

Q1: SIFC is expecting huge foreign direct investment in Pakistan from the Middle East and China. How do you see the chance of investment in Pakistan?

### Introduction:

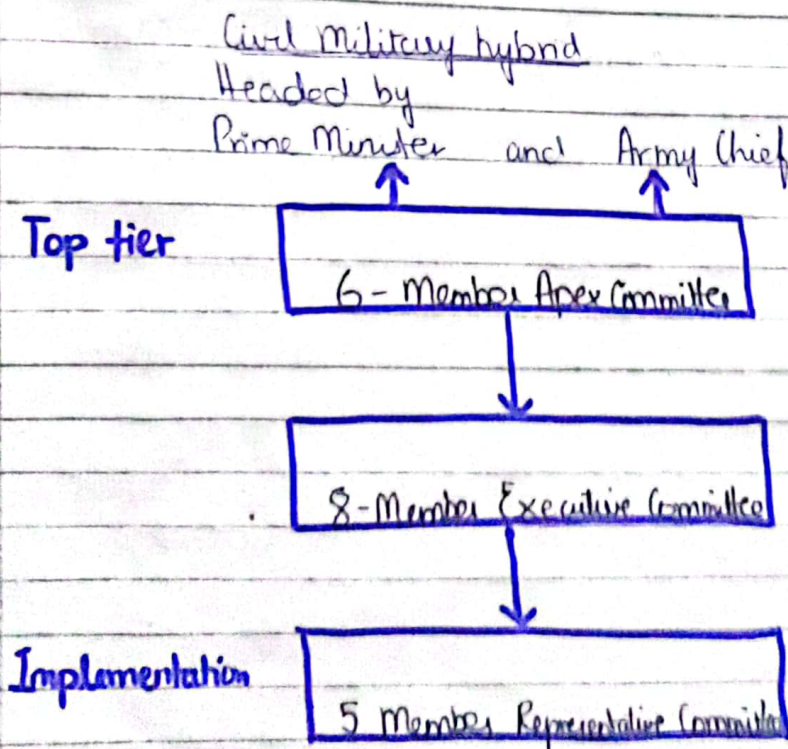
Foreign Direct Investments paves the way for sustainable economic development in a country by allowing businesses to operate in foreign land. The economy of Pakistan based on aid/loan mindset can only recover through long term foreign investment plan. Special Investment Facilitation ~~order~~ Council allows investments to slide into Pakistani economy smoothly especially from middle East and China. It is a Civil-Military arrangement to tap the hidden potentials of mining, knowledge economy, corporate farming and so on. Under the economic revival plan 2035, Pakistan aims on becoming a trillion dollar economy. The investments from Gulf states and China will help achieve this goal to some extent. Already many projects have started, like the Reko Dik Mining deal with Saudi Arabia is underway, Technology zones with UAE assistance and corporate farming in Cholistan. The materialization of this is yet to be seen but it sure provides Pakistan a golden opportunity for economic revival.

## Understanding SIFC:

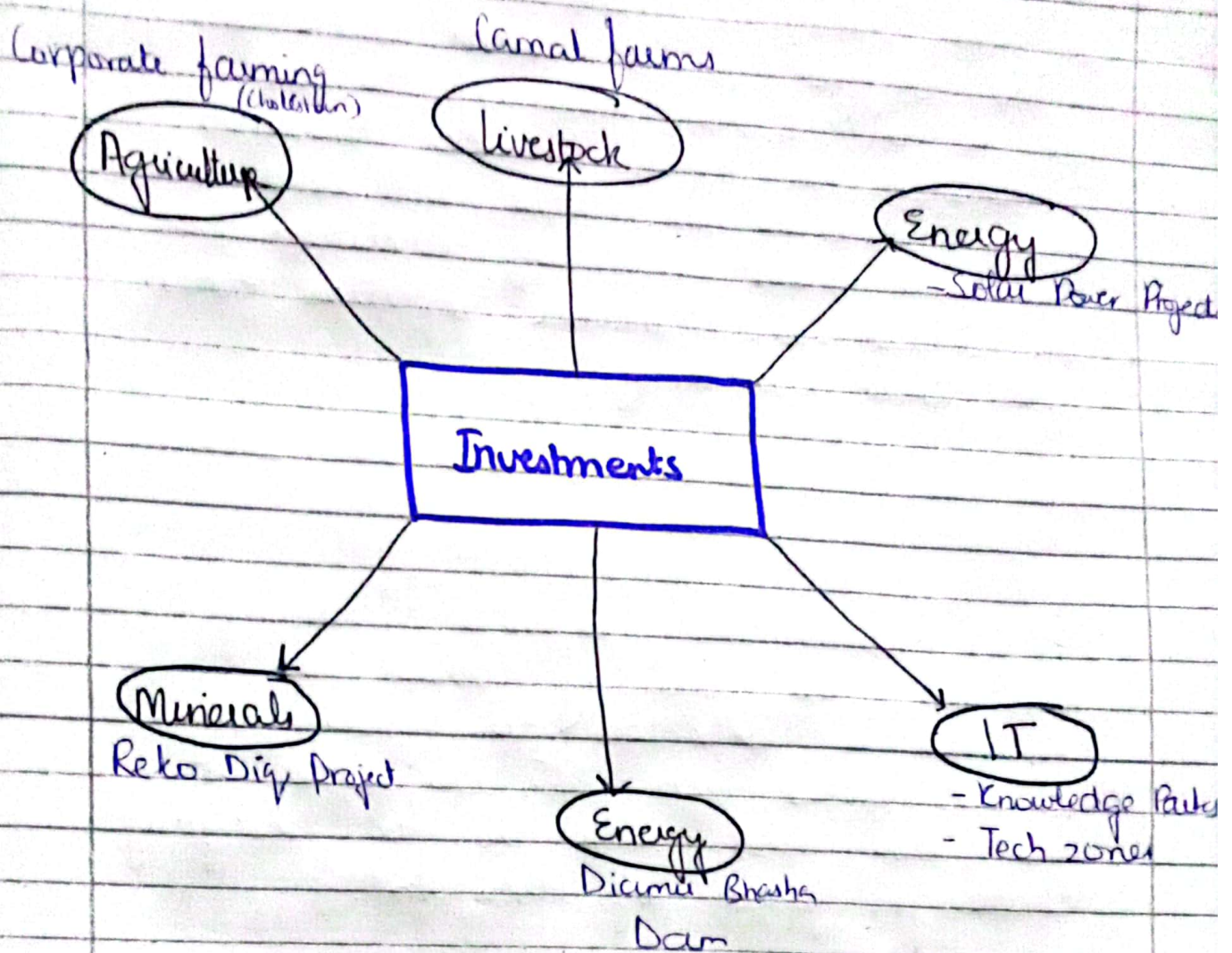
"The Special Investment Facilitation Council is a hybrid structure of civil and military leadership to encourage foreign direct investments and provide business environment feasible for economic growth of Pakistan."

→ Coming into force in August 2023, SIFC is part of Pakistan Economy Revival Plan 2035.

### Composition of SIFC:



## Investment Goals:



- The immediate target of SIFC includes <sup>a</sup> raising the FDI upto \$5 bn in short term and upto \$100bn within three years or so.
- Creating a business environment conducive to attract foreign investors especially from Gulf countries
- Reducing the bureaucratic delays and long process to speed up the materialization of project

## Future potential of SIFC and prospects of investment in Pakistan:

### ①. Aramco Refinery

The biggest project under SIFC so far is a \$10bn refinery to be established in Pakistan under Aramco from Saudi Arabia. This will help reduce the fuel crisis faced by Pakistan over the decade and prevent inflation from fuel price variability.

### ②. Corporate farming in Cholistan:

Under the corporate farming initiative, the farming area in Cholistan is expected to grow from 10,000 acres to 85,000 acres. It will also deal with the food insecurity challenge faced by Pakistan.

### ③. Camel farming and Dairy holding Companies:

Gulf states intend to invest in setting up a camel farm in Pakistan with over 10,000 camels bred and sold. Also, the dairy holding companies will produce milk products which are sold in all market segments. It will also help boost the export sector and product market.

#### ④ Knowledge Parks and Tech zones :

The collaboration of academia and industry for innovation under knowledge park and tech zones will facilitate production of new ideas to sort out challenges faced by Pakistan in a tech savvy way. UAE's interest and expertise can serve as a stepping stone for Pakistan.

#### ⑤. Solar Power projects and Hydroelectric power projects :

Pakistan, as a country facing water scarcity issue, need to utilize its resources efficiently and find alternative methods for energy generation too.

Saudi Arabia's assistance in Diamu Bhusha Dam construction and establishment of other solar parks will help Pakistan's energy crisis.

#### ⑥. Mining - Investments in Reko Diq:

Since 2023, Saudi firms are negotiating an agreement with Pakistani government over investments in Reko Diq. Considering the mine's controversial past, this is a step in a right direction. SIFC can facilitate the negotiation and the backing of military establishment will act as guarantee in this regard.

## Critical Analysis:

### Challenges and Obstacles in Investment materialization:

- ▶ Pakistan's bureaucratic delays and red-tapism coupled with clash of interest between different departments have been the reason for delay in talks of investments.
- ▶ The 'Mistrust' created between foreign investors and Pakistan's Government decreases the prospect of potential investments.
- ▶ The need for a comprehensive reform process to streamline the process and regulate institutions to ensure transparency and foster <sup>business</sup> business environment.

### Conclusion:

Establishment of SIFC in the wake of Middle East dynamics is a step in right direction. It will provide assistance from all institutions in Pakistan for a swift recovery of economy through facilitation of investments from friendly states and help tap the hidden potential of Pakistan. If implemented in true spirit, it has a potential to turn Pakistan's economy's dependence on IMF to self-sufficient and further as a successful one.

Q2: How do you see Pak-Afghan relations in the wake of repeated attacks by TTP and ISK-P in Pakistan using Afghan land against Pakistan and in return Islamabad decided to pull out Afghan refugees?

### Introduction:

Over the years, many Afghans have sought refuge in Pakistan following the political instability. In his book "In the graveyard of empires," **Seth G. Jones** describes the political history of Afghanistan especially in the "Age of terror" (2001-9). Repeated failed operations to control Afghanistan first by Russians then by America has left millions of Afghans displaced. Pakistan being the neighbour has hosted largest Afghans for the longest time. The implications of conflict in Afghanistan therefore had fallouts on Pakistan as well. Recently, after US withdrawal and Afghan Taliban takeover, the situation has been dire. The surge in terror attacks and rise of militancy (using Afghan soil) has posed security threat for Pakistan. The Afghan expulsion conundrum is also a step to deal with this enigma. The leadership of both sides are in a tangle. To regain regional peace and stability, negotiation and compromise is imminent on both sides.

## Pak-Afghan relations in the wake of terrorist attacks and Afghan expulsion:

### Afghan Conundrum: Failure of Pakistan's Strategic depth doctrine:

The repeated failure of Pakistan's security and foreign policies to engage with the Afghan Taliban has left Pakistan without its strategic depth in its neighbor - with the Indian threat element on the East and rising tension with Iran on the South West border, Pakistan's deteriorating relations with Afghanistan has made it stranded in the region -

### Afghan's Expulsion: Pakistan's unwanted problem

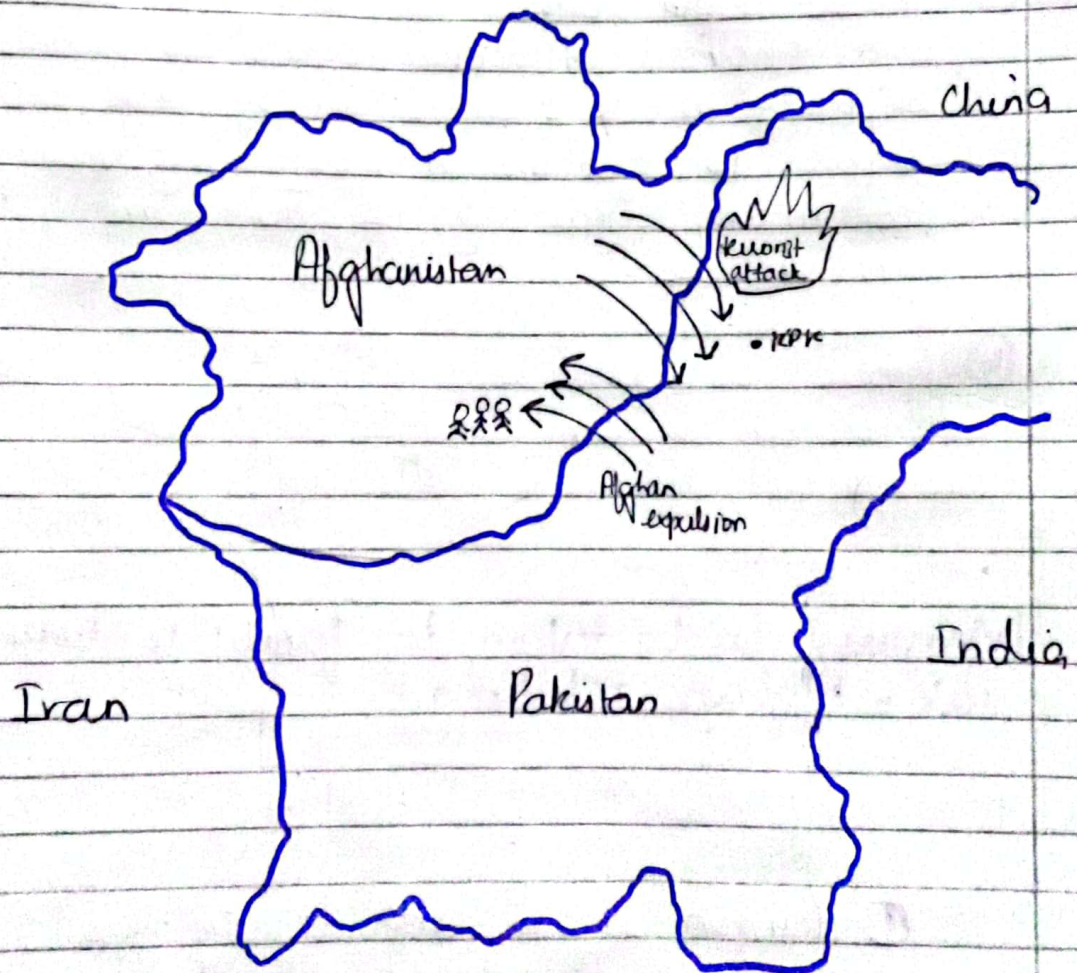
More than 1.7 Million undocumented Afghans were given a deadline to leave Pakistan within 30 day period. The harsh conditions, like limited cash on hand and livestock left behind, were an unpleasant goodbye to millions who lived in Pakistan longer than Afghanistan.

"Considering Pakistan's own economic challenges and security threats where terrorist outfits like ISk-P and TTP are using Afghan soil and Afghan leadership's inaction, Afghan Expulsion was necessary" According to Ayaz Amir (context)



Rise in Militancy : Use of Afghan soil for terrorist attacks in Pakistan and Taliban leadership's inaction.

Despite repeated high level talks between Pakistan officials and Taliban representatives, no steps were taken to curb the activity of terror outfits like ISK-P and Tehreek-e-Taliban Pakistan using Afghan soil to target innocent civilians and security apparatus.



The rise in militancy poses a great threat to Pakistan's and Regional security, hence the need for Afghan expulsion.

## Rethinking Afghan Policy : Recent developments

After multiple failed delegations, Feb, 2023 proved to be a turning point in Afghan policy of Pakistan.

- ①. Any types of talk with TTP have been and should be firmly rejected.
- ②. Undocumented Afghans have been expelled.
- ③. Transit trade routes are facing closure and changed regulation policies to increase security check. Imposition of ban on export to Afghanistan have left many containers stranded at Torkham border etc.
- ④. Public criticism of Afghanistan and its leadership is an unprecedented move made recently by Pakistan's foreign office.

## Measures to be taken to facilitate better Pak - Afghan relations :

According to Pervaiz Hoodbuoy,

- ① Human rights and dignity should be respected and expulsion of Afghans (especially those born in Pakistan) should be stopped - and granted citizenship instead.

- ②. Documentation process for Afghans should be restarted
- ③. Women / girls shouldn't be sent back considering Afghan Taliban's conservative views
- ④. Asylum for people at high risk should be set up i.e. activists etc
- ⑤. Negotiation with Afghan leadership should be restarted and regional security discuss.

### Conclusion:

Considering the changing regional dynamics, it is in the best interest of Pakistan to engage international community in negotiation with Afghan Taliban to stop insecurity spread in the region. The Taliban must also ban terror outfits from using its soil to launch operations in Pakistan. Innocent Afghans should not be expelled considering the stark situation of Afghanistan.

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