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Current Affairs

Q.2 Introduction

India-middle East Europe Economic Corridor is, indeed, likely to pose a serious threat to the Belt and Road Initiative of China. The Economic corridor will build a network of transportation and communication between the technologically and economically rising India, the oil rich middle-East and the financially strong Europe. The Corridor similar to the Belt and Road initiative, which covers East and South ^{Asia}, would be a critical network for economic prosperity and growth.

India-middle East Europe Economic Corridor as a competitor to The Belt and Road Initiative of China

(1) The contents of India-middle East Economic Corridor

The India-middle East Economic Corridor would be building a trade and communication network between some important countries and regions of the world. India possesses technical knowledge and manpower; Middle East is enriched with natural resources such

as oil, gas, and coal and Europe has a financially robust system in place and offers a large export market. If successful, the India - middle East, Europe Economic Corridor would become a formidable force to reckon with.

(ii) The role of India as part of the corridor

The role of India as part of the corridor would be critical. India has a rapidly growing economy and its middle class is expanding and is more educated than ever before. Thus, India would be a major driving force of the corridor.

(iii) How it is a competitor to the Belt and Road Initiative

The Belt and Road Initiative has similar ambitions to that of IMEC. The BRI aims to increase China's economic and political prowess, in the same manner in which IMEC aims to improve India's economic standing. Hence, IMEC is an unignorable competitor to China's Belt and Road Initiative.

The future prospects of the two projects

i) The future prospects of the Belt and Road Initiative

The future of the Belt and Road Initiative, though fraught with hurdles, is promising. Through the Belt and Road Initiative various projects of infrastructural development have begun. Moreover, the Silk Road, the maritime route, and different economic corridors such as the CPEC, CICC, etc, have been developing at a steady pace. The Belt and Road Initiative, however, requires more investment and oversight to expand and become operable in a hassle free manner. Besides these concerns, the prospect of the BRI offers hope of prosperity and progress.

ii) The future prospects of the India-middle East-Europe Economic Corridor

The future prospects of the India middle East Europe Economic Corridor are strong. The

reason behind this is that the countries and the regions involved in this Corridor hold a lot of potential. This potential varies from economic activity, resource richness, and financial clout. The combination of the countries and regions involved in the Corridor has the potential of making it a fruitful and beneficial proposition for all the parties involved. Hence, the prospects of the India Middle East Economic Corridor is no less bright than that of the Belt and Road Initiative of China.

Conclusion

In conclusion, it would not be incorrect of China to be vigilant of the India Middle East Economic Corridor. China would be well-advised to ramp up its work on the Belt and Road Initiative lest India takes away all the economic benefits, ^{which} China hopes to obtain through its India Middle East Economic Corridor. Thus the competition is very much a reality.

Q.3 Introduction

The CPEC was inaugurated in 2013, ten years have passed since then. In the year 2023, Pakistan and China celebrate ten years of CPEC. This is a commendable achievement given the problem which the project encountered to become operable and to achieve its goals. The importance of the China Pakistan Economic Corridor warrants attention and its failures and successes must be thoroughly evaluated to determine its current status.

China and Pakistan - Decade of CPEC

The China and Pakistan Economic Corridor celebrates its tenth anniversary in the year 2023. This is a cause of celebration for both China and Pakistan. Both the countries are set to benefit from the continuation of the project. Pakistan would benefit in terms of infrastructure and energy sector developments. China, on the other hand, would benefit from the access to

to critical ^{trade} routes which CPEC provides it with. Hence, both the countries should collaborate on a deeper level to ensure that the project maintains its sustainability.

Success of the project

i) In infrastructure development projects

The infrastructure projects under CPEC have been a success as several roads and railway networks have been developed as part of the project. These developments have improved transportation and communication.

ii) Energy sector investments
Energy sector investments have also been monumental in determining the progress of the China Pakistan Economic Corridor. China has planned to invest close to \$33 billion in the energy sector of the country. Both non renewable energy and renewable energy would be focused on through this investment. Solar, coal, wind, and hydel projects would be developed and promoted.

(iii) Development of the Gwadar Port and a transport network

Through CPEC, the Gwadar port in Pakistan has been substantially developed. This port is critical in helping China gain access to the warm waters of the Arabian sea moreover a road and railway network has been established from Khasgaw to the Gwadar port.

Failures of the project

(i) Slow progress of the project

One of the major draw-backs of the CPEC project is its slow progress. Work on the projects is moving forward at a considerably low pace. As a result of this, several projects under CPEC have been shelved.

(ii) Lack of development of the SEZs

The initiative of special Economic Zones undertaken via CPEC has not been fully optimized. The special economic zones are not fully developed as of yet. There is a lot more that has to be done to operationalise

the SEZs.

(iii)

Not sufficient economic activity generated through the project

It was expected that CPEC would generate substantial economic activity for the two countries involved. Unfortunately, this has not really happened, economic activity remains slow, while CPEC has failed to meet its expectations.

Critical Analysis

CPEC is both a commendable and highly ambitious project undertaken by Pakistan and China. If well-directed investments are made and the projects which are part of CPEC are properly optimized, CPEC can be highly beneficial for both the countries. At the moment, CPEC is in need of more focus and attention to reap the benefits it ~~was~~ ^{has} set out to reap.

Conclusion

To conclude, China and Pakistan should celebrate the success of CPEC, but must also analyze its failure and work on them. CPEC is an ambitious undertaking which, if properly utilized, could lead to beneficial results.

Q. 4 Introduction

It is true that KSA - Iran rapprochement would have far reaching positive implications on the disputes taking place in the middle East, while also having impacts on Pakistan. The conflicts in the middle East are likely to reduce as a result of a decrease in bloc politics due to this rapprochement.

Pakistan, on the other hand, would benefit from this rapprochement in the shape of improved trade and diplomatic ties with not only Iran and KSA, but also the other countries of the middle East.

KSA - Iran rapprochement far reaching positive implications on the conflicts in the middle East

The KSA - Iran rapprochement would mitigate the conflicts in the middle East. The Kingdom of Saudi Arabia has countries like Qatar, UAE, and Oman on its side. While Iran has the support of Iraq, Syria and Yemen on its side. The rapprochement between the arch-rivals Saudi Arabia

and Iran would put an end to this bloc politics - The countries in the middle East would begin collaborating with each other on a deeper level and this would lead to the progress and prosperity of the region.

KSA - Iran rapprochement impacts on Pakistan

i) Security and Peace in the South Asian region.

Security and peace would prevail in the South Asian region. Iran is a neighbour of Pakistan. Peace and progress in Iran would translate into peace and progress in Pakistan and thus in the South Asian region to which Pakistan belongs.

ii) Improved energy trade with KSA and Iran

The rapprochement would lead to improved energy trade of Pakistan with both KSA and Iran. Pakistan would be able to purchase oil from KSA and

gas from Iran - This would help address the energy concerns of the country in an effective manner - Industries and households would be able to continue with their activities, free from ^{disruptions}.

iii)

Import of gas from Iran
Pakistan would be able to import gas from Iran and could enter into other beneficial partnerships with the country, without any retribution from Saudi Arabia. This would help Pakistan's economic growth and ^{its} energy sector.

iv)

Import of oil from Saudi Arabia
Saudi Arabia and Pakistan would also be able to carry out their trade activities in a seamless manner. Pakistan would be able to import the much needed oil to enable the operations of its different industries.

v)

Decrease in Shia - Sunni rivalry
Shia - Sunni rivalry in Pakistan is expected to witness a decrease as a result of the Saudi - Iran rapprochement. Saudi Arabia represents Sunni Islam and Iran represents

Shia Islam - Both have impacts on Pakistan which comprises of a Sunni majority and a Shia minority. The sectarian conflict between them would decrease through this

vi) Changing dynamics of bloc ^{re}approach-
ment politics

The changing dynamics of bloc politics would also have far-reaching impacts on Pakistan. The middle East region would become a peaceful place and Pakistan could forge alliances with the different countries of this region for the mutual benefit of all.

Conclusion

In conclusion, the positive impact of the Iran-Saudi rapprochement has far-reaching positive impacts on not just the Middle-East region but Pakistan as well. The benefit of this positive development would resonate in Pakistan in the form of improved Pakistan and Gulf countries relations. Pakistan could also look to improve its ties with its arch-rival India, by viewing the Iran-Saudi rapprochement as a model to follow.

Q. 5 Introduction

The Special Investment Facilitation Council is primed to receive foreign direct investments from middle East and China. These are welcome and much needed investments for a country like Pakistan which is grappling with an economic crisis and a balance of payment crisis at the moment. The chance of investment in Pakistan though not overly promising on the face of it has the potential of surprising its investors and reaping substantial payback for them.

The Chance of investment in Pakistan

i) The country has a growing economy

Pakistan has an economy which has not matured as of yet. Its economy is still in its growth phase. This means there are chances of high profitability through investment in Pakistan's economy.

ii) Investment in development projects

Investments could be undertaken in various development projects in Pakistan. There are areas in Pakistan which are in need of redressal and renovation, investment could be diverted towards them.

(iii)

Investment in human development

Pakistan is the fifth most populous country in the world with a population of 240 million. Investment can be made to develop the human resource of the country. Once the human resource is educated and skilled it can be helpful for the investor and the investor countries.

(iv)

A reviving stock market

Pakistan's stock market is also reviving. After a period of slump, economic activity is gaining momentum in the country. This means that the investors have a chance to gain a lot through investment in Pakistan's stock market.

(v)

Investment in the agricultural sector

Pakistan is traditionally an agri-based economy. Investment could be done to

optimize the agricultural production of the country. This would lead Pakistan to increase its agricultural exports and benefit other countries.

(vi) Investment in the industrial sector

The industries in Pakistan are also going through a hard time. Investment could help these industries bounce back and become operational and profitable.

(vii) Investment in small businesses and start-ups

Pakistan has a thriving small business and start-up culture. Valuable investments could be made in them to not only boost the economy of the country but also earn profits for the investors.

(viii) Investment from China

Investment from China could help Pakistan develop its infrastructure and also revamp its energy sector. This would be highly beneficial for Pakistan's economy and GDP. Moreover, the investors are also set to gain through their investments.

(X) Investment from the Middle East

Investment from the middle East countries would mainly be focused on the energy sector. Projects like the gas pipeline and energy exploration projects are worth spending on.

Critical Analysis

From the examples mentioned above, it can be determined that there is ample opportunity for profitable investment in Pakistan. Pakistan needs to make its economy more organized in order to make it appealing to the external investor. This would ultimately lead to the mutual benefit of all.

Conclusion

In conclusion, Pakistan is an investable country. It just needs to work on its soft power in order to make it attractive to potential investors, not just from China and Middle East, but other flourishing economies as well.