

SECTION-II

QUESTION NO: 07

INTRODUCTION: CPEC PROJECTS ARE SLOWING DOWN

China Pakistan Economic Corridor (CPEC) is \$62 billion project launched in 2013 to achieve economic integration and progress in the region. Over the period of time CPEC has lagged behind in transitioning from Phase-I to Phase-II in Pakistan. Various factors including an acceleration in insurgency, economic fragility, political instability, as well as regional factors come into play. Implementation of proper reforms in the form of provision of security strengthening, stabilising economic indicators and regional conducive environment needs to be done. Therefore, the deceleration in the

project development of CPEC needs
to be taken care of.

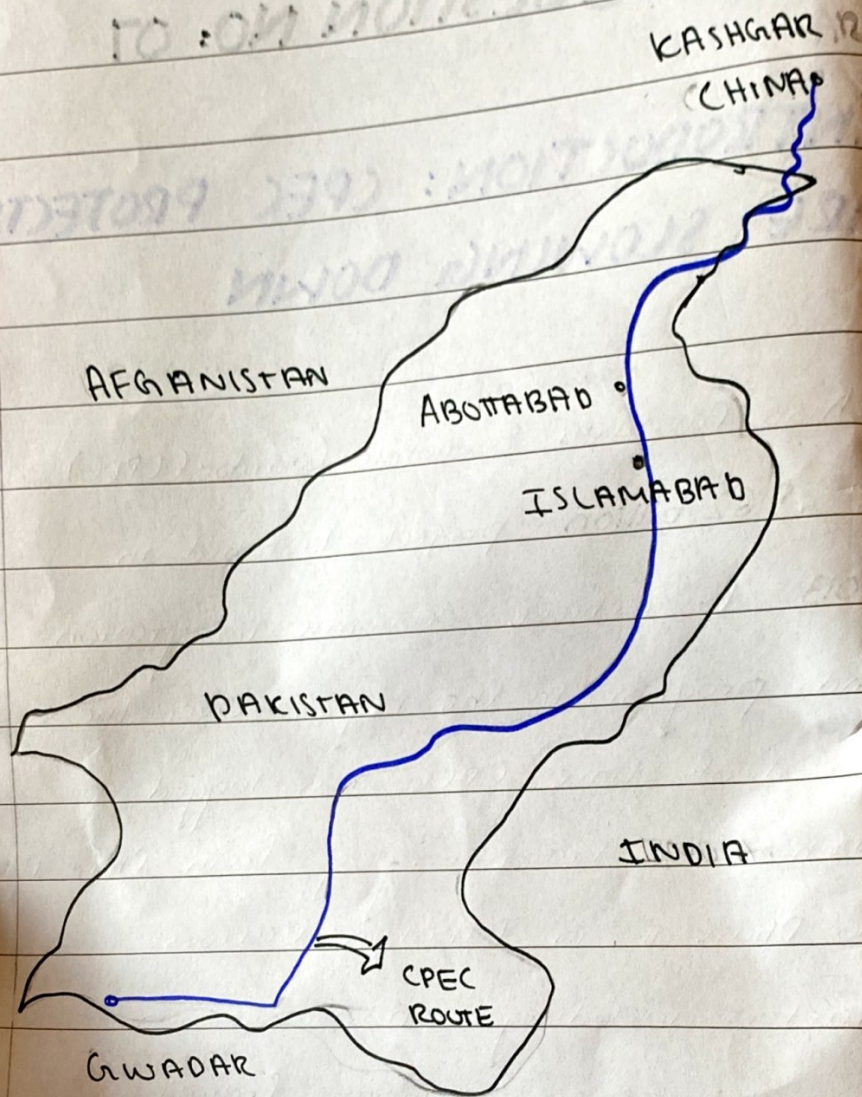


FIGURE: SHOWING CPEC

ROUTE (GWADAR-KASHGAR)

**REASONS FOR SLOWING
OF CPEC PROJECTS:**

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There are various reasons involved in slowing of CPEC projects including domestic and regional factors.

(i) Acceleration in insurgency in Balochistan region:

An increase in region of Balochistan is seen due to insurgent activities, targeting Chinese workers.

Example:

Baloch Liberation Army attacked Gwadar Port in March, 2024.

(ii) Economic fragility in Pakistan:

Economic indicators have slowed down the investment in projects from the government side.

Example:

Pakistan has 'acceleration' increased taxation around 40% which enhances investment - tariff barriers.

(iii) Political instability in Pakistan:

Political instability in the region discourages the Foreign Direct Investment (FDI) in the country.

Example:

The overthrow of the government last year, showing a hastening change of regime has shown contributed to political instability of country.

(iv) Restrictions imposed from IMF:

Procurement of the 23rd IMF program places restriction on the position of Pakistan in allocating budget to Chinese Investment Program.

Example:

Pakistan assured IMF that it will not allocate additional budget to settle Rs 493 billion dues of Chinese power plants.

(v) Burden of allocating money in special fund:

Government of Pakistan is under pressure to allocate sufficient fund to keep Chinese investors immune from circular debt. This also slows down investment in CPEC projects.

Example:

2015 Energy Frameworks Agreement of CPEC binds Pakistan to contribute in special funds

(vi) Projects not in alignment with environment conservation policies:

Certain projects of CPEC are raising questions about the sustainable and environment friendly energy production.

Example:

Establishment of 1320 MG Watt

Coal fired power plant in Sahiwal
will require import of coal from
South Africa which raises is
& adding export burden and
release of toxic gases into environment.

(vii) The fate of ~~the~~ projects under question:

The fate of completion of
projects under the accruing
debt is alarming. The conditions
to be followed in terms of
failure of debt repayment remains
questionable.

Example:

The recent seizure of Hambantota
port of Sri Lanka by Chinese
for 99 years is creating an
apprehensive situation.

(viii) Capacity building and professional skills in Pakistan are low.

The capacity of capacity building

and professional skills lies on the side of government.

Example:

Slow and transition from phase I to phase II of CPEC.

(ix) Region instability Surrounding CPEC:

CPEC project also takes Afghanistan, Iran and CARs under its influence. Regional instability in this regard affects CPEC.

Example:

Taliban take over in Afghanistan has exacerbated cross border conflicts and an unrecognised regime in the region.

(x) Sanctions on the neighboring countries:

Sanctions on the neighbouring countries tone down trading pace.

Example:

International Sanctions on Iran
adversely affects CPEC development

RECOMMENDATIONS TO COUNTER SLOWING OF CPEC PROJECTS:

① Enhancing the role of National Security Action Plan:

Foremost, the security framework
of the country needs to be bolstered.

For this reason, kinetic - and non-kinetic
portion of NAP should be enhanced
to give protection to CPEC projects.

② Tackling the menace of accruing debt:

Government of Pakistan should tackle
debt servicing to enhance allocation
towards CPEC investment projects.

③ Providing political stability:

Political stability should be provided

to attract investment in the country
and prevent retraction of China's part
in CPEC.

④ Cross border conflict resolution.

Cross border conflict in the region
with Afghanistan needs to be
tackled with border fencing and
negotiations with IFA.

⑤ Rivalry in the region needs to be toned down.

Rivalry in the region needs to
be transformed into integration.
Chabahar port, close to Gwadar,
should be transformed from
position of rival into an alliance.

CONCLUSION:

Pakistan stands at a critical
juncture which has slowed down
the pace of CPEC projects
considerably. Several factors
domestic and regional are

Contributing to this. Proper
Implementation of action in
form of tackling terrorism,
enhancing security and political
stability needs to be done.

QUESTION NO. 08

INTRODUCTION: CHANGE IN US POLICIES AFTER TRUMP WINS

A major overhaul will be seen
in the US foreign policy in case
if Trump wins to take Presidential
Seat. Trump 2.0 governance would
be marked with the possibility of

~~accelerating support towards~~ mediating
peace in ^{Soviet} Ukraine war,
accelerating support towards
& Israel in Middle East, looming
question of exiting NATO and

enhancing the restraining
strategies against China and
protectionism in terms of exiting
climate policies. Hence, a shuffling
of global political framework will be seen.

CHANGE IN US POLICIES UNDER TRUMP 2.0.

(i) Trumps decision regarding Ukraine:

The increasing imbraglio of Sino-
Soviet-Ukraine war will be tackled
by Trump in form of halting the
military assistance to Ukraine,
if Ukraine fails to enter peace talks.

Example:

Recently, the Republicans raised
concern about the but Ukrain aid
allocation in Congress. Furthermore,
former chiefs of Trump's National
Security Council have drafted a
similar plan waiting to be agreed
upon by Trump.

(ii) Possibility of exiting NATO:

Trump has been a vocal critic of NATO in the previous government as well. He is against the expansion of NATO at the expense of US.

Example:

Trump has previously called for equitable contribution towards defense expenditure in NATO.

He has raised questions about the fairplay of European states and wasting of US Treasury in this regard.

(iii) Accelerating Support towards Israel in Middle East:

In Middle East policies Trump is expected to enhance support towards Israel in Middle East.

Example:

Trump has ~~not~~ passed a remark of "finishing their business" to Israel.

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(iv) Isolating the position of Iran:

Trump is known for reneging on ~~ag~~ agreements and deals.

Therefore, he is showing possibility of secluding Iran in Middle East Policy.

Example:

Previously trump has backed out from Iran's Nuclear deal.

(v) Restricting the expansion of China:

Trump will further strengthen program aiming at constraining China's vision of 2030.

Example:

Decoupling the growing ties of Moscow and Beijing through an end in Soviet-Ukraine war.

Moreover, Indo Pacific Security Strategy framework emerged.

during Trump's era

(vi) Possibility of renegeing on Climate policies:

With a vision of 'America comes first' there is a possibility of withdrawal from any climate agreement that slows down the progress of US and demands more from US treasury

Example:-

Trump exited from Paris Agreement in 2017.

CRITICAL ANALYSIS:-

With the possibility of beginning of Trump 2.0 era, a major shift in policies regarding Ukraine, Middle East, China, and Climate Change are expected. With a protectionist inclination and chanting of America comes first slogan, there is a major chance of

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seeing polarisation to Biden's policies.

Trump can stifle the flow of aid towards Ukraine due to

enhanced depletion of treasury.

Along with this, possibility of raising an alarm for exiting NATO, on the

basis of demand of equitable

share from European countries,

Supporting : Israel and restricting

China's presence expansion are

expected to be seen

CONCLUSION:

With change of governance,

the policies will also shift.

Dictating Following the pursuit

of Trump, if elected, as the

"America comes first" slogan. Trump

wants the conflict resolution which

are depleting US' funds, wants

to establish its foot in Middle East, to

be in control of China South China's

Sea game and turning a deaf

ear to climate change chants.

Hence, reelection of Trump
will see a major shift in
geopolitical arena and
domestic policies.

QUESTION NO: 63

INTRODUCTION: FUTURE WOULD BE TECHNO-POLAR.

With the rise of technological
use in contemporary world,
the dominance in tech-domain
is the hallmark for leading the geopolitics.
Technological sector containing
AI powered technology, 5-G network
advancement, production of semi-
conductors and environmental friendly
electric vehicles calls for attention,
as the shuffling of power
in contemporary times is dictated

by technical knowledge. Therefore,
the future of world order is
alignment with technological
prowess.

DOMINATION IN TECH- NOLOGY REQUIRED FOR LEADING THE WORLD:

The growing ambit of tech-advancement
has lurches the developed
countries into an orbit of race
to acquire the position of
leading the world. There are
several reasons involved in this,
as follows:

(i) Domination of Artificial Intelligence:

AI is marking its presence
in every aspect of life. The
growing presence of AI calls
for the developed worlds to
be expertise in AI skills.

Example:

US has accelerated its AI Chip war with China, as China has 13 of 15 critical technology's patents.

(ii) Semi-conductor war:

The growing use of semi-conductor has positioned US against China, as Taiwan is the largest producer of chips at the moment.

Example.

US has adopted CHIPS Act which is aimed at redirecting CHIPS production back towards US and imposes sanctions on China.

(iii) Growing requirement of Electric - Vehicles:

Adoption of green policies has enhanced the growing requirement of Electric vehicles. China's lead in this sector is facing growing

Sanctions from around the world

Example:

Chinese electric vehicles manufacturing
confronts new European Union

Tariffs.

(iv) **The increasing demand of 5-G network:**

The increasing demand of 5-G network reflects the need of race dominance ~~to~~ among developed states.

Example:

China's tech giant Huawei is facing tech ban from its adversaries including US and European countries.

(v) **Space-tech race:**

The space race to show geopolitical power has involved countries in marking presence in space.

Example:

South Korea is planning to launch its space agency to show space-tech dev's progress.

(vi) **Cyber-security strengthening against fifth generational warfare:**

With advent of fifth generational warfare, the today's time calls for the strengthening of Cyber-security and AI regulation framework.

Example:

Ratification of Cyber-security laws in US and China.

CONCLUSION:

Tech-world demands for the rise of technological advancement. Whoever will lead the race, will steer the world order. The likes of dictating position of

power is dictated by the tech-world.
Therefore, the rising competition
of developed worlds regarding
AI progress, the semi-conductor
production, electric vehicles
and cyber-security framework

QUESTION NO:05

INTRODUCTION: THE BUDGET OF YEAR 2024-2025

The reveal of this years
budget has ~~been~~ placed
Several aspects at the forefront
to be analysed. ~~It~~ An upsurge

in the tariff ~~and~~ imposition,
meagre allocation of budget
to health and education sector,
taxing - the ones already taxed,

exemption of agricultural
subsidies, is evidently seen.

Hence, several aspects of
this year's budget requires
analysis.

EVALUATION OF 2024-2025 BUDGET OF PAKISTAN:

(i) Issue of allocation to debt servicing:

Major portion of Pakistan's
budget is utilised or aimed
at tackling the menace
of debt servicing.

Example:

Allocation for interest repayment
is Rs 7.5 trillion.

(ii) Inability to widen the tax base:

Taxing the ones who are
already taxed will hamper

the widening of tax base.

Example:

Salaried class is heavily taxed as opposed to industrial sector.

(iii) **Upsurge in tariffs:**

Unprecedented increase in ~~tax~~ tariffs suffocates the investment and trade growth.

Example:

Direct Tax rise by 48% and indirect by 35% (Finance Bill 2024-2025).

(iv) **Decrease allocation to education and health sector:**

Meagre amount is allocated to health and education sector.