

SUBJECTIVE PART

PART - II

ANSWER QUESTION NO: 4
Introduction

~~KSA - Iran Rapprochement:~~

Iran and Saudi Arabia have a large number of differences such as ideological difference, sectarianism, and many others.

But China has played an important role to sort out these differences and these three countries met on 10 March 2023 to change the international politics. Pakistan also welcome this agreement. This agreement has positively impacted Pakistan.

This agreement impacted Pakistan in the terms of Foreign policy, oil needs, Energy sector, trade and in economy. This deal also impacted Pakistan in the terms

of security cooperation, sectarian violence and terrorism.

The impact of KSA-Iran Rapprochement in the Middle East.

KSA and Iran rapprochement left a positive impact on the region. It is welcomed by all the countries. Iran and Saudi Arabia both are the main powers in the middle. After their rapprochement, it is observed that peace is prevailing in Yemen, Syria, Lebanon and in other areas in the middle.

Due to their rapprochement, Economic prosperity will prevail.

The people of Yemen and Syria could get food and medicine.

But it also leaves many positive impact for Pakistan. Pakistan has been waiting patiently for this deal. China and Pakistan both are friends so it is also a good deal for Pakistan. This deal also provided tremendous benefit not only

China but also to Pakistan.

Impacts of KSA-Iran rapprochement on Pakistan.

This rapprochement has left the following most important impacts on Pakistan.

i) Foreign Policy:

This rapprochement has allowed Pakistan to increase their relations with both Giron brothers. Iran is a neighbouring country of Pakistan and Saudi Arabia is also a Muslim brother country of Pakistan. Saudi Arabia supports Pakistan in economic recession and Iran also influence Pakistan due to Shia sects.

ii) Impact on trade:

In May-July 2023 Iran-Pakistan signed a barter trade. Due to this rapprochement, Pakistan can enhance its trade relation with Iran. In this it will help Pakistan to improve its exports.

iii) Foreign Direct Investment in Pakistan.

This deal will also enable Pakistan to receive foreign direct investment from both countries. In this Pakistan economy will further improve.

iv) Cooperation in Energy Sector:

Both Iran and Saudi Arabia has potential to full-fill the needs of energy of Pakistan. Iran has also signed a deal with Pakistan in which Iran will provide electricity to Quwader, Balochistan. In this way the energy deficit of Pakistan will reduce.



observed in Pakistan.

v) Iran - Pakistan Gas Pipe Line:

Iran Pakistan Gas Pipe Line is another landmark project which is pending since 2013. Iran has completed its pipeline. But Pakistan has not yet constructed the pipeline of its own part. This deal has allowed Pakistan to increase the speed of their project. If this project completed successfully, then it will open the door of new era for industrial sector. In this way Pakistan would be able to fulfill the required demands of the energy of industrial sector.

vi) Promote peace in Pakistan.

Conflict between Iran and Pakistan blown the air of sectarian violence in Pakistan. Many episodes of sectarian violence had been observed in Pakistan. It is expected that due to approachment between Iran and Pakistan, no violence will be observed in Pakistan.

vii) Cooperation in Food security and agriculture sector

Iran and Pakistan both are struggling with food security issues and climate change problems. Pakistan ranked 102th, according to World Bank, in food security. Iran and Pakistan can cooperate with each other to improve the situation of food security in Pakistan. According to Economic Survey of Pakistan (2022-23), Pakistan agriculture sector could grow just 1.5%. Iran can exchange and cooperate in the transfer of agriculture machines and technologies.

viii) Security Cooperation:

It is observed that both the Pakistan and Iran are struggling with their security problems. Balochistan The instability in Balochistan on both sides is a big issue for them.

Pakistani Army Chief of Staff General Asim Munir has visited Iran in July 2023 to discuss the security concerns with Iran's high official. In this way both countries could cooperation with each other to quell the separatist in their sides.

14) Step to eradicate terrorism

Iran, Pakistan and Saudi Arabia ~~both~~ are struggling with the menace of terrorism in their countries. In this way, these countries will cooperate with each other to eradicate the roots of terrorism.

Conclusion :

Iran - ~~RSA~~ rapprochement has changed the international politics. US and other European countries welcomed this move. This rapproach leaves a positive impact not only on

religion but also on Pakistan.
Pakistan has welcomed this
move and hoped that both
countries will cooperate with
each other to maintain peace
in the region.



Answer Question No: 5

Introduction:

Special Investment Facilitation Council has been established in Pakistan with the cooperation of establishment and government cooperation. This council has initiated many steps to attract the foreign investment in Pakistan. Pakistan has untapped economy which has tremendous potential to attract foreign investment. Pakistan SIFC offers complete ~~bureaucratic~~ bureaucratic cooperation, security and cheap labour.

Pakistan has many natural resources, strategic importance, untapped agriculture sector and wide market. But there are also a few challenges which are hurdles in the foreign direct investment in Pakistan such as Terrorism, political instability, energy crisis, climate change and heavy taxes.

Factors which promotes FDI in Pakistan.

The following factors attract foreigner for investment in Pakistan.

i) Natural Resources:

Pakistan has tremendous natural resources. Balochistan is full of untapped natural resources in Pakistan. Reko Diq deal is one of the project. Pakistan has the world second highest salt deposits. Pakistan has large amount of Iron, gold, copper

many other resources which attract foreign direct investment in Pakistan by China and USA.

ii) No Bureaucratic Hurdles.

SIFC is a platform which is established especially for the foreign investors. This council is providing all the facilities ~~with~~ under the one roof. This process will ~~fasten~~ the process and attracts foreign investors to come and investment in Pakistan.

iii) Cheap labour:

Pakistan is the 5th most populous country in the world which has a large number of labour force. Pakistan offered foreign investors cheap labour as compared to other countries. So this benefit allows foreign investors to invest in Pakistan.

iv) Untapped Economy of Pakistan.

Pakistan Economy has a huge amount of potential to grow to more than 1 billion.

Pakistan offers investment in agriculture sector, Industrial sector any in other sector.

v) Geostrategic importance of Pakistan.

Pakistan is a country which has a large amount of geostrategic importance. Pakistan is the

only gateway for landlocked central Asian countries. Pakistan

has the shortest route to

Middle East. Similarly Pakistan

has access to safe sea

trade routes. So this strategic

importance allows investors to

invest in Pakistan for more

benefits.

Challenges for FDI in

Pakistan

Following are the challenges which restrict the FDI in Pakistan.

i) **Political instability:**

Pakistan has been facing the problem of political instability since its inception.

No government has not fulfilled its 5 years yet.

Different kinds of protest, Road blocks are the factors which do not allow foreign investors to invest in Pakistan.

ii) **Terrorism:**

Terrorism is a big challenge for Pakistan. Terrorist attacks has increased recently. Terrorist attacks on Chinese investors

threaten the foreign investors in Pakistan.

Terrorism has become the biggest menace for Pakistan. So it is a

fear that foreign investors will not invest in Pakistan.

iii) Energy Crisis

Energy crisis is also a big challenge for Pakistan. Pakistan has the capacity to install the machinery which can fulfill its energy demands. But Pakistan energy sector is mostly dependent on imported oil, gas and coal. So due to economic recession and global hike of oil prices, Pakistan fails to fulfill the demand of energy of industries. Pakistan has more than Rs. 2.3 trillion Rupees of circular debt. So these facts do not allow foreign investors to invest in Pakistan.

iv) Climate Change

Pakistan is the 5th most vulnerable country to climate change. The floods 2022 has affected more than one third of Pakistan. So these facts also prevent the foreign

direct investment in Pakistan

Conclusion:

SIFC is a good step to attract foreign direct investment. But Pakistan has also some other challenges such as terrorism, political instability, climate change and energy crisis. If Pakistan address these issues then it can improve its economic condition. So foreign investors will definitely invest in Pakistan.

ANSWER QUESTION No: 3

Introduction:

China - Pakistan Economic Corridor (CPEC) is a landmark project in the history of Pakistan.

This project was signed in 2015^r between Pakistan and China when Chinese President Xi Ji Ping visited Pakistan. This project is in second phase of its completion. CPEC project has been successful due to several completion of its projects.

CPEC projects has contributed in the energy sector, transport sector and in Balochistan. CPEC ~~a~~ project also contributed ~~there~~ its services in many areas in Pakistan.

But CPEC project also has some failure which it could not operate successfully. Unemployment, Payment of Loans, Recession of economy, political instability, separatism in Balochistan are

the few factors which shows that CPEC has failed to deliver its fruits.

Decade of CPEC

CPEC is a landmark project of BRI. CPEC was started in Pakistan in 2015 when Chinese President visited Pakistan. CPEC project is still considered a major project in the history of Pakistan. CPEC has helped Pakistan in energy sector, port development and in the development of highways projects. Due to Covid 19 and lack of interest of government, CPEC projects could not be completed timely. Therefore the cost of few projects has increased ~~to~~ than their estimated cost. Many international powers have desired to not complete this project. Therefore, different types of terrorist attacks and violence is seemed in Pakistan.

established in Pakistan. China has also distributed free solar panels among the people of Balochistan.

Failures of CPEC project.

Following are the failures of CPEC project.

i) Increase in ^{the} Loan of Pakistan.

Pakistan economy does not absorb all the development projects of CPEC. Pakistan has to owe loans from China for successful completion of projects. Many CPEC projects would not complete on their due time. Therefore, their completion cost increases. This shows the failure of CPEC.

ii) Economic Recession in 2022-2023 in Pakistan.

When CPEC project started, it was deemed that CPEC would change the fate of Pakistan but such thing would not happen. Pakistan faced severe

kind of economic recession in its history. Pakistan took more loan from the IMF and China for its survival.

iii) Balochistan Separatist:

Balochistan people complained that CPEC project is not a development project for Balochistan. Chinese and federal government is just occupying ~~Afghanistan~~ Balochistan. CPEC is not offering job opportunities to Pakistan. Therefore CPEC is a failure for Balochistani people.

iv) Question of transparency in CPEC projects.

It has been claimed by previous Pakistani government that CPEC projects are not transparent. Many Chinese companies are involved in corruption and other charges. Therefore, CPEC is considered a failure.

Successes of CPEC Project

i) Energy Projects :

Pakistan has successfully completed energy projects under CPEC. Pakistan has also completed many renewable projects which ensured the Pakistan commitment towards the completion SDG 7. Quaid-e-Azam Solar Park, Sachal Wind Farm, Dawood Wind Farm, Azam Kashmir hydropower project and many other projects which are producing renewable energy in Pakistan. Some coal projects has also been developed in Pakistan.

ii) Transport Projects.

Pakistan has constructed many transport projects successfully under CPEC. Hawallian Highway Project, Peshawar to Karachi Highway project are the project which ensures the better transportation system of Pakistan. MTR is also a railway

project which is recently signed.

iii) Job Creation:

Many jobs have also created under CPEC projects. Many Pakistanis are working in CPEC projects. More than 1,25,000 new jobs has created in Pakistan.

iv) Investment in Agriculture sector.

China is the world 2nd most populous country in the world. China need foods and other related items. So china has been investing in the agriculture sector in Pakistan to improve the productivity of agriculture fields.

v) Gwadar Development:

Gwadar Development is also the most important project in Pakistan. Gwadar International Airport has been established under the CPEC project. China hospital and vocational training center is also

Conclusion:

In conclusion, CPEC is a landmark project of BRI. CPEC is offering many benefits to Pakistan.

CPEC helped Pakistan to improve its energy sector, transportation system and it also helped in the development of Balochistan.

But CPEC is also a failure because it could not solve ~~to~~ many problems of Pakistan.

Increase in the loan of Pakistan, economic recession, charges of corruption on CPEC investors and many others are the factors which show CPEC is not a successful project. Despite all that CPEC ~~had~~ is considered a successful and landmark agreement between Pakistan and China.

