

Dated:

NOA Mock-8 Jan 2024

Grk II - Current Affairs

Questions attempted: 2, 3, 4, 6

Question 2Introduction

On 10 September 2023, on the sidelines of the G20 Summit in New Delhi, Saudi Arabia's crown prince Mohammed bin Salman, alongside representatives from the US, UAE, and the European Union, unveiled plans to create a transformative transport and economic corridor that would connect South Asia with the Gulf countries and European nations. This ambitious initiative, known as India-Middle East-Europe Corridor (IMEC) was formalised through the signing of a memorandum of understanding.

Salient features of IMEC

The proposed 4800 km trade route comprises two primary corridors:

- (i) The East corridor, connecting India to Gulf
- (ii) The ~~west~~ <sup>North</sup> corridor, linking the Gulf to Europe.

IMEC seeks to establish:

- A cross-border ship-to-rail transit network.
- Seamless movement of goods and services between key regions, including India, UAE, KSA, Jordan, Israel, and Europe.

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The project involves a multifaceted approach, encompassing the construction of an extensive railway network and the development of relevant port infrastructure stretching from India through the Gulf to the Mediterranean.

### China's Belt-and-Road Initiative

BRI, unveiled in 2013, primarily aims to open new markets while securing global supply chains. It has two components: land-based routes and maritime routes. Otherwise known as the Maritime Silk Road Initiative (MSRI), it seeks to join China to Europe and Africa via the Middle East.

### Salient features of BRI

The project is designed to run from the South China Sea via the Indian Ocean, crossing the Gulf of Aden and the Suez Canal. The land equivalent of the MSRI, Silk Road Economic Belt (SREB) proposes to link China to Europe through Central Asia and the Middle East.

BRI comprises 4 main sectors:

- (i) industrialization
- (ii) infrastructure construction
- (iii) energy
- (iv) finance

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## IMEC vs. BRI

First, it must be noted that not all participants in IMEC view it as a challenge to China, or geopolitical rivalry. For example, KSA, UAE and Jordan actively participate in the BRI as well. These countries do not view the BRI and IMEC as mutually exclusive, but as an opportunity for economic advantage.

### 1) Challenges to IMEC

The IMEC is not without its share of challenges.

- One key challenge is the logistical complexity of the multimodal nature of IMEC (across land and sea).
- IMEC faces significant competition from established trade routes such as the Suez Canal.
- In many regions such as Greece and India, railway infrastructure is underdeveloped.
- In the Gulf, building a railway across vast deserts in KSA and UAE will significantly increase costs.

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2) Previous attempts to challenge BRI.  
Notable examples include the Build Back Better World Initiative (BBWI), later called Partnership for Global Infrastructure and Development (PGI2), as well as the Blue Dot network.

3) Challenges to BRI

2023 marks a decade since BRI was launched.

Many claim that the ambitions of the project have waned, as the global economic slowdown has resulted in fewer loans to countries by China.

Countries like Italy have expressed a desire to withdraw, and nations like Sri Lanka and Zambia are caught in debt traps.

BRI is accused of inadequate attention to local needs, adverse environmental impact, and a means of China gaining global strategic influence (Observer Research Foundation).

Why IMEC cannot compete with BRI for now

1) China has a 10-year head start

BRI began all the way back in ~~2013~~ 2013, and as of July 2023, total investments

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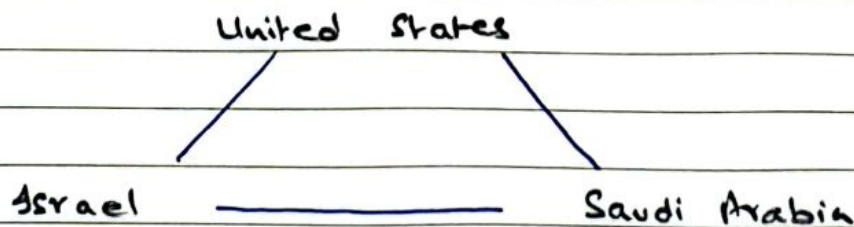
have crossed \$1 trillion, and over 150 countries have joined as partners.

2) Both the PGII and Global Gateway are smaller

The G7 and US launched PGII in 2022, aiming to mobilize \$600 billion in global infrastructure projects by 2027, while the Global Gateway is the EU's answer to BRI.

However, neither match its scale or ambition.

3) Geopolitical complexities



Navigating ties between countries such as the US, Israel, and KSA, who do not always see eye-to-eye, is difficult.

It also threatens to anger Egypt, as it competes directly with the Suez Canal. The Suez Canal is also faster and cheaper.

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### Analysis and conclusion

While the IMEC seeks to compete with the BRI politically, economically it has a long way to go.

However, IMEC plans on involving electricity grids, cybersecurity, and other aspects that go beyond trade and economics.

For now, however, the BRI stands clear of the IMEC as a one of its kind, leviathan project spanning the globe.

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### Question 3: Decade of CPEC

#### Introduction

Formally launched in 2013 as part of China's Belt and Road Initiative, the China-Pakistan Economic Corridor marked the flagship project of BRI, with China pledging investment over \$62 billion.

While both China and Pakistan call CPEC a win-win situation, providing infrastructure to Pakistan and shortening trade routes for China, with direct access to the Indian Ocean via Gwadar, many today are asking questions of the project's successes and failures.

#### Successes of CPEC.

##### 1) Power sector

Project	Power capacity	Status.
Sahiwal Coal fired plant	1320 MW	completed.
Port Qasim Coal fired plant	1320 MW	completed
China Hub Coal Power project	1320 MW	completed.

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Engro Thar Coal power Project	660 MW	completed
Quaid-e-Azam Solar Park	1000 MW	completed
Hydro China Dawood wind Farm	50 MW	completed.
UEP wind farm	100 MW	completed.
Sachal wind farm	<del>100</del> 50 MW	completed.
Three Gorges Second and Third wind power project	100 MW	completed.
HUBCO Thar	330 MW	completed
Karot Hydropower	720 MW	completed.
HUBCO Thar Nova	330 MW	completed.



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2) Transport and infrastructure sector.

Project	Status.
Havelian Thakot section of Karakoram Highway	Completed.
Multan - Sukkur Motorway	Completed.
Lahore Orange Line Metro Train	Completed.
Khunjab - Rawalpindi Optic fiber cable	Completed.
Hatta - D-I. Ichan Motorway	Completed.

3) Industrial and economic sector

Project	Status.
Allama Iqbal Industrial City	Underway
Boston SEZ	Underway
Rashakai SEZ	Underway
Dhabeji SEZ	Under way

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## Failures within CPEC

### 1) Persisting challenges

Since its launch, CPEC has faced multiple challenges. The first phase of CPEC - short-term phase (~~2015~~ 2015-2022) focused on infrastructure, energy, and port development. However, corruption in Pakistan hindered smooth progress.

Moreover, the establishment of 33 Special Economic Zones (SEZ) have seen delays, with none operational so far.

### 2) Political instability, financial crisis, and terrorism have all hindered the implementation of CPEC projects.

These challenges are still present, and worsening with the resurgence of terrorism.

### 3) Slow progress on CPEC has also angered Beijing, with the Chinese ambassador to Pakistan complaining that "Pakistan has destroyed CPEC".

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## Criticism of CPEC

### 1) Neo-colonialism of China

From the start, many in Pakistan worried that CPEC was a Chinese neo-colonial project, that would give China control over Pakistan, much like the British East India Company.

Others have conjectured that China may leverage its debt to turn Pakistan into a client state. Pakistan's current economic crisis has only increased fears of this theory. Currently, China holds \$30 billion of Pakistan's \$126 billion external debt.

### 2) China benefits more

For instance, Gwadar Itaq Do Tehreek claims that the people of Gwadar have not felt any of the benefits of CPEC, including access to electricity and education.

### 3) Pakistan's political figures have also used CPEC as a tool for political purposes.

### 4) Fueling unrest in Balochistan

Many times, Beijing and Islamabad have signed agreements on CPEC projects without due consideration of provincial government. As a result, the people of Balochistan are resisting CPEC. For example, lawyers in Gwadar protested the fencing project.

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Baloch separatist outfits have also often targeted Chinese people and their installations. In 2022, a suicide blast killed 3 Chinese nationals in Karachi, while in 2023, the BLA set 6 Chinese mobile towers on fire.

### Critical Analysis

- While CPEC promised to create 2.3 million jobs in Pakistan by 2030, as of 2022 it only managed 155,000 for Pakistani workers.
- Out of 9 approved SEZs, 4 are underway and 5 not launched.
- ~~China~~ Pak-China Friendship Hospital Gwadar remains incomplete.

While CPEC has benefited Pakistan in the short term, in the infrastructure and energy sectors, in the long-term, Pakistan's poor performance in the project threatens to unravel relations with Beijing, as well as spell doom for the economy.

### Way forward

Pakistan must commit to achieving completion in CPEC projects. To do this, it must perform the following steps: →

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- 1) Eliminate emergency in Balochistan to ensure safety of projects
- 2) Ensure timely democratic elections for a stable economic policy by an elected government
- 3) Cooperation with provincial governments to eliminate hurdles

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## Question 4: Saudi-Iran Reapprochement

### Introduction

In 2016, after the hanging of a Shia cleric by KSA, protests erupted across Iran, and the Saudi embassy in Tehran was torched.

As a result, KSA and other GCC countries severed ties with Iran, while Iran recalled its ambassadors from various Gulf states.

After continuous efforts, Beijing succeeded in bringing the two countries onto the dialogue table, and both agreed to resume diplomatic and socio economic engagement with each other once again.

This development will have far reaching implications on neutralising the conflict in the Middle East, as well as massive positive impacts on the internal and external policy fronts of Pakistan, and a major setback for the foreign policy of Israel.

### Implications for Syria

KSA and Iran have fought a sectarian and geo political proxy war in Syria, with KSA supporting the Free Syrian Army and the Al-Nusra rebels, while Iran supports the Shia government of Bashar-al-Assad.

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The Saudi-Iran rapprochement has resulted in both the rebel forces and the al-Assad government announcing ceasefire.

Bachar-al-Assad was invited to participate in the Arab League for the first time since 2011, where he received a standing ovation.

KSA and Iran also announced support for negotiations, meaning they would not fund and weaponise the Syrian civil war.

### Implications for Yemen

Yemen, since 2014, had been a sectarian battleground for KSA and Iran, where Iran backed the Houthis rebels, and KSA supports the Sunni Mansour Hadi government.

Both sides have, since the rapprochement, declared ceasefire, and both the Saudi and the Iranian Foreign Ministers have affirmed commitment to the peace process.

### Implications on Israel

The foreign policy of Israel in ME has been dominated by the isolation of Iran, and establishing ties with the Arab world.

Tehran's pursuit of nuclearisation, endangers the security of Israel and the region.

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Tel-Aviv has actively attempted to challenge the position of Iran in the Arab world, demonising it and labelling it responsible for civil war across ME.

However, the rapprochement undoes all of this. Both the Arab world and Iran seem to have realised the futility of the sectarian war and the dangers of the expanding unrest.

Therefore, the greater cooperation b/w Tehran and Riyadh, the greater the setback to Tel Aviv.