

# Subjective - Part

## PART - II

### ANSWER QUESTION No: 8

#### Introduction:

SIFC stands for Special Investment Facilitation Council. SIFC was established in the mid of 2023. It was established to attract foreign investment from their ~~bro~~ brotheren and friendly countries. SIFC is expecting huge foreign direct investment from the Middle East and China. There are a lot of prospects which shows that Pakistan is a magnet for foreign direct investment but there are also some hurdles which do not allow foreign direct investment in Pakistan such as terrorism,

political instability, poor governance and many others.

What is SIFC.

SIFC is a platform which offers foreigners investors great perks and privileges. SIFC was established with the coordination of military, civil, and political leadership.

It was established with the purpose to improve Pakistan's economic situation. In this concern, SIFC conducted several sessions to discuss the economic and security situation of Pakistan.

## The chance of investment in Pakistan:

Pakistan has many prospects which attracts foreign investors to investment in Pakistan such as strategic location of Pakistan, cheap labour, CPEC, natural

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resources and many others but there are also some hurdles which do not allow investors to invest in Pakistan.

## Factors which attracts FDI in Pakistan:

Following factors shows that Pakistan is like a magnet for foreign investors.

### i) Strategic location of Pak.

Pakistan has very important strategic location in ~~the~~ the south e Asia. Pakistan has a route ~~to~~ not only to central e Asia but also have a short route to middle east. Pakistan is also blessed with sea routes which enables Pakistan an important country for the whole world.

### ii) CPEC

CPEC is a project which enables Pakistan a potential

country for foreign investment.  
CPEC projects has many energy,  
infrastructure and transport projects  
which enable Pakistan a strategic  
important country. CPEC ensures  
Pakistan an economic power.  
It attracts foreign investors to  
invest under the flag of CPEC  
project.

iii) Natural Resources in Pakistan.

Pakistan is a blessed with  
large amount of important natural  
resources which makes Pakistan  
a unique country in the world.

Pakistan has world highest  
reservoirs of gold, salt, copper,  
iron and many others. Rikodiq

~~has~~ has huge amount of gold  
reservoirs which make Pakistan

a unique country in the world.

iv) Cheap Labour:

Pakistan is also a country  
which offers a cheap labour than

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other developed country. This also attracts foreign investors in Pakistan.

#### v) Pakistan's Foreign Policy.

Pakistan has a friendly relation not only with China but also with Middle East. Pakistan's good relation with China and Middle East attracts foreign direct investment in Pakistan.

#### vi) Civil - Military Engagement:

All Coordination and communication ~~with~~ among all the state institutions are important for a country's success. SIFC is a kind of civil - military engagement. It offers many benefits to foreign investors. It breaks not only bureaucratic hurdles but also provide security to their projects in Pakistan. This attract foreign investors to invest in Pakistan.

# Hurdles in the way of FDI

Following hurdles do not allow foreign investors to invest in Pakistan.

## i) Terrorism:

Pakistan is struggling with this menace since 2000. Terrorism is a big challenge for Pakistan. Terrorist attacks on Chinese workers and projects do not allow investors to invest in Pakistan.

## ii) Political instability

Pakistan is facing political instability since its inception. Pakistan has not experienced any single Prime Minister which has fulfilled its complete 5 years. So political instability creates uncertainty in the country which does not attract foreign direct investment.

### iii) Poor ~~Governance~~ Governance

Pakistan is not just struggling with political instability but also with poor governance. This makes Pakistan a poor performer country in the world. This makes Pakistan less attractive to other investors in the world.

### iv) Corruption in Pakistan.

Corruption is a big challenge for Pakistan. Pakistan is ranked at 140<sup>th</sup> country in the world out of 180<sup>th</sup> country. Corruption makes Pakistan a poor governed country.

### v) Energy Crisis.

Energy is very important for the proper functioning of industries in Pakistan. Unfortunately, energy security is a big challenge for Pakistan. This makes Pakistan a less productive country in the world.

Skill gap in Pakistan:

Pakistan is a country where more than 35% people are illiterate in the world. Huge number of people in the Pakistan are illiterate. Those people who are educated have no proper skill. This makes Pakistan less attractive for the whole world.

**Conclusion:**

SIFC is providing a great opportunities for foreign investors.

There are many prospects which makes Pakistan a magnet for foreign investors. But there are also some challenges which makes Pakistan a less attractive to foreign investment.



## Answer Question No 2

### Introduction:

Iran and Pakistan are not only neighbouring countries but also the Muslims and friendly brother countries which are enjoying cordial relations since the inception of Pakistan. However, there are also some challenges in the path of their cordial relations which create misunderstanding between two countries. In Jan, 2024, Iran launched an air strikes in the boundary of Pakistan. Pakistan also retaliated with air strikes. Terrorist activities, lack of coordination and communication between Pakistan and Iran, absence of fencing on Pak-Iran border are the reasons of the violation of sovereignty. Andhra, J steel, US and UK, and terrorist are the beneficiaries of

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this tension. However, the tension between Pak-Iran can be reduced if they conduct good relation with each other.

## Pak - Iran Relation.

So When Pakistan emerged as an independent country on the map of world, Iran was the first country which recognize Pakistan as an independent country in the world. Both countries have been enjoying good relations since 1947. Pakistan and Iran both have many common values such as culture, religion, and ~~and~~ traditions which makes both countries a friend. Both countries respect each other's sovereignty and their territorial boundaries. Pakistan and Iran also support each other at different ~~level~~ platforms and organizations.

## Exchange of air strikes between Pakistan and Iran.

Iran launched an air strike in the village of Pakistan in which more than three people died. At the same time, Pakistan Prime Minister Anwar ul Haq Khan was conducting a meeting with Iranian Foreign Minister.

~~At~~ Pakistan condemn the strike of ~~Pakistan~~ Iran and also conduct air strike on the terrorist of Pakistan within the boundary of ~~Pakistan~~ Iran.

Pakistan gives a clear message to not only to Iran but also other countries such as India, Afghanistan, and other regional powers to not to violate the sovereignty of Pakistan.

## Reasons of tension between Pak an Iran.

There are several reasons of

tension between Pakistan and Iran  
which are as follows.

i) Terrorist organization in the  
region:

Terrorist organizations are  
working in this region. TTP  
and other organization which  
conduct attacks in other countries.

These terrorist hide in the  
neighbouring countries. Both Iran  
and Pakistan are continuously  
struggling with ~~these~~ this  
menace.

ii) Absence of border fencing

Pak-Iran border has no  
fence. This makes ~~to~~ both

Pakistan and Iran a honey pot  
for terrorist organizations. Terrorist  
easily cross the border without  
any obstacle. This also creates  
a tension between both countries.

iii) Lack of border control

, management and coordination at

Pak - Iran border.

Both Pakistan and Iran is facing the issues of lack of coordination and communication at institution levels. Recently, Iran foreign minister visited Pakistan.

Both agreed to place the liaison officers in their country. Both are agreed to exchange information related intelligence and security operations.

### Beneficiaries of the tension between Pakistan and Iran.

There are many countries who are directly and indirectly beneficiaries between Pakistan and Iran which are as follows.

#### 1) India

India is a hostile country and neighbouring country of Pakistan.

India encouraged Iran for this kind of violation and condemn

Pakistan's role. India wants to

destroy the Pakistan's economic, political, social and ideological system. This is a direct beneficiary of this tension.

ii) Afghanistan:

Pakistan and Afghanistan are also facing many tension on the border. Afghanistan is a neighbouring country. Iran air strikes gives a clue to Afghanistan for violating Pakistan's sovereignty.

iii) Israel:

Israel is facing serious criticism in the world on its genocidal action against Palestine. Israel wants to distract the world attention. So Pak - Iran tension was a good opportunity for Israel to divert world attention. In this way, world would cover Pak - Iran tension.

## Ways to de-escalation the the tension and attening normalcy:

Both Iran and Pakistan should work closely to destroy the terrorist hides in their countries.

Both countries should coordinate and collaborate with each other at institutional levels.

Both countries should conduct combined military exercises to encounter terrorist organizations.

Both countries should respect the sovereignty and territorial integrity of other countries.

Both countries should strengthen trade relation with each other.

Both countries should conduct cultural exchange program to increase people to people contact.

Both countries should develop their under developed areas to reduce militancy and external interference in their region.

### Conclusion:

Pakistan and Iran both are brothering countries and enjoying their cordial relations. Both countries have decide to share intelligence information to eradicate the menance of terrorism in their regions. In this way both countries can live ~~and~~ peacefully and can respect their sovereignty.



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## Answer Question No: 4

### Introduction:

India - Middle East Europe Economic Corridor, and Belt and Road initiative of China are development projects. Both are considering the competitor of other projects.

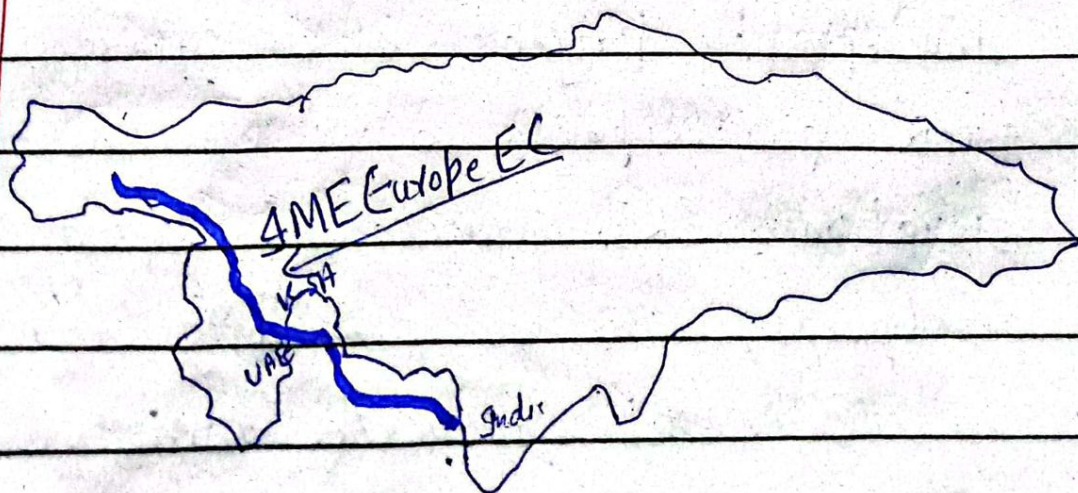
India - Middle East Europe Economic Corridor is a project of land, train and energy projects. It also ~~ex~~ include sea routes. It offers shortest routes to Europe through south Asia and Middle East. These countries have signed this project to enhance cooperation in energy, food, education, technology and culture. BRI is also a development project which offers then participants a win-win situation. BRI project offers port development, short and safe routes to middle east, eradicate terrorism

economic development and many others

## India - Middle East Europe Economic Corridor:

India Middle East Europe Economic Corridor is a project which was signed in G20 session which was held in India in 2023.

This project offers a great connectivity and short route between south Asia and Europe via Middle East. India, Saudi Arabia, UAE, UK, US, Israel are the signatory of this project. This route is considered as a competitor to China's BRI initiative.



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## Potential and Future Prospects of India Middle East Europe Economic Corridor.

### i) Economic Cooperation

This project offers a great economic cooperation between all the <sup>signatory</sup> countries. All these countries are <sup>among</sup> top twenty economies, so this route offers them to conduct trade and economic cooperation <sup>to</sup> among them.

### ii) Shortest route

This project offers a shortest and safe route between ~~middle~~ south Asia and Europe via Middle East. This project is passing from India - UAE, KSA, Israel, Jordan, and to Europe.

This consist of rail tracks, motorways and sea routes.

### iii) Energy cooperation:

UAE and Saudi Arabia are the biggest oil importer.

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These countries also have good relation with India, US, Israel, UK which are the big oil importers. This projects enables them to meet one another needs.

iv) Share technology and information.  
India - Middle East - Europe Economic Corridor allows their members to share information and technology with their member countries.

### Challenges for India - Middle East Europe Economic Corridor.

i) Turkey Concerns.

Turkey is a country which shows its concern over ignoring it.

This will create difficulties in accomplishing this project.

ii) Conflicts and wars.

The heart of this project is a Middle East which is suffering from wars and

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conflict in the region - such as  
Israel - ~~the~~ Palestine war, US and  
UK battle with Houthis in  
Middle East, Red Sea.

## BRI :

China's BRI project has  
complete its 10 years in  
2023. Many projects of  
BRI has completed. Many  
other projects are developing or  
under considerations. BRI stands  
for Belt and Road Initiative.  
This project was started to  
encounter India, and US  
Hegemony in the Indian  
Oceans. It offers great  
benefit to both China and  
its signatory countries.

## Potential and Future prospects of BRI.

Following are the important

## prospects of BRI

i) Win - Win situation:

China is developing different kinds of development projects in the host countries by offering economic benefits to host countries. China offering the host country win-win situation.

ii) Economic development.

BRI projects offering economic development. BRI projects promised the host country to enhance economic cooperation in host countries which will help them to enhance and increase their trade volume.

iii) Source of FDI

China is channelizing its FDI through BRI projects in the host countries.

Many Chinese investors are investing in host country

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in different kind of projects  
such as CPEC.

(iv) Multiple trade routes.

BRI is also promising different trade routes to reach Europe through BRI ~~and~~ host countries.

In this China would encounter India, and US in the region.

## Conclusion:

BRI and India-Middle East - Europe Economic Corridor are development projects. These projects are offering great benefits to their host countries.

This shows that in this way developing countries can gain benefits through these 2 landmark projects in the 21<sup>st</sup> century.

## Answer Question No: 3

### Introduction:

OIC stands for Organization of Islamic Cooperation. It consists of 57 countries.

This organization is second big organization in the world after UN. OIC organization was established in the late 1960s to promote and strengthen the Muslim cooperation and coordination. However, USA-Iran rapprochement, and Israel-Hamas provide an opportunity to become successful organization in the world. This organization has also conducted an extraordinary situation to discuss the Israel-Palestine war but failed to deliver its plan to ~~de~~ encounter Israel actions on the Palestine.



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## OIC :

OIC stands for Organization of Islamic Cooperation which was established in response to Arab - Israel war in 1967.

OIC ~~was~~ came into existence in 1969 to defend the Muslims and 'Muslims' sacred places in the world. It was also pledged to increase economic and cultural cooperation between Muslims and OIC member countries. OIC consists of 57 Islamic and non-Islamic countries. But OIC failed to deliver according to its agenda.

### Reasons of the failure of OIC as an organization.

Following factors shows the reasons of the failure of OIC.

i) Poor and developing countries.

Most of the members of OIC

are poor and struggling with economic recession in their countries. So they fail to contribute their financial services to the OIC org.

ii) ~~Political~~

ii) Political difference:

It is also observed that different political countries have different political system such as Pakistan is a democratic ~~differs~~ country, UAE and KSA are monarchies where king rules. So, these difference also a big hurdle in OIC.

iii) Cultural difference.

OIC consists of 57 Islamic and non Islamic countries which exists on several continents.

This prevents people from collaborating with each other.

iv) Ideological difference.

It is observed that different

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~~com~~ countries have different ideologies. Different governments are working to promote their ideological agendas. So these differences do not allow them to collaborate with one another.

Hamas - Israel war and Iran - KSA rapprochement as an opportunity for OIC to become a successful org.

KSA - Iran rapprochement in ~~at~~ April 2023 and Israel - Hamas war is a big opportunity for OIC to become a successful organization in the world. This is because Muslims are struggling with different kinds of problems and challenges. However, if all the OIC member works and collaborate

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together, they can make  
~~or~~ Muslims prominent in the  
world.

i) Highlight Israel Brutality  
OIC members must collaborate  
and coordinate to highlight  
Israel brutality in the  
world

ii) Reduce ideological difference;  
Iran - KSA rapprochement is  
a big hope in this concern.  
Both promote different  
ideologies. So their rapprochement  
is a hope for OIC to become  
a successful organization in  
the world.

iii) ~~Help~~ Provide assistance  
to those Muslims who are  
in trouble.

OIC must also provide  
a mechanism to provide  
assistance to war torn Muslims.

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iv) Establish Fund.

all the member countries must devise a method to establish a fund for the poor Muslims in the world.

v) Cultural and educational ~~cooperation~~

OIC member countries must collaborate with each

other to share technology.

They must cooperate with each other to share cultural and educational values.

### Conclusion.

OIC was established to defend Muslims and sacred places but it failed to fulfill its mission. However, recent geopolitical development is a great opportunity for OIC to become a successful organization on the world.