

Question: 3

US-Indo Relation

Introduction

Historically, India and US did not have that much relationships, when we particularly talk about the cold-war era, during which India chose to be neutral in the whole episode. However, remained more inclined towards Russia. The drastic event of 9/11 have casted shadows upon many countries, including Pakistan. In the wake of that horrific events, US decided to align with India, which in other words has become security threat for Pakistan. Due to alignment of US with India, Pakistan have concerns over security, economy as well as its impact upon the geopolitics. Notwithstanding some crucial measures are the need of hour for Pakistan

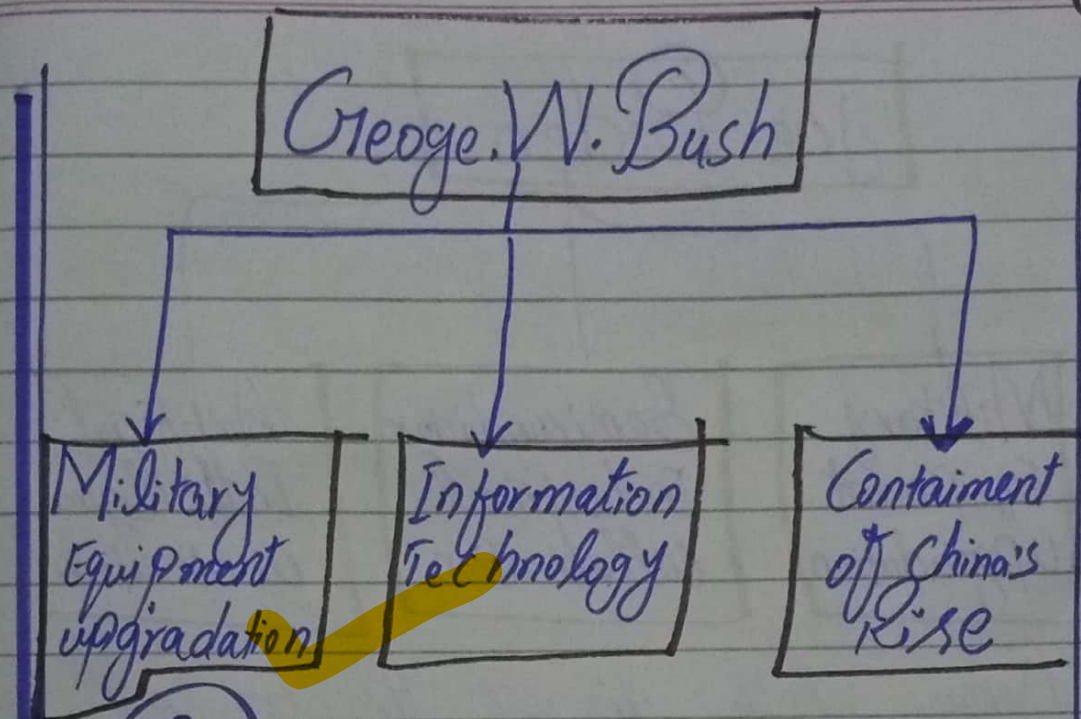
including containment of India, reducing US influence, use of regional cooperation and many other instrument to avoid repercussions upon Pakistan.

Let's discuss the whole episode with dramatic historical events.

Historical Events Leading Realignment

Phase-I

Before the horrific event of 9/11, the whole situation was in favor of Pakistan, because of Indian neutrality during cold war. But with the episode of 9/11, the corridors of US began open for India for co-operation. In 2008, George W. Bush visited India and signed the Partnership Pact. Which included

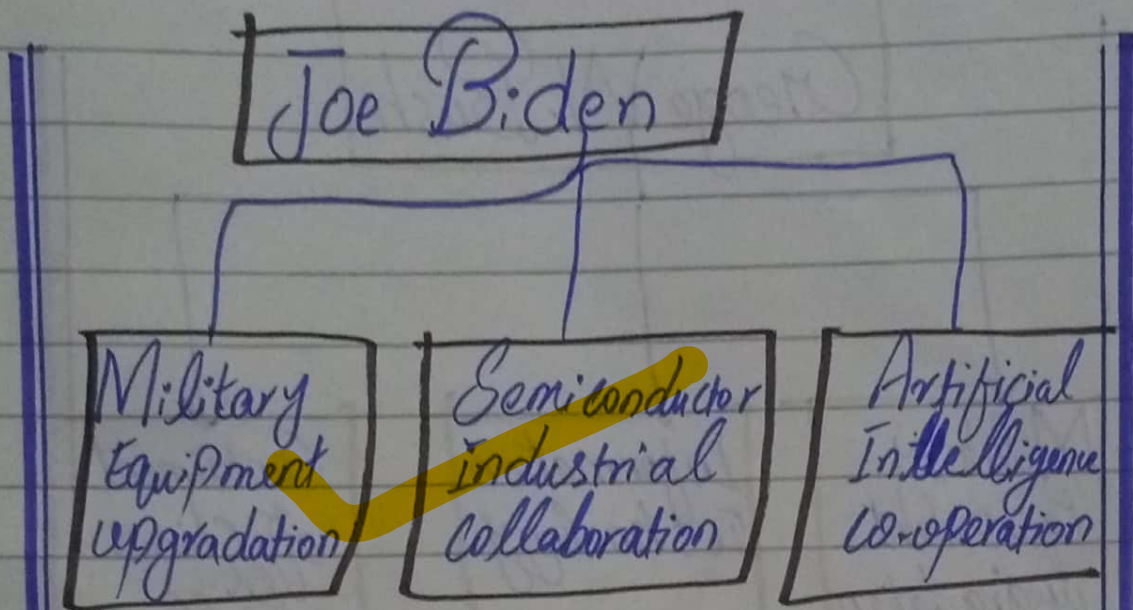


Phase-II: During 2015, the

US President Barack Obama visited India and reassured about the co-operation, which were stopped due to multiple reasons.

Phase-III: Biden's Period

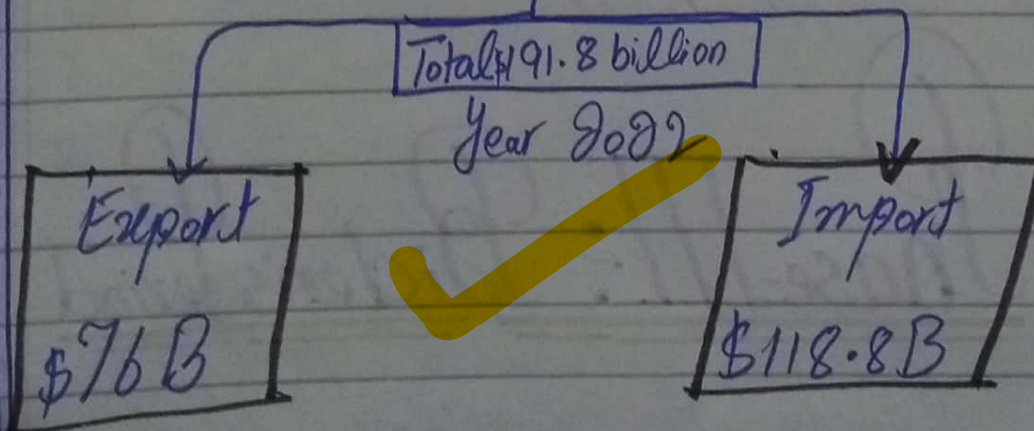
During the presidency of Biden, the collaboration on the following domain got initiated.



Now, let's discuss the trade volume of US-India, and U.S Pakistan

∴ Trade Volume:

US-India trade volume





Implications for Pakistan:

Strategic Impacts

US-India has developed a deal called Civil-Nuclear Deal. Under which US is helping India for developing more sophisticated nuclear missiles and violating Nuclear non-Proliferation Treaty (NPT).

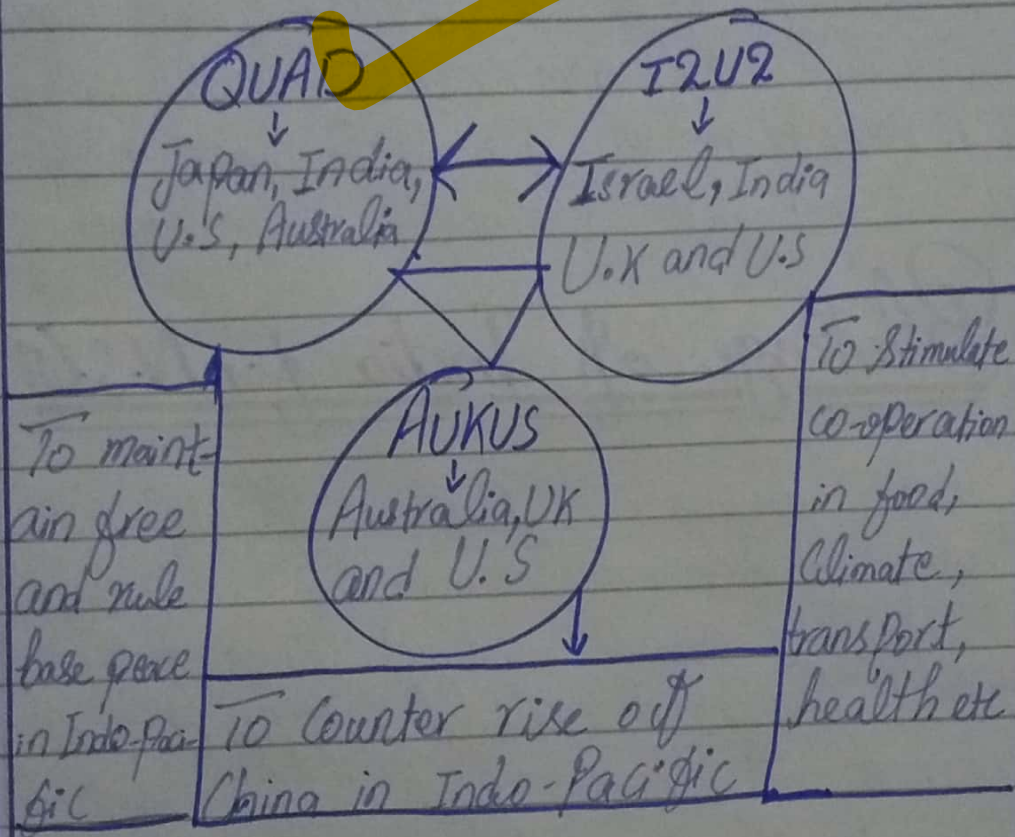
This has raised concerns in Pakistan about maintaining credible

minimum deterrence. It has exacerbated the arms race and also the development of nuclear arms race in the region. Secondly Indian have plan of spending \$130 B on military equipments upgradation in the next 5 years. While Pakistan's total defence budget or expenditure standed at \$72 B during the year 2022. Lastly, India is upgrading its I.S.R Capabilities (Intelligence, Surveillance, Reconassiance). Which has raised the concerned of Pakistan/Islamabad because U.S is facilitating India and becoming the reason of destabilisation of Indo-Pacific as well as South-Asian peace.

Political Impacts ?

The politics of ally alliance in Indo-Pacific region has become conundrum for Islamabad. In which U.S is helping India to

make new strategic alliances
Owing to counter China. But it has
become threat for Pakistan.



So all these forms of alliances
are becoming alarming and posing
threat in the geopolitical space
of Pakistan.

Counter Measure

Restrain Indian hegemonic
design: In order to restrain Indian

hegemonic design Pakistan should adopt the US/China strategy in which they first build themselves domestically and strategical. Meanwhile political and democratic stabilisation is necessary to avoid Indian aggression at international forums.

Blockage of India for N.S.G

India being a partner of U.S is trying to become member of nuclear supplier group without signing the NPT. Pakistan should support the stance of China about N.S.G at International forums.

Reduce US Influence

Pakistan can reduce influence of US in South-Asia by building all kinds of bilateral relations with China and Russia. Meanwhile a need of Multilateral relations with other countries is also necessary.

Right Use of Organization

SAARC: South Asian Association and
Regional Co-operation

SCO: Shanghai Co-operation
Organisation

For the purpose of regional support
to avert Indian hegemony.

Similarly exploits the platform
of O.I.C with Pan-Islamism.

Conclusion

Although, the realignment of
U.S with India is now posing
existential threat to Pakistan, with
advent of support in multiple fields
including I.T and military equipment
upgradation. This implies threat to
Pakistan strategically as well
as economy and politically.

Thus to avert the overall hegemonic design of India, the proposed measures including use of regional and International forum should be exploited, with 1st building strong bilateral relation with different countries and primarily with China and Russia.

SIFC And FDI

SIFC: Special Investment Facilitation Council

FDI: Foreign Direct Investment

Introduction

Pakistan, being developing country is grappled with multifaceted economic problems, ranging from debt services

to shortage of FDI. Which has hindered the country's ability to perform efficiently. In the midst of crises, the initiative from the government for 'ease of doing business' by introducing SIFC has broader perspective for Pakistan, including employment to reduction in inflation, help for debt and many other. However, there exists some issues, which should be incorporated timely to avoid any uncertainty in future.

Let's discuss the overall SIFC in detail and explore opportunities for Pakistan in the context of FDI.

SIFC Outlook's

i- Promised Amount in the next five years ÷ \$ 60 B (As per 'The Dawn News')

ii- Pakistan Peaked historic FDI was: \$ 5.4 - during 2008 (As per The Dawn News)

iii- Under SIFC it is expected that

misplaced structure
avoid existing

annually, Pakistan will receive about \$12B in the context of FDI.

Pakistan received FDI in 2023:
\$ 1.5 B (As per The Dawn news)

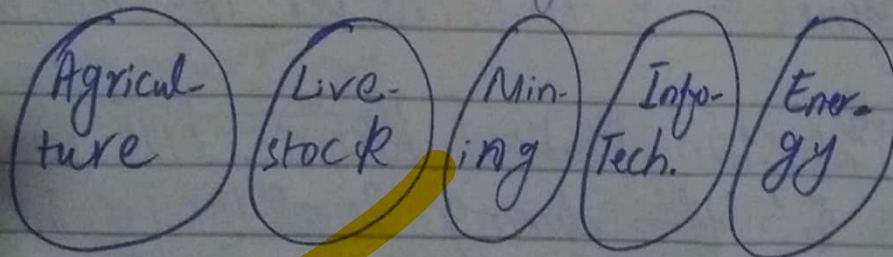
Purpose of STFC

The purpose of creating STFC includes

- i- One Window operation
- ii- To avoid red-tapism
- iii- To remove bureaucratic hurdles.

Concerns Areas of STFC

There are five areas in which STFC will jointly work to avoid any kind of hurdles for ensuring FDI.



Pledge / Promised Amount

By K.S.A / UAE

The overall investment will be made by K.S.A / UAE in the fields of green and brown. The amount promised stand at \$25B / in the space of five years.

Synchronisation of SIFC and CPEC

The overall spectrum can be enhanced by synchronisation of SIFC and CPEC to invite FDI from China. The working on CPEC has now slowed because of the issues which the SIFC is trying to resolve. So it would be better for Pakistan / CPEC as well as for China / OBOR.

ISSUES OF SIFC

As SIFC is directly headed by army chief as well as has the direct involvement of army, but they lack requisite economic background. Which can become the reason of failure.

Secondly the initiative of SIFC began without making necessary structural reforms, due to which already many projects faced hurdles.

Significance of SIFC

For Pakistan

It will increase employment opportunities.

It will help Pakistan to come out of debt trap.

It can enhance the investment friendly environment for Pakistan.

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It can exclusively become the back bone of Pakistan's economy with FDI attraction.

• It assures the continuity in policies which is the primary requirement of investors.

Thus SIFC can have leading role in the Pakistan's economy if not get involved in malpractices and not face issues due to change of command, both political and Army.

Way-Forward for SIFC

The monitoring and decision making of SIFC should be handed over to political people/Minister.

There should be consultation of Parliament committees in the decision of SIFC.

An annual evaluation committee should be made, comprising all

heads of political parties.

Conclusion

The prospects of SIFC are bright for Pakistan, in which a promise of allowing business in a space of 15 days is made. While looking at the malpractices amongst institution, the initiative of SIFC working as one window will be source of FDI attractions. However, the issues mentioned should be avoided for the success of SIFC. Without which almost like other projects, it will go in vain.