

## QUESTION # 03

ANSWER:

### INTRODUCTION:

The collaborative project between Pakistan and China named CPEC (China Pakistan Economic Corridor) marked 10<sup>th</sup> anniversary in July 2023. The project is categorised into three phases: After the completion of phase-I presently, it has now entered in phase-II. The CPEC have great potential for economic growth, trade, social development, energy growth and human interaction. Both countries have benefited from this project with combined and collaborative efforts of China and Pakistan.

## CRITICAL EVALUATION OF SUCCESS AND FAILURES OF CPEC:

### i. Economic development:

CPEC has so much potential to add in economic development of both countries. It has intensified investment, trade and collaboration in both countries.

It is estimated that around \$25B has been attracted in Chinese investment and can go upto \$65B in coming years.

### ii. Energy Developmental Projects:

This project has huge suggest in adding mega energy projects in Pakistan with respect to coal, nuclear, solar, wind and hydel energy. CPEC has already added 8000MW of energy in national grid, which results in narrowing electric blackouts in the country.

### iii. Industrial Development:

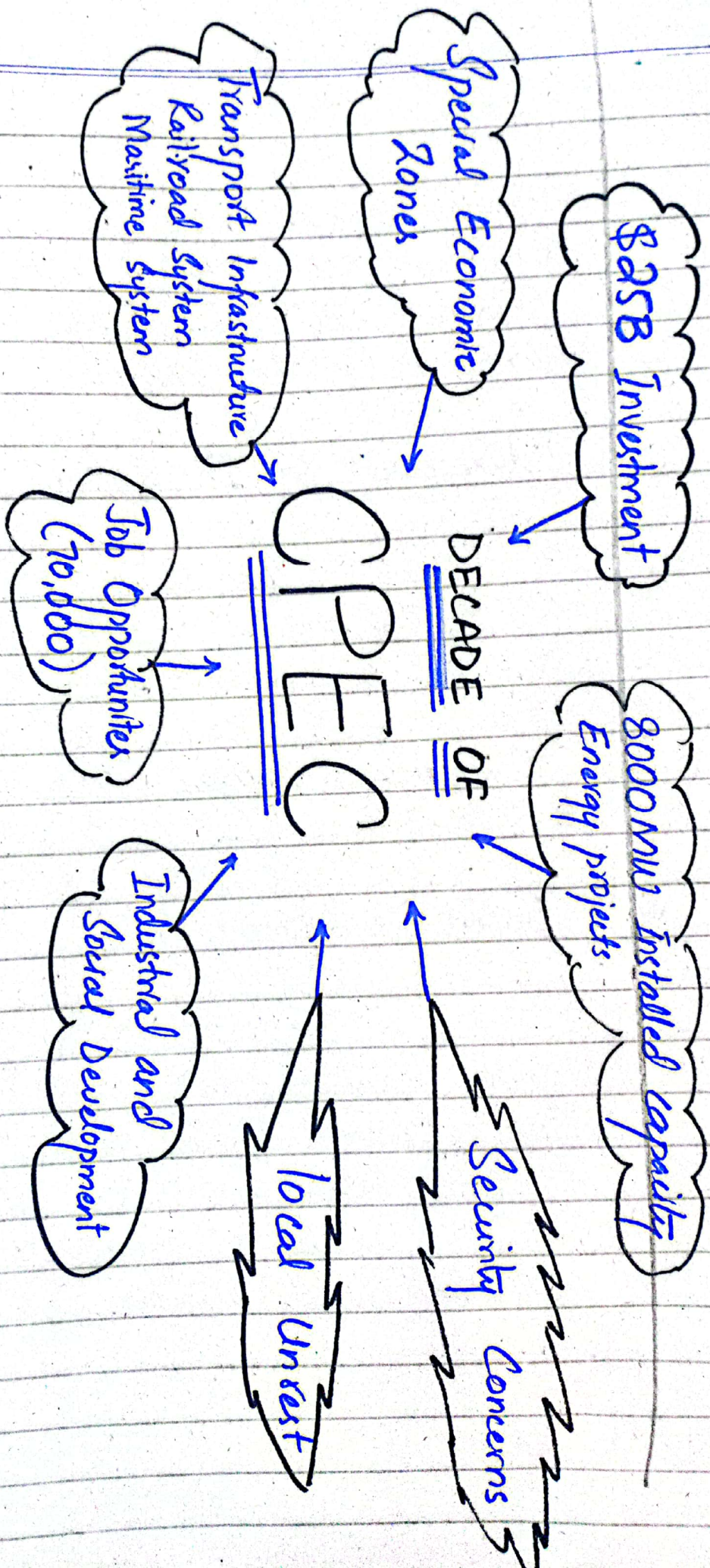
Many Industries has been established in Special Economic Zones (SEZ) for increasing Industrial development. This step has attracted huge foreign investment in the country due to facilitation of investment in key areas.

### iv. Job opportunities:

CPEC has already contributed around 700,000 jobs for young individuals. It also aims to create 2million further jobs for skilled people in coming phases.

### v. Infrastructural Development.

CPEC is a multipronged strategy to establish roads, rail and maritime system for connectivity. The Gwadar port,



Motorway, Energy projects and Industrial development project illustrates huge capacity of the CPEC to impact infrastructure in both countries.

### vi. Advancement in IT Sector:

The country's IT sector is tremendously boosted through this project. The addition of fiber optics across the country improves communication, digital sector of the country.

### vii. Social Development:

It also includes to establish social welfare projects such as schools, hospitals which will incorporate vocational training and skilled education to empower local communities and alleviate poverty and diseases.

viii

## Security Concerns:

Despite several successful endeavors, CPEC is also indulged with several security threats from militants in country.

The attack on Chinese nationals in Dasu 2021 illustrates growing security concerns regarding the project.

ix

## Local Unrest:

Several local communities demonstrates against the CPEC project and take strong actions against security check points, hindrances in fisheries. Hagj-do-Tehreek (HDT) in Gawader is recent example of local unrest and jeopardy with respect to CPEC developmental projects.

## x) Economic Concerns:

The CPEC is collaborative project among between Pakistan and China with major financial contribution from China. However, recent economic issues and decrease in GDP growth of China in past years raise concerns over completion of projects amid financial issues.

## xi) Propaganda against Project:

The western propaganda against the BRI project alarms the world regarding debt trap and debt burden on developing countries. Recently Italy and Philippines be exited from the project and contribute to engrowing negative perception of project in the world.

## CONCLUSION:

Despite all hindrances and obstacles in the way of CPEC, it has proved its efficiency and success in various fields of Industry, transport, trade, energy, IT and agriculture. It successfully improved economy of the country and mutually benefited the China. It has further improved the social condition of local communities by providing education, health, and job opportunities to various skilled young individuals. Therefore, the decade of CPEC illustrates huge success of CPEC and can further enhance development if the gaps coming in its way can be narrowed.





# QUESTION # 02

## ANSWER

### i. INTRODUCTION:

India-Middle East Europe Corridor announced at G20 Summit by USA and India is projected as a competitor of Belt and Road Initiative (BRI) of China. Both Initiative prospects to add economic growth to the beneficiaries and include rail-road systems and maritime system to connect various countries. These will improve economic and social ties among different states. The initiatives in the domain of connective projects illustrates recent paradigm shift from geoeconomic ties to geostrategic ties among countries. However, both projects have diverse future prospects and potentials.

## ii. Comparative Evaluation of Potentials and Future Projects of IMEC and BRI

### a. Geographical Analysis:

BRI project of China inculcates around 150 countries and 30 international organizations, connecting Asia, Europe, Middle East, and Africa. However, IMEC could only include around 20 countries, connecting India, middle east and eastern Europe only. This illustrates the geographical potential of BRI is wide and diverse.

### b. Organizational Structure:

The BRI project keeps the position of China at the center. This describes that the structure of the project is fundamentally

relied on China. While, IMEC does not indicate clear footprints about the structure of the initiative. Thus, BRI can be fully utilized by the China, while IMEC still needs clear direction for its full exploitation.

### (c) Developmental Projects:

Both projects aim for developmental projects in infrastructure, industry, agriculture, IT, energy and social projects. However, the scope of BRI in other sector apart from infrastructure and industry is wide as compared to IMEC. The recent data shows that the total cost of BRI for developmental project could ~~was~~ worth \$8 trillion and the total cost of IMEC could go around \$8B to \$20B.

## (d) Economic Growth:

IMEC and BRI projects could boost up the economic growth of the countries, by improving the trade connectivity, social coordination and ease of trade among various countries.

## (e) Political Analysis:

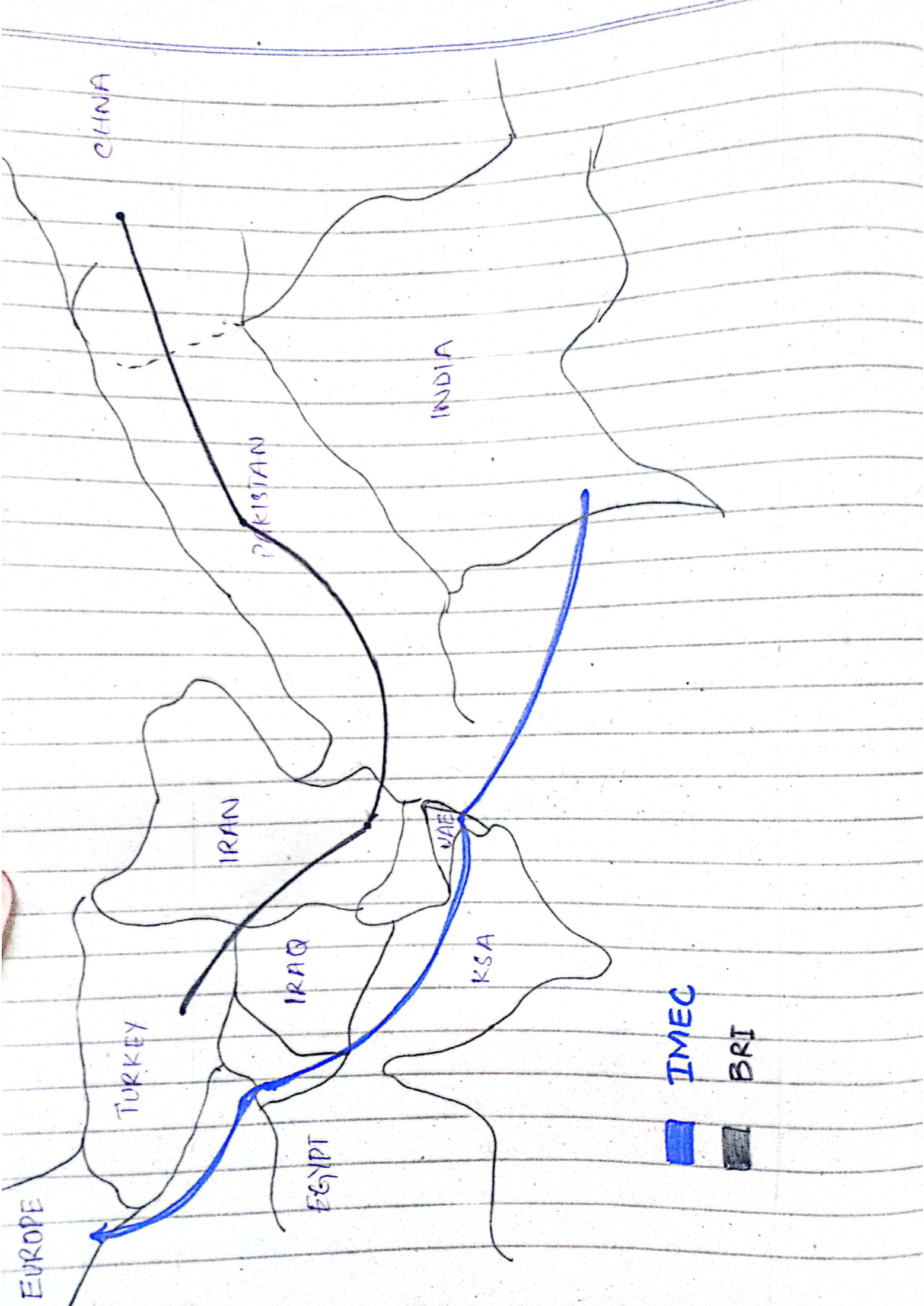
BRI has been severely criticized by USA, in order to counter the growing influence of China around the world. In this regard, USA announced the project of IMEC to deter the effect of BRI. Hence, both projects holds a key position in geopolitical arena of the world. Moreover, BRI seems successful in its mission despite hindrances, while it seems difficult for the member states of IMEC i.e Saudi Arabia, Israel, UAE to continue ease of relations amid Israel-Palestine conflict.

## (18) Nature of Projects:

IMEC is a unidirectional project running from India to UAE through maritime link and then to the airport of Haifa through railway links. From Israel it connects to the Greece and Europe. However, BRI is multidirectional projects running from China to Pakistan, Iran, Africa, Middle East and Europe. The diverse nature of BRI widens its scope for bilateral trade and development.

## (19) Social Development:

The two projects hold a key position to improve the social condition of local people. The industrial, economic, agricultural and IT developmental will pave path for more job opportunities and vocational training. The CPEC project of BRI has already given almost 70,000 jobs to local residents of country.



CHINA

INDIA

PAKISTAN

IRAN

IRAQ

TURKEY

EGYPT

KSA

UAE

EUROPE

IMEC

BRI



## CONCLUSION:

In a nutshell, both projects have extensive potential for inter-state connectedness, economic and social development.

IMEC project can be further illustrated completely for easy execution of project. While, many other hindrances in the way of BRI such as security threats, economical constraints should be thwarted away, so that the economic prosperity, social and political development could be brought in the concerned countries as per objectives of both countries.



## QUESTION # 05

### ANSWER

#### INTRODUCTION:

Pakistan has recently created Special Investment Facilitation Council (SIFC), which is expected to attract huge investment in the country. It facilitates foreign investors through ease of lending lands, tax exemptions and facility to transactions in their local currency. These steps demonstrates great capacity of the council to enhance the chances of investment in the country. The country is expected to attract \$100B foreign investment in three years and \$1 trillion GDP level till 2035 in accordance to SIFC.



## CHANCE OF INVESTMENT IN PAKISTAN THROUGH THE LENS OF SIFC

### i. Facilitation of Investment:

SIFC aims to attract foreign direct investment (FDI) from Middle-East and China by facilitating investors through special zones, transaction facility and leasing lands. This will surely increase the chances for investment in the country.

### ii. Collaborative Efforts:

The collaborative efforts of civilian and military institutions in facilitating foreign investors seems perfectly allign for economic growth of the country. The apex committee, executive and implementation committee of SIFC includes various key holders from both institutions.

### iii) Bridging the gaps in Implementation,

The devolution of powers between federal and provincial government after 18<sup>th</sup> amendment has disharmonized policy implementation. The combined scope of SIFC at federal and provincial level for policy continuity, implementation and efficacy will increase the chances to attract foreign investment.

### iv) Ease of Transactions:

Foreign Investors will have easy facility to transact the finances in their local currency.

This will alleviate any hurdles coming in the trade or economic cooperation between countries.

This will enhance the possibility for surge in foreign investment in the country.

## CHANCES OF FOREIGN

### INVESTMENT THROUGH SIFC

- Facilitation of Investment
- Collaborative Efforts
- Bridging the gaps in implementation
- Ease of Transactions.
- Ease of land Restrictions.
- Tax Exemptions.
- Facility to Exploit Natural Resources
- Facility to Utilise clean energy resources

land

v. Ease of Restrictions:

Several restrictions in selling or leasing lands for foreign investors has been lifted under

SEFC. Now, foreign investors can hold 100% of corporate agricultural farms and 60% of agricultural lands.

This facilitation will help foreign investors to contribute in the economy of Pakistan and get mutual benefit from investment projects.

vi. Tax Exemptions:

Furthermore, Foreign investors are also exempted from heavy taxes or financial liabilities. Special economic zones will facilitate foreign investors to invest in the country with less taxes or financial restrictions.

### vii. Facility to exploit natural resources of Pakistan:

Pakistan is blessed with abundant natural resources. Many foreign investors are keen to invest in minerals and mining industries of the country. Through SDFC, foreign investors can fully exploit natural resources of Pakistan. Reko-Diq project is among the biggest example of foreign investment in mining industry of Pakistan.

### viii. Facilitation to Utilize Clean Energy Resources:

The huge wind corridors in Pakistan, sunny weather and nuclear capacity attracts foreign investors to invest in nuclear, solar, wind and hydel energy power project. As the world is increasingly transitioning into the world of green energy, Pakistan can attract huge investment due to its non-renewable energy reserves.

## CONCLUSION:

In a nutshell, SEFC has huge tendency to attract foreign direct investment from Middle East and China. Its wide scope and collaborative efforts to facilitate foreign investors through its platform demonstrates tremendous capacity of the country to woo foreign investors. This will not only enhance economic conditions of Pakistan but also enhance social development in many fronts.



## QUESTION # 04

ANSWER:

### i. INTRODUCTION:

The recent rapprochement between Saudi Arabia and Iran, mediated by China have far reaching implications in Middle-East and also on Pakistan. It will bring back positive relations between the historical rivals and stabilize the region. Moreover, it will also improve economic, political and social development in Middle-east. In addition this, Pakistan can equally get benefit from both countries without any restriction and enhance cordial diplomatic relations between both countries.

## POSITIVE IMPLICATIONS ON THE MIDDLE EAST

### i) End to Proxy Wars:

Both countries have been involved in proxy wars in Syria, Lebanon and Yemen. Saudi back government and Iran-allied Houthis group have created huge woes in Yemen. The recent rapprochement would have positive implications on Middle East as it could bring end to proxy wars.

### ii) Political Stability:

Saudi Arab and Iran are historical rivals in the quest for the power of Middle East. This rapprochement will provide regional stability and political equilibrium in the region.



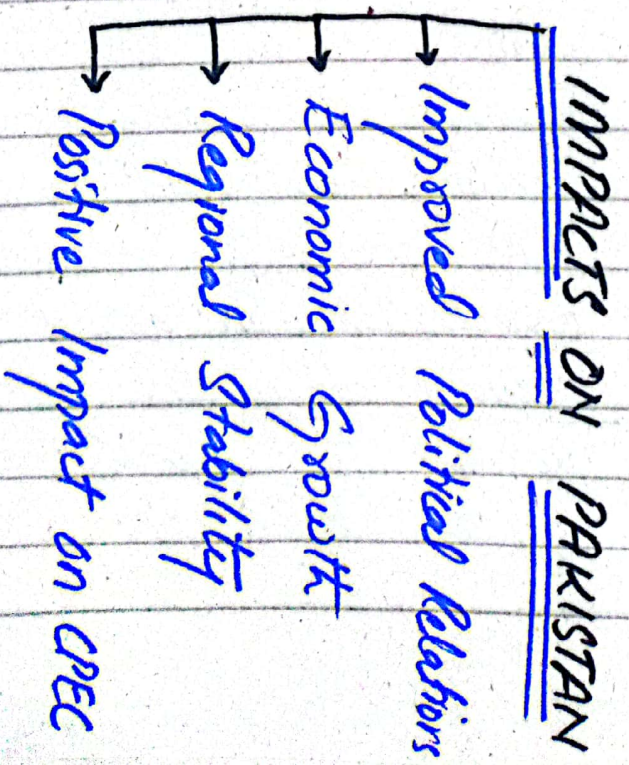
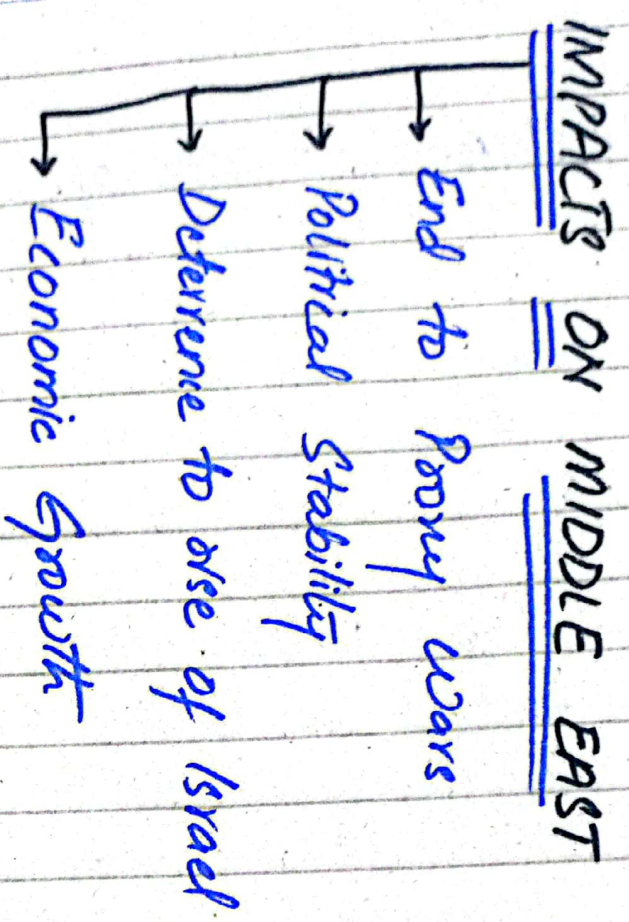
### iii. Deterrence to rise of Israel:

The rejuvenation of relation between Muslim countries in Middle-East deters the hegemonic aims of Israel to hold the power of Middle-East. However, this step clearly shocked the Israelis as illustrated by the statement given by its foreign minister which states: "The recent rapprochement of relations between KSA and Iran is a slap on Israel's foreign policy."

### iv. Economic development:

This deal was mediated by China and thus the relations with China could bring economic development in Middle-East through the doors of BRI project. It can attract more Chinese foreign investors to invest in the huge natural resources of the region.

SAUDI-IRAN RAPPROCHEMENT



## IMPACTS ON PAKISTAN:

### i. Improved Political Relations:

The deal between Saudi Arabia and Iran opened window of fresh air for Pakistan. Due to historical conflict between both countries, it faced difficulty to maintain neutral stance and refrain from involvement. Thus, this deal will improve political relations of the country with both the parties on equal fronts.

### ii. Economic Growth:

The huge investment of Saudi Arabia in Pakistan through SIFC and gas pipeline with Iran will flourish with the of revival of diplomatic relations between Saudi Arabia and Iran. This will improve economic conditions of the country.

### iii, Regional Stability:

End to unremitting conflicts of Iran against Saudi Arabia had spill over effect on Pakistan. Due to close proximity of Iran to Pakistan, this deal will harbour regional stability and revival of security against the militant groups.

### iv, Positive Impact on CPEC:

The regular skirmish between Iran and Saudi was huge hindrance in the success of CPEC. However, this boistered by China will add in success to the implementation of policies under the CPEC project. The Chabahar port is the key player in the continuation of CPEC project in BRI scheme. This will surely improve the trajectory of CPEC.

## CONCLUSION:

The long-awaited revival of ties between Saudi Arabia and Iran with the help of China could bring peace and prosperity in Middle-East.

It can harbour political stability in the region with the end to major conflicts.

Moreover, it also has far-reaching implications for Pakistan in economic, political, diplomatic and security domains. Continuation of the cordial relations between both countries will sustain peace in the Middle-east and neighbouring region.

