification vision of ME states.

China's Interests

- CPEC is a flagship project of BRI
- Pak's provides path to land lock states
- Access to strong choke points.

02) Enhanced Regional Connectivity:

Pakistan is enjoying a significant strategic location near important choke points and Indo-Pacific region. Due to this, foreign investors will invest in Pakistan to strengthen its economy which ultimately improved Pakistan's connectivity with regions.

03) Government Initiative: ~ Enhanced Foreign Investors Confidence ~

SIFC is a government initiative and authentic initiative. It will enhance foreign investors interest and confidence which was deteriorated due to the risk of default and high debt.

04) High Potential to enhance Economic Growth:

SIFC has high potential to enhance economic growth and uplift productivity. Because, the country requires investment and it has enough potential to use those investment to uplift economic productivity and revive

industries.

05) Focus On Providing Skills to Workers:

SIFC is focused to enhance economic growth and workers are the primary and cornerstone of the healthy economy. Therefore, SIFC is focusing to provide latest and advanced skills to workers through non-governmental initiatives.

06) Provides One Window Operation:

The major hurdle in Pakistan regarding foreign investment is red tapism. To address this, the government introduced one-window operation which regulates the procedural hurdles for multilateral projects and provides ease of doing business.

CHALLENGES IN THE WAY OF SIFC:

The challenges may occur to tap and implement the full potential of SIFC. A few are highlighted below:

01) Political Uncertainty in the Country:

Politics and economy are chicken and egg scenario of the country. Political uncertainty impacts the economic progress. Therefore,

It is a major challenge in the progress of the SIFC.

02) Security Challenges in Revival of Terrorism

Pakistan is experiencing a new wave of terrorism and has experienced high number of casualties in 2023. This becomes a challenge to implement the mandate of SIFC, because uncertain security condition hesitate investors to invest.

03) Manoeuvring of Non-State Actors:

Another challenge is the interference of non-state actors in the country. The role of India in Pakistan's west neighbours deteriorates the image as well as economic and security condition. Therefore, it will impact the SIFC progress and implementation.

How to Tap Full Potential of SIFC and Attract FDI:

01) Pursue Political Stability:

Pakistan needs to work on enhancing its political landscape to enhance the confidence of friendly states to invest in the country. It will lead the country towards progress and prosperity.

02) Use of Non-kinetic Measures to Curb Security concerns:

Pakistan needs to use the soft power over hard power to dismantle the non-state actors sleeper cells and maneuver to external actors. These steps will help in enhancing security and to get the full implementation of SIFC.

CONCLUSION:

To conclude, special investment facilitation council (SIFC) has a potential to attract foreign investment. The investment is coming and will also come if the hurdles are addressed efficiently and effectively. Hence, it will lead the country towards advancement and prosperity.



QUESTION NO: 02

Iran-Pak relations — tensions arises — air strikes
— provide normalcy mechanism to enhance
their relations.

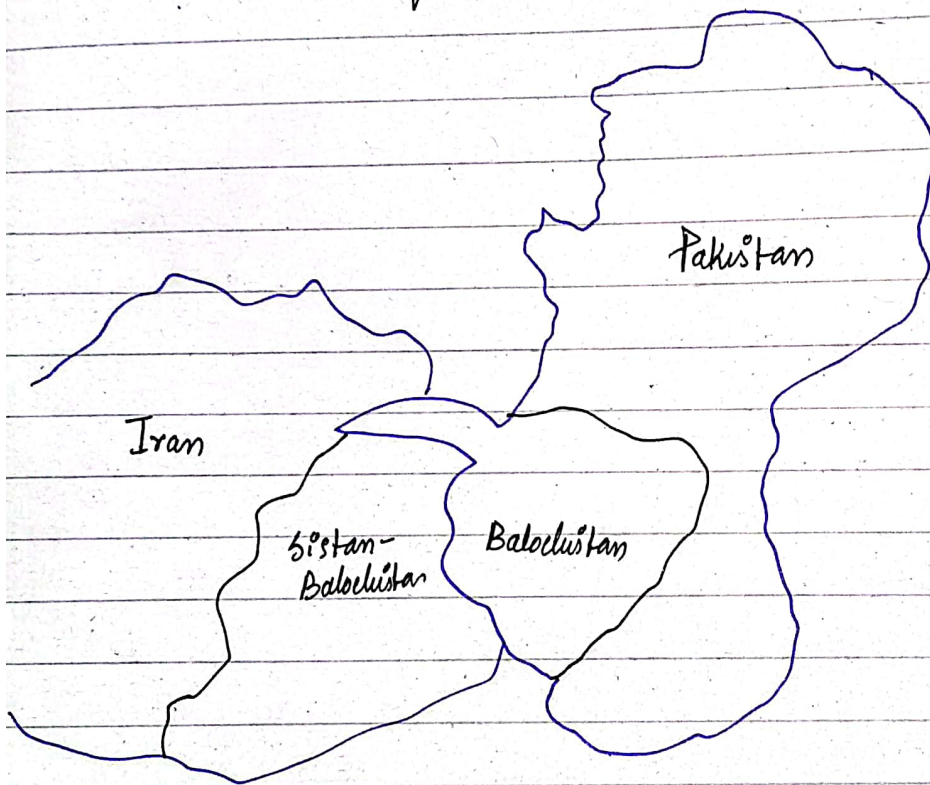
INTRODUCTION:

Pak-Iran relations were good and friendly historically. Iran was the first country who recognised Pakistan after its independence and opened its embassy in Pakistan. In the ~~the~~ three decades, their bilateral relations remained cordial. However, after the Iranian revolution in 1979 and changing dynamics of the global politics, their relations has faced significant setbacks and detrimental situations. In contemporary times, their relations are normalised during former prime ministers tenures. However, in the first of 2024, their relations were deteriorated which results in ambassador called back and halted bilateral relations. Therefore, if these both states are friendly states and good neighbours, their relations should be normalised by taking strategic decisions and mutual interests.

CURRENT SCENARIO OF PAK-IRAN RELATIONS: ~ FROM ALLIANCES TO ADVERSITIES ~

The current scenario of Iran-Pak relations presents a bleak and grim

picture. Iran did airstrike on Balochistan Region of Pakistan on 16-Jan-2024 claiming that they attacked on the hide outs of Jaish-ul-Adl - a militant group because they are attacking in Iran and creating unrest. As a result, Pakistan approached with two-stage strategy: Called its ambassador and did a retaliatory strike on Iran. Hence, their relations were frozen during airstrikes.



REASONS OF THE AIRSTRIKES:

A) FROM IRANIAN PERSPECTIVE:

The reasons of airstrikes from Iranian perspective are explained below:

01) Militant Attack in Iran on Qassem Suleimani's Death Anniversary:

In fourth anniversary of Qassem Suleimani, Iran had experienced a militant attack which caused a number of casualties. Therefore, it creates unrest in Iran and to counter militant attacks, Iran started its operation to dismantle the militant hideouts across the region and on its border.

02) Increasing Internal Issues: ~ Divert Public Attention ~

Another reason, Iran is facing internal and social unrest due to various reasons, such as, global sections, regional conflicts and economic fragility. It started attacks on militant outfits to divert their public attention from internal issues and to gain public sympathy.

03) Increasing External Pressure on Iran: ~ Israel-Gaza War and Red Sea Crisis ~

Iran is in a panic state due to internal issues, elections are near and external pressure of its proxies about Israel genocide on Gazans. Therefore, by attacking on its neighbours; Iraq, Syria and Pakistan, Iran is just balancing the pressure and showing its capabilities to fight.

B) FROM THE PERSPECTIVE OF PAKISTAN:

From the perspective of Pakistan, following are the reasons of abstainer:

01) Public Pressure on the State:

Pakistan retaliated on Iran air strike due to the increasing public pressure. The poll on X (former twitter) about asking the retaliation act, and its responses were shocked, because 64% masses responded in favor of retaliation.

02) To Establish its Writ and Safeguard Sovereignty of the Country:

Pakistan has a history of saving its sovereignty from external attacks. Whether the attacks occur from India, Afghanistan or Iran. Pakistan always retaliated and answered the attacker about the violation of international law.

BENEFICIARIES OF IRAN-PAK TENSIONS:

The rising tensions between Iran-Pakistan will benefit many regional and global leaders. A few are listed below:

01) India's Proxy Role:

The beneficiaries of this tension will be India, because in history India had played role in de-stabilising Pakistan. Also, the Foreign Minister

of Iran Hosseini Amir. Said that No doubt the militants in Pak-Iran border areas supported by third parties.

02) United States of America in Role ~ To influence Pak against Iran ~

Iran and America have deteriorated relations. It is exemplified by the Biden statement over Pak-Iran tensions that in South Asia region no one likes Iran. Therefore, US wants to return in South Asia again, so it may be beneficial from this tension.

03) Role of Non-State Actors ~ Militant Organisations ~

In the realm of Pak-Iran tension, non-state actors or militant groups may take advantage and exacerbate their attacks inside and outside the border to fulfill their malignant agenda's.

WAYS TO DE-ESCALATE TENSIONS AND ATTAIN NORMALCY:

There is a high need to decrease tensions because it will impact to economic and social sectors of both countries.

02) High Need to use Track-II Diplomacy to Revive Bilateral Relations:

There is a high time that both states should pursue back door diplomatic relations and enhance their relations. Because, they both need each other to stabilise their economy and enhance economic progress of the country.

02) Role of SCO-Member States To reduce tensions:

Iran and Pakistan are both the members of Shanghai Cooperation Organisation (SCO). Therefore, the member states of SCO can help in reducing the tensions between Iran and Pakistan for regional peace and progress.

03) Take Multi-faceted Approach to curb Insurgency near Borders:

The main issue between Iran and Pakistan tension is insurgency of militants and hideouts. Therefore, they need to make a collective force to work mutually to curb the militant insurgency and enhance the progress and prosperity.

04) Adhere to Agreements and Enhance Economic Ties:

Iran and Pakistan need to adhere their agreement in order to revive their relations. Also, they need to enhance economic ties and prioritise it. The reason is Makran region is heavily dependent on Iran for commodities and oil supply. Therefore, they need to revive their relations for the prosperity of their citizens.

CONCLUSION:

To sum up, Pak-Iran tensions was accelerated due to external factors and internal mismanagement. Therefore, they need to resolve their issues diplomatically instead of using hard power for the prosperity of their citizens and peace of the region.

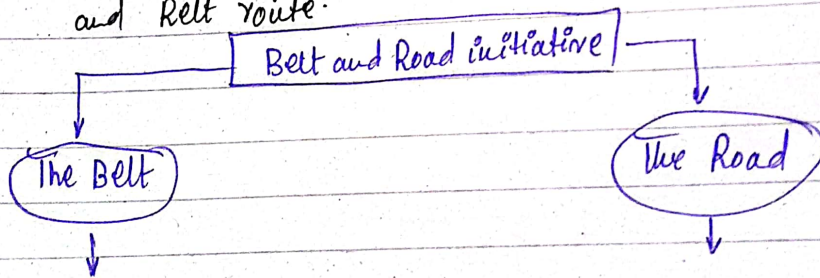


QUESTION No: 04

IMEC vs BRIC evaluate their potential and future prospects of these two projects.

DECODING THE BELT AND ROAD INITIATIVES:

BRI is an initiative of China which was announced in 2013. There are almost 150 countries included and signed agreements with China. Also, China-Pakistan Economic Corridor (CPEC) is a flagship project of BRI because it provides an alternative path to China for its shipping from Quader to Western part of China. It connects almost three continents: Africa, Europe and Asia through Land and Belt route.



The belt means the routes which are connecting China with Europe, Africa and Asia by train, high ways and motor ways.

The road is the advancement of old Maritime silk route by advancing maritime routes.

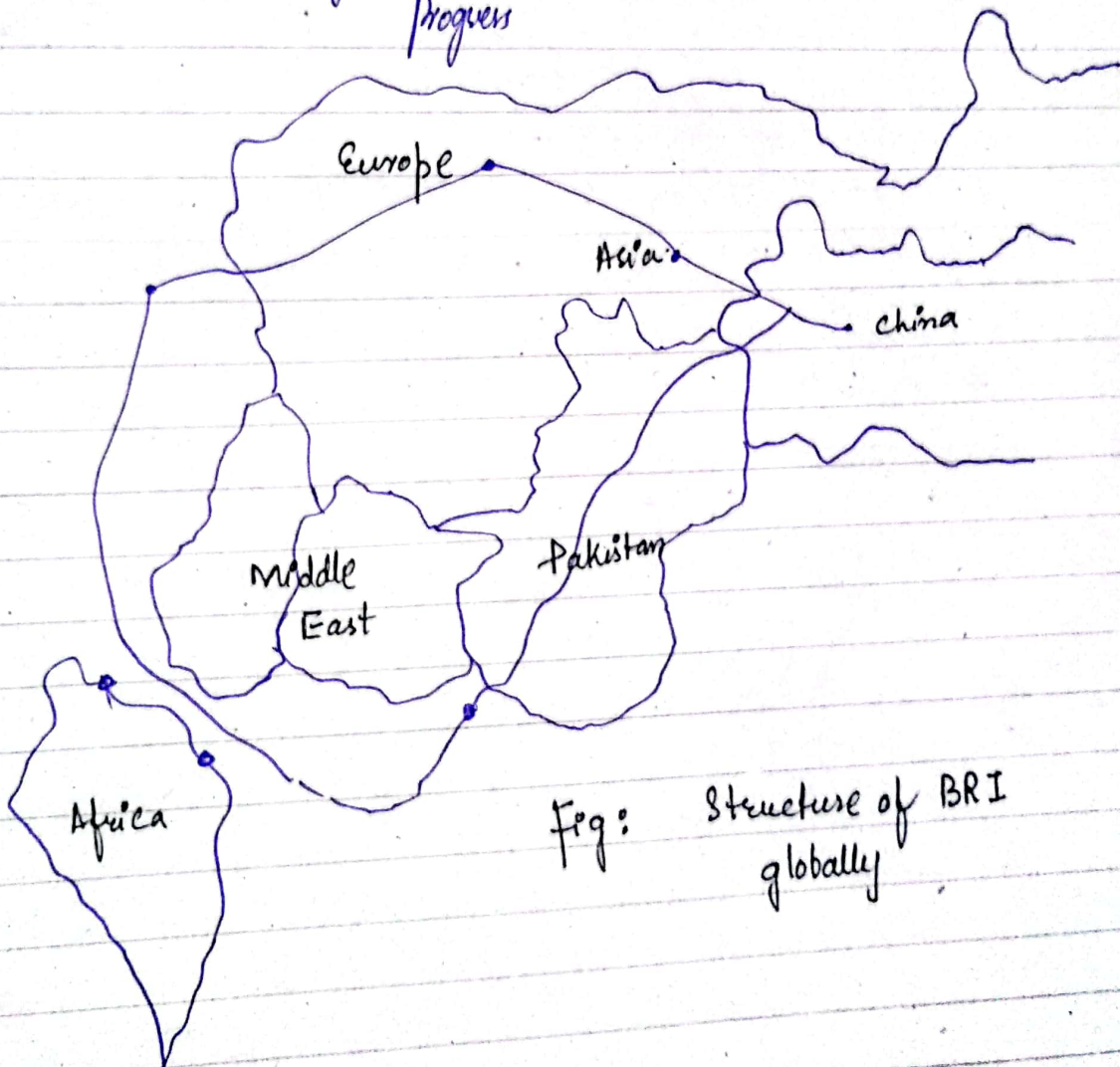
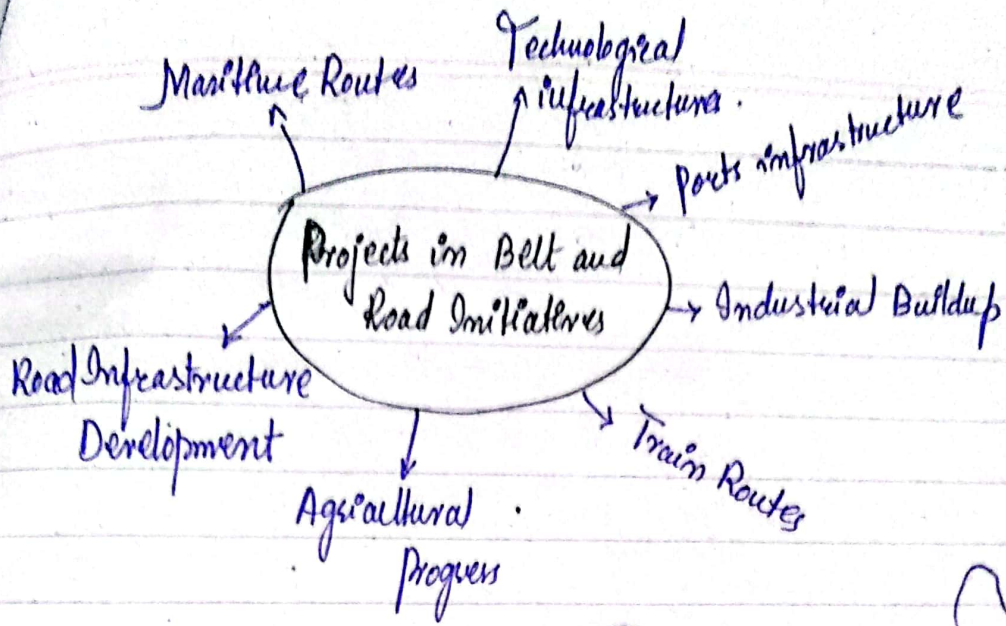


Fig: Structure of BRI globally

EXAMINING THE INDIA-MIDDLE EAST EUROPE ECONOMIC CORRIDOR (IMEC):

IMEC is an initiative by India, Saudi Arabia and USA to enhance the economic trade of India, middle east and Europe by connecting them through maritime or sea routes from India to Hqafai. It was announced in G20-summit - a surprise and major development of G20-summit. The aim of IMEC to enhance trade between India, ME and Europe by the sea routes and advance technological

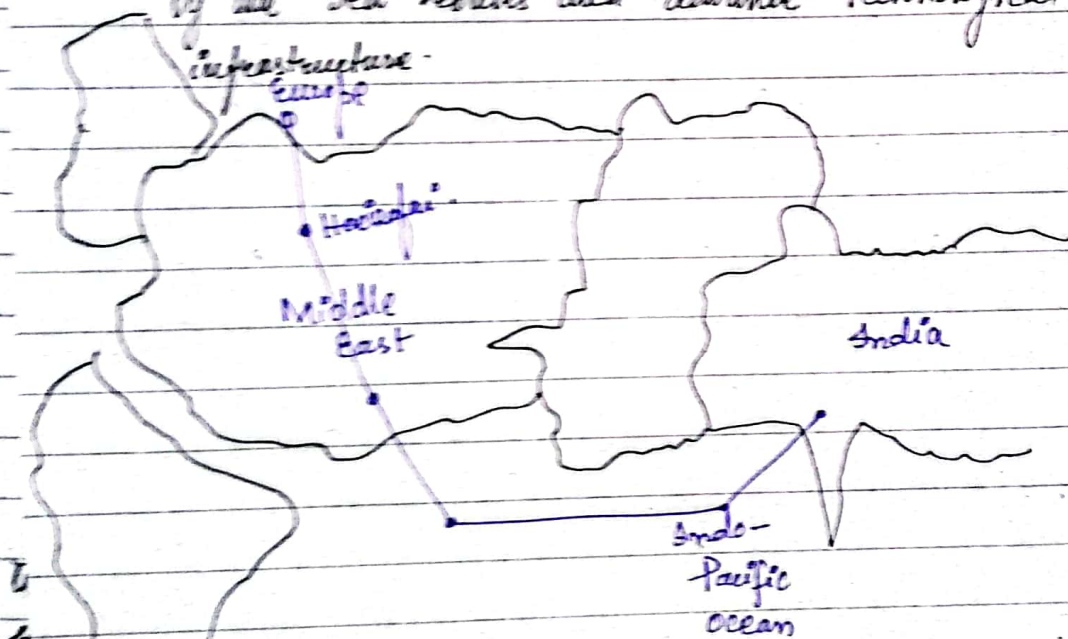


Fig: Structural Map of IMEC.

How IMEC is Projected As A Competitor To BRI:

01) An alternative route provided by IMEC:

IMEC is an alternative route provided to many states to access the lucrative markets of Europe. It will pose threat to Belt and road initiative infrastructure of maritime choke points.

02) Western Initiative: ~ To Counter China's Influence in the Region

China is increasing its influence in the middle eastern region as well as in South Asian region. Therefore, according to many analyst, IMEC is an initiative to counter the China's influence in these regions.

03) Diversification of Economic Ties:

IMEC is projected as a competitor to BRI because it is actually is. IMEC will provide many BRI states to diversify its economic ties to IMEC states which will reduce dependency of many states from China.

04) Major Giants fighting to control Asia:

Asia is a region rich in many natural resources and oil reserves. Therefore, major powers are fighting to control the area through creating their dependency on them. Therefore, after B3W, IMEC is another initiative to control Asia and counter China's influence in Asia.

POTENTIALS OF BRI and IMEC:

01) Enhances Regional Connectivity:

BRI and IMEC have enough potential to enhance regional connectivity across the world. These two ~~border~~ corridors are based on route infrastructure including land routes and sea routes.

02) Access To Lucrative Market of Europe:

IMEC and BRI are connecting to Europe. They provide easy access to export their products to Europe's lucrative market such as textile products and traditional spices and resources.

03) Access To African Gold Mines of Minerals Through BRI:

BRI is connecting to Africa which is rich in natural minerals and resources. Therefore, IMEC will be complemented by BRI to access African region to extract mineral resources which are widely used in many commodities manufacturing.

04) Easy Trade Routes for Oil-Trading:

BRI and IMEC will provide easy trade routes for oil trading. As, they both are connected to Middle East - a region rich in oil and gas reserves. Therefore, it is a huge potential of both corridors.

05) Multimode Networks For Trade:

BRI and IMEC are providing multiple networks for trade to states across the world. IMEC provides easy access through sea and BRI from both choke points and land routes.

FUTURE PROSPECTS OF TWO CORRIDORS:

01) Cooperation and Co-existence among states:

BRI and IMEC are

integrating with each other. It will increase and accelerate cooperation and co-existence among various rival states due to their economic interest and enhancement of economic ties.

02) May Exacerbate Competition in The Region:

Both corridors are intersecting each other and have enough potential to influence underdeveloped states. This will exacerbate competition in the region and may lead towards acute polarisation.

03) Boosts World Peace: ~ Inclusivity and Transparency ~

The projects may boost world peace if the collaborative states are pursuing and focusing on inclusivity and transparency in their action to pursue win-win cooperation over zero-sum game.



Question no: 05

Pak-Afghan relations in the wake of ISKP and TTP attacks and return of refugees.

INTRODUCTION:

Pak-Afghan relations are always in a swing due to changing geo-political dynamics or influence of proxies and interference of external actors. They are even sharing common culture, tradition, ethnicity and religion but their relations are always in turbulence. In contemporary times, Pakistan is facing a new wave of terrorism after the takeover of Taliban on Afghanistan in 2021. This wave has deteriorated the peace and security condition of Pakistan. Pakistan tried every channel and technique to revive and maintain peaceful relations with Taliban, but everything went into vain. Therefore, Pakistan is now deporting Afghan refugees to Taliban to pressure Taliban to come on table talks.

PAK-AFGHAN RELATIONS: ~ STRAINED DUE TO TTP and ISKP ATTACKS ~

05) Cross Border Attacks:

Cross border attacks are increasing which deteriorate the peace and security of Durand line. As a result,

Pakistan security retaliated and started operations against militant attacks which strain their relations.

2) Trade Hurdles: ~ Blockade AT Torkham Borders

Due to repetitive attacks of TTP and ISKP, the economic activities disturbed. During the operations between TTP and Pak army, Torkham border was closed which creates obstacle in trade and many the states has faced huge economic loss.

3) Detrimental Relations Due to force Repatriation:



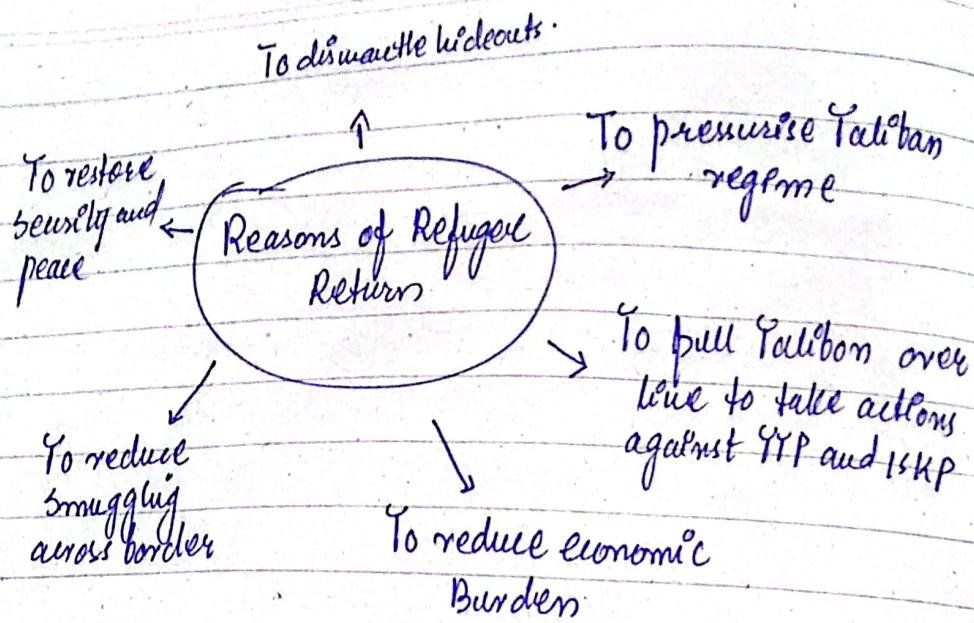
Pakistan has tried and convinced Taliban to talk TTP and ISKP factions and leaders to subdue their militant attacks but Taliban regime just gives fragile arguments. Therefore, when all resorts were done, Pakistan decided to deport Afghan refugees which resulted in detrimental relations b/w them.

4) Blame Game Between Afghanistan and Pakistan:

Pak and Afghan regimes are blaming each other and has used hard core options, which resulted in strained relations b/w them. Taliban aggressive posture and Pakistan's military hard answer deteriorate their relations.

05) Anti-Pakistan Sentiments in Afghanistan:

The relations are strained between Pak-Afghan due to anti-sentiments presents in Afghanistan against Pakistan. The Kabul faction or group is against Pakistan which becomes a hurdle to revive relations between them.



POSSIBLE TRAJECTORIES OF ISLAMABAD TO DEPORT AFGHAN REFUGEES:

01) Taliban Align To cooperate with Islamabad:

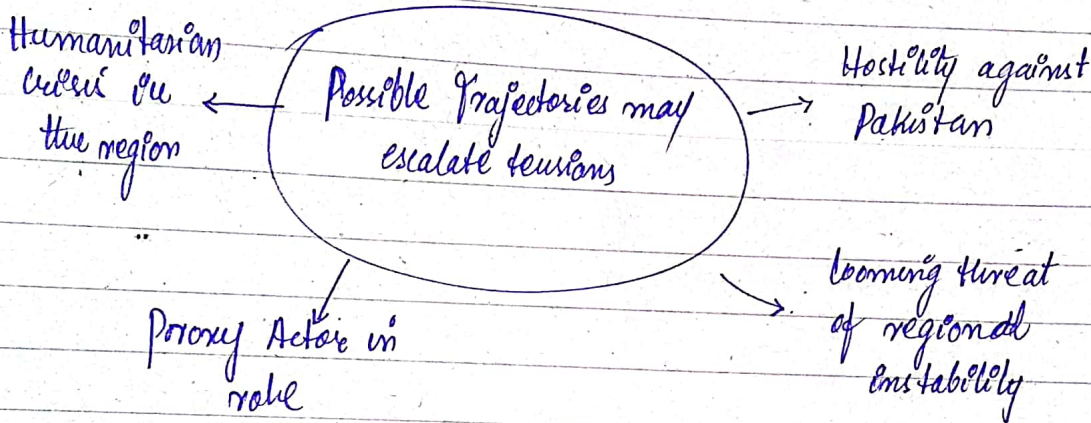
Islamabad is hoping and expecting that to pull out afghan refugees will align Taliban to cooperate with it Islamabad, over the increasing attacks of TTP and ISKP.

02) Better Border Management and Security Measures:

This step was taken to manage border efficiently because smuggling is increasing which strains the economic condition of the country. Hence, this step will manage border and enhance security.

03) To reintegrate Refugees in Afghan Society:

In a hope to reintegrate Afghan refugees to Afghanistan society and reduce burden from the Pakistani economy. It will not only help refugees to become familiar with Afghanistan soil but also to align with Taliban's and their culture.



PATH FORWARD FOR DE-ESCALATION TENSIONS:

01) Pakistan's willingness to Engage with Taliban:

Pakistan is still wanted to engage with Taliban to enhance their ties and reduce the tensions. Therefore, Taliban regime needs to work over their diplomatic relations to enhance regional connectivity and peace.

02) Involvement of International Communities:

The tensions among these both states are accelerated, therefore, international communities and organisations needs to involve in order to resolve their relations and bring peace and prosperity in the relations.

03) Inclusion of Afghanistan in CPEC-Project:

Everyone knows these states are refraining to involve in fights which are economically dependent. Therefore, Pakistan and China can include Taliban Afghanistan in order to enhance economic ties and reduce tensions.

CONCLUSION:

In quietness, Pak-Afghan relations are deteriorating due to militants attacks in Pakistan and hide outs in Kabul. Therefore, Islamabad took aggressive step to deport refugees across the border to pressurize Taliban. However, the time will tell is this act works or further damage Pak-Afghan relations.

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