

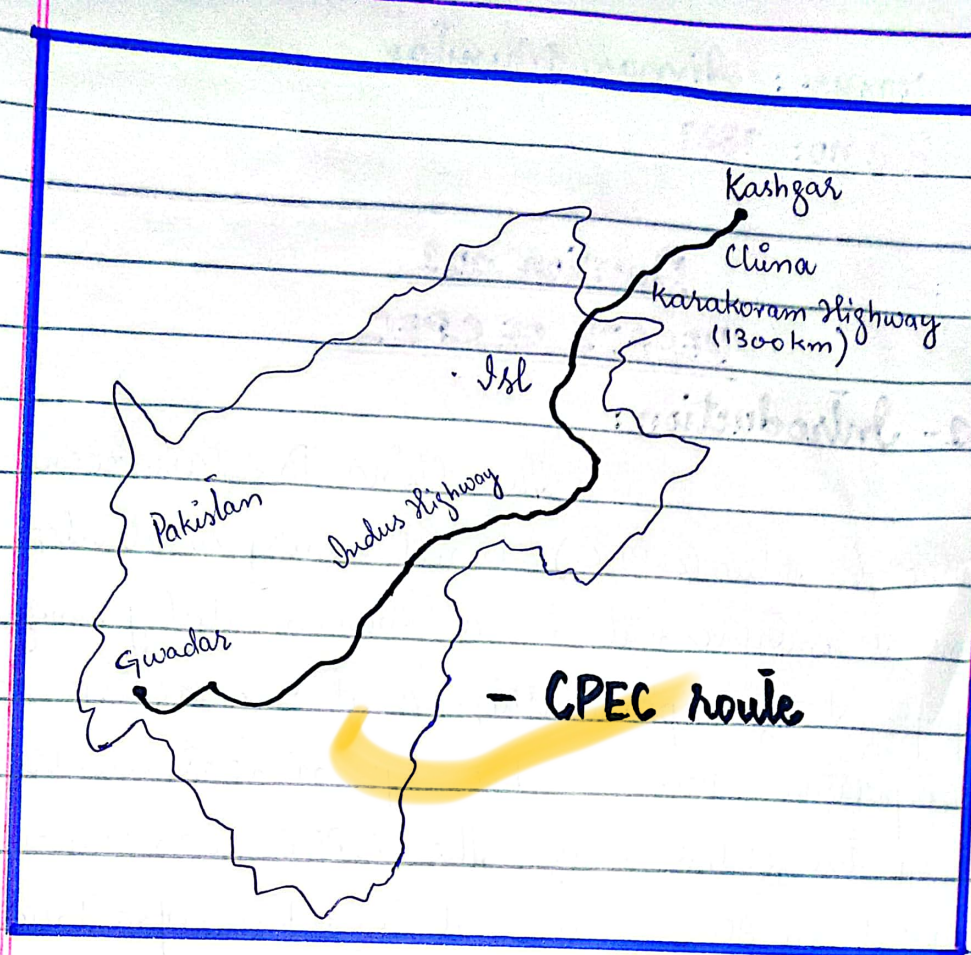
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## Question no 1

### DECADE OF CPEC

#### 2- Introduction:

The China Pakistan Economic Corridor (CPEC) is not merely a development initiative, it is a monumental journey of strategic partnership and economic cooperation between two prominent countries on the global stage. The CPEC was conceived in 2013 as a vast 3000 km infrastructure network aimed at solidifying trade relationship between China and Pakistan. Fast forward to a decade later the corridor impacts are profound. The CPEC unfurled an array of opportunities across diverse sector in Pakistan. China and Pakistan are all weather partners and China - Pakistan economic corridor is a game changer for both the nations. Now in 2023, Pakistan and China celebrated decade of this initiative. In this decade, CPEC have both the successes and failures.



## 2- Success and failures of this project:

### (i) Success:

#### a. Infrastructure development:

One of the key successes of the CPEC is an infrastructure development. The construction of Gwadar Port, for instance, has transformed this small fishing town into a major deep sea port, offering immense potential for trade and economic activities.

## (ii) Encounter energy crisis:

Pakistan has long been grappling with an acute energy crisis, but the CPEC has played a crucial role in addressing this issue. Several energy projects, including coal-fired power plants, wind farms and hydroelectric power stations have been established under the CPEC. These projects have added thousands of megawatts to Pakistan's national grid, significantly reducing power outages and providing much needed energy security.

## (iii) Expansion of Roads and Highways:

Additionally, the expansion of roads and highways under the CPEC has improved transportation networks, thus reducing travel times and enhancing connectivity within Pakistan.

## (iv) Increased Economic Growth:

The CPEC has contributed to Pakistan's economic growth by attracting foreign investment and creating job opportunities. A infusion of capital and the advancement of infrastructure has spurred

economic activity in various sectors including construction manufacturing and infrastructure.

## (ii) Failures:

### a- Debt concerns:

One of the major failure of CPEC is the potential for Pakistan to fall into a "debt trap". The projects are primarily financed by Chinese loans. China has not allowed full transparency on its financial loans to Pakistan, as there is no open source data available on the terms and conditions of CPEC loans.

### b- Security issues:

One of the primary failure the CPEC faces is Pakistan's security situation. The project passes through volatile regions, particularly **Balochistan and KPK**, where insurgent activities and terrorist threats pose a risk to the infrastructure and personnel involved in CPEC projects.

### c- Lack of Transparency:

There have been a criticism regarding the lack

of transparency in CPEC agreements. Critics argue that the terms of the loans, including interest rates and repayment schedules, have not been made public, leading to suspicions about the fairness and viability of deals.

#### d. Pressure on Pakistan:

Global financial institutions like the IMF and countries like United States have tried umpteen times to pressure Pakistan on the same.

#### e. Local industry impact:

There are concerns that CPEC could negatively impact local industries due to an influx of Chinese goods and services, potentially leading to a trade imbalance and hurting local businesses.

### 3. Conclusion:

In a nutshell, CPEC is a game changer for both the countries. CPEC has a potential to bring economic growth and

development to Pakistan. The successes and failures of this project will depend on how these challenges are addressed in the coming years.

### Question no 3

#### KSA - Iran rapprochement

##### 1 - Introduction:

The middle East has long been a region of strategic importance, marked by its energy resources, religious significance and enduring conflicts. Two of the region's most influential players, Saudi Arabia and Iran, have historically had a contentious relationship, shaped by ideological, religious and geo-political differences. The potential rapprochement between Saudi Arabia and Iran is a development of considerable significance in the geopolitics of the Middle East. This reconciliation could not only reshape the dynamics of the conflicts within the region but also have profound implication for closely tied countries such as Pakistan.

## 2- Positive implications on the conflicts in the middle East:

### (i) Middle East stability:

Improved relations between KSA and Iran could lead to a decrease in regional tension and proxy conflicts. Both countries have been involved in various conflicts in the region such as in Yemen and Syria. A reapproachment might lead to a reduction in these conflicts, contributing to greater regional stability.

### (ii) Economic impacts:

Enhanced co-operation or reduced hostility between these major oil-producing nations could influence global oil markets, potentially leading to more stable oil prices. This would be significant for countries like Pakistan that are dependent on oil imports.

### (iii) Impact on regional alliances:

The dynamics of regional alliances could shift. For instance, the Saudi-Iran thaw might impact the Iran-Pakistan

Iran relationship, especially concerning the development of regional infrastructure like gas pipelines.

#### (iv) Impact on Extremism:

Reduced Saudi-Iran tensions might also impact the sectarian landscape across the region. Both countries have been accused of supporting different sects within Islam, which has sometimes fueled sectarian violence. A rapprochement could potentially lead to a decrease in such tensions, benefiting countries like Pakistan where sectarian strife has been a concern.

### 3. Impacts on Pakistan:

For Pakistan, the Saudi-Iran rapprochement could have several key implications:

#### (i) Diplomatic role:

Pakistan has often tried to balance its relations with Saudi Arabia and Iran. Improved relations between these two could strengthen Pakistan's role as a mediator in the region, potentially enhancing its diplomatic stand.



## (ii) Sectarian Dynamics:

Both Saudi Arabia and Iran have been perceived as champions of different Islamic sects. A reduction in their rivalry might decrease sectarian tensions in the region, which could positively impact Pakistan, a country that had faced its own challenges with sectarian strife.

## (iii) Foreign policy adjustment:

Pakistan might need to adjust its foreign policy to adapt to the regional dynamics change. This adjustment could involve strengthening its ties with both nations and potentially playing a more active role in regional diplomacy.

## (iv) Economic opportunities:

Improved relations between KSA and Iran could open up new avenues for economic cooperation in the region. Pakistan could benefit from this through increased trade, investment and

possibly collaborative regional projects.

#### 4- Conclusion:

It is to be concluded that the potential rapprochement between Saudi Arabia and Iran could usher in a new era of stability and cooperation in the Middle East. This development would not only influence the resolution of long standing conflicts in the region but also have significantly impact countries like Pakistan. Pakistan's role as a mediator, its economic interests, and its foreign policy could all see substantial shifts in the wake of historical reconciliation.