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Test : Current Affairs (02)

Q No 1: SIFC is expecting huge foreign direct investment in Pakistan from Middle East and China. How do you see the chance of investment in Pakistan?

Introduction:

(SIFC) Special Investment Facilitation Council is a significant step taken by interim government. SIFC is an initiative to boost (FDI) Foreign Direct Investment. The initiative was taken by both civilian and army leaders for the economic and social uplift of the country. SIFC include many areas of investment like agriculture, mines and minerals, energy, information technology and industry. It is a platform for the cooperation along middle east countries. However SIFC is the positive opportunity for ailing economy of Pakistan. It improve economic development of country by increasing FDI. Similarly it will boost industries, substantially creating more products and in order other sectors more exports. In this way country

would be able to control its current account deficit. Moreover SIFC is a platform for new businesses in Pakistan which ultimately benefited to the masses. Similarly country would be able to overcome unemployment and create job opportunities. The technological advancement in the form of digital will create scientific advancement and research opportunities for people. Agriculture sector is also part of SIFC, so country's agricultural sector would also be enhanced in a nutshell SIFC is a positive initiative for the progress and prosperity of the country.

SIFC Formation and goal:

Special Investment Facilitators Council was formed on 20 June 2023. The purpose of SIFC is to generate maximum investment in the country from middle east and China. The ultimate goal to achieve nominal GDP of \$1 trillion for fiscal year 2035. Moreover it has target to attain \$100 bn FDI.

Key areas of Investment:

The key areas of investment under SIFC are agriculture

Information technology, Energy sector, minerals and metals and industries. In the wake of this Saudi Arabia pledged to launch oil refinery (Jammeia) worth of \$10bn. Similarly agriculture would develop by introducing advanced machinery through by investors through SIFC. This is a platform through which country would cope its energy crisis by development of energy projects in the country.

GCC and Middle East:

SIFC is a platform to streamline cooperation with Gulf Council cooperation (GCC) and middle east countries. As Muhammad Ali Jinnah the acting power minister said that interim government will invite 24 oil and gas companies in Pakistan for the purpose of SIFC.

Actors involved in SIFC:

SIFC is a platform encompasses of both civilian and army leaders.

- It consists of three committees
- (i) Apex committee
 - (ii) Executive committee
 - (iii) Implementation committee

The council also include prominent stakeholders of the country. It means

that council is made up of civil, military and private owners in order to achieve maximum benefit from the platform.

Effectiveness and Credibility of SIFC:

The effectiveness and credibility of council can be analysed in this way that it enhances engagement of both civilians and military leaders. It is due to attain confidence of foreign investors. Similarly the army's engagement in SIFC could offer a sense of continuity, improves both military and civilian leaders would be able to meet structural challenges effectively.

Strategy for Lawmaking in SIFC:

The council agreed upon a strategy for lawmaking on corporate agreements and corporate farming on private land. In order to protect land rights and dispute resolution, a Special unit is (SECP) security and Exchange Commission of Pakistan is formed. This unit would enhance investor's confidence and boost investment in the country.

Impacts for Pakistan:

1: Economic Development:

SIFC is an initiative for economic development of country. The more investment draws in the country the more economic opportunities would be developed for the people. As Mr Shabbaz Sharif said that:

"SIFC is a unified approach towards economic challenges."

2: Social Benefits:

SIFC is a platform which would enhance investment in the field of IT, resultant people will benefit from scientific technology. Moreover, social unrest would be countered through SIFC. As people have more opportunities in economy that lead towards social stability in the country.

3- Opportunity for big businesses:

The council provide opportunity for big businesses. When a significant development for FDI is ensured in the country, the economy of the world country remains stable. The same scenario create opportunities for domestic

investors to establish business in this
own country rather than to move
foreign.

4. Digital Transformation:

SIFC is a platform to
enhance investment in areas of scientific
& development, information technology and
digital transformation. In this way
country would lead scientifically by
the involvement of technological
research people in technological research.

As the federal minister for
information technology and telecommuni-
cation Dr. Jaisankar said:

"SIFC is to pave the
way for digital transforma-
tion and foreign direct
investment."

5. Boost in agricultural sector:

Through SIFC, country would
be able to enhance its production
in agricultural sector. The agricultural
sector is declined due to usage
of conventional method. Due to
economic conditions of country, it
can not bear modernized machinery
in agricultural sector. In this sense
SIFC platform is positive
initiative for the agricultural uplift.

6: Mitigate Energy Crisis:

The ~~country~~ would be able to mitigate energy crisis by engaging foreign investors to ~~be~~ in establishing ~~renewable~~ energy power plants. Currently Pakistan's energy power plants based on hydrocarbons which are expensive and country has to import. Pakistan produce its 60% electricity from hydrocarbons which is costly and ~~caused~~ energy crisis in the form of high tariff. SIFC create conducive environment for foreign investors so that renewable energy power plants can be established in the country.

7: Job Opportunities:

SIFC is a platform which create job opportunities for masses. When foreign investors, etc will establish projects and industries in the country it would create job opportunities for masses. Similarly in this way country meet social challenges like ~~crime~~ growing crime rate, humanitarian crisis and trafficking.

8: Industrial Growth:

STFC is a source of industrial growth in the country. According to SIPRI, ^{Journal} 30 industrial units were closed during last five years due to energy crisis. So STFC is positive step to meet challenge of stagnant industrial growth. When more industrial growth, there would be more production and more export. In other words country would shift from current account deficit to current account surplus.

Conclusion:

Hence, STFC is a platform formed by civilians and military leaders in order to boost Pakistan's economy by creating conducive environment for foreign investors from middle east countries and China. STFC would be able able to enhance FDI and create positive impacts for the country like economic development, social benefits, opportunity for big businesses, digital transformations, agricultural and industrial growth, mitigate energy crisis and creating job opportunities in the country.

Q No 2: How do you see Pak. Afghan relations in the

Q No 3: US India's growing Strategic Partnership is primarily to contain China but it has far reaching implications for Pakistan too. Critically evaluate the statement and recommend policy options for Islamabad.

Introduction:

India-US growing Strategic Partnership is primarily to contain China. The recent visit of Indian Prime Minister Modi to US has resulted defense agreements and economic development of India. Both countries indulged in Strategic Partnership in Bush regime. After that in Trump's era, the Strategic Partnership between both countries has increased by signing defense and security agreements. The growing Partnership between US and India is due to having US interest in Indian Pacific region. In Indian Ocean Region, China is emerging as a big economic power. So, in order to contain

China & US is engaging in partnership with India. And for this purpose both countries signed agreement in the field of defence, science and technology, security, space and nuclear. Although the partnership is due to contain China but it has implications for Pakistan. Pakistan has indulged in arms sale. Similarly Pakistan has to face challenges regarding maritime security because of Indian advanced technologies. The efforts for Islamabad is to mending the suit, developing peace relations with its neighbours especially Afghanistan, develop boosting its defence technology by engaging ties with developed countries like China and Russia, and developing internal stability.

India US Strategic Partnership: An Overview:

India US strategic partnership was started in Bush era. US want to contain China in (IOR) and for this purpose US is developing ties with India. And for this purpose US is supporting India economically, militarily and scientifically. The importance of Indian ocean Region is because of Malacca Strait from where China's

Trade with middle east is dependent. Although, now china established CPEC in order to avoid from danger in Malacca Strait.

Defence Agreements between India and US:

There are different defence agreements signed between US and India. The (DTTI) Defence Technology and Trade Initiative was signed in 2012. DTTI is to facilitate collaboration in defence manufacturing. Similarly, Jet Fighter Deal was launched in 2023. The Jet Fighter Deal is enhancing India's indigenous capabilities. Moreover in 2015 Defence cooperation between two countries was renewed. In 2016 Major Defence Partnership (MDP) between two countries was developed. Similarly in ~~2018~~ ~~in~~ ~~transit~~ ~~2018~~, Communication compatibility and Security Agreement (COMCASA) was signed. The purpose of (COMCASA) is to import hi-tech defence product from US. In the same way Basic Exchange and Cooperation Agreement (BECA) was also signed in 2018 to allow India to get geo-spatial information from the US.

for civil and military purpose. In 2002 another defense agreement India US Acceleration Ecosystem (INDUS-X) was signed. In trump era US passed \$62.5 bn defense expenditure, in order to advance defense cooperation with India.

Economic Agreements between India and US:

The economic agreements between India and US also entered in the last two decades. The trade between two countries increased by 7.63%. The important trade element is defense material imported by India. India is enhancing its stockpile and defense capability in response of fast building ties with USA in order to contain china in region.

Nuclear Agreements between India and US:

The civil nuclear cooperation agreement was signed between two countries in 2008. Similarly Initiative on Critical and Emerging Technologies (ICTET) is a technological agreement signed between two countries. Moreover collaboration in the field of space between two countries also ensued.

Implications for Pakistan:

1: Balance of Power Dilemma:

The growing strategic partnership between India and US create instability for Pakistan. As the 'hand in glove' relationship between India and Pakistan and in this situation India's growing its defence capabilities is problematic for Pakistan. To so, in order to me counter India, Pakistan need to balance its defence infrastructure with India. Hence, the growing strategic partnership indulged Pakistan into arms race and instability.

2: Maritime Security Concern:

Pakistan has also face maritime security concern because of India's advanced naval infrastructure. In case of any future confrontation, India will be able to assault Pakistan's coastal regions and lowering the threshold due to its investment in Helicopter Landing Decks and air support from carrier carriers. **Ajeet Lele**, while commenting on India's hypersonic weapons that India's new technology like this put other states in south Asia including Pakistan in a state

of instability. (on Fast Track: Deadly Hypersonic Missile to give India Strategic Edge, 2019)

Policy Options for Islamabad:

1.- Enhanced Peace relations with Afghanistan:

Pakistan should stabilize its relations with Afghanistan in order to meet the challenge of terrorism. It is so because if military would be engaged in counter terrorism war it would be difficult to counter growing threat of India. So, Pakistan need to stabilize peaceful relations with Afghanistan even with all its neighbors. So that Pakistan would focus on balancing defence ~~in~~ India in defence infrastructure. Moreover growing threat of terrorism create economic loss and when there would be stability by stabilizing relations with Afghanistan, less economic loss. And country would be able to utilize economic means ~~in~~ by investing on defence infrastructure in countering

2- Enhanced Arms technology by developing nations: ties with developed

Pakistan also needs to enhance its defence technology by developing ties with developed countries like China and Russia in order to counter India. Similarly Pakistan needs to develop its security at coastal regions. Although Pakistan has build economic ties with China through CPEC project contain special economic zones (SEZs), energy projects, railroads and motorways but Pakistan also need to build defense project along with the cooperation of China.

3- Internal Stability:

Pakistan needs to stabilize its domestic affairs socially, economically and politically. If there is political stability in Pakistan, it would be able to make robust policies in defence arena to counter external threat at any time. Similarly if there is internal social stability, country will focus on and countering external threat in a better way. Pakistan needs to stabilize country socially, economically and

Politically,

Conclusion:

In a nutshell, the strategic partnership between India and US is for the containment of growing influence of China but it has implications for Pakistan like maritime security concern and growing instability for arms race. The policy options for Islamabad are to enhance relationship with Afghanistan and other neighbouring countries, establishing ties with developed countries for strategic cooperation and maintain internal stability in the country.