

Q:7 (15M)
The one china, two system policy is a principle developed by Deng Xiaoping, the leader of People's Republic of China (PRC) in late 1970s. It suggests that there is only one china, but it allows for the existence of two separate systems of governance: one for mainland china, governed by Chinese Communist Party (CCP), and another for Hong Kong and macau, which have their own economic and administrative system, but ultimately fall under Chinese sovereignty.

The US policy towards Taiwan has been historically governed by Taiwan Relation Act (TRA), passed in 1979. While the US officially recognizes the People's Republic of China as the sole legal government of china, it also acknowledges the importance of Taiwan's security and welfare. The TRA ensures that the US continues unofficial relations with Taiwan for its defense and accelerates the participation of Taiwan in international organizations.

However recent activities such as arm sale to Taiwan and official visits have changed US-china relations and further complicated the situation.

③ The possible complications of the US policy towards Taiwan include:

① Increased US support for Taiwan could give birth to strong response from China, which leads to increased military tensions in the region.

② Economic impact: Growing tensions between the US and China over Taiwan could disrupt global supply chains and negatively affect trade relations between the two countries, as well as nations in the Asia Pacific region.

③ Diplomatic isolation: By continuously supporting of US for Taiwan could lead to diplomatic isolation for Taiwan internationally as China create pressure on other countries to leave ties with Taiwan.

④ Risk of conflict: Any misstep from either side could lead into military conflict.

Recommendations or

① Diplomatic Engagement: To encourage dialogue between US, China and Taiwan to address concerns and find a good solution to the problem.

- ② Strategic Restraint :- Exercise caution and restraint in actions and statements that could further escalate tension or provoke a crisis.
- ③ Multilateral approach :- work with regional partners and international organizations to promote stability and security in Asian region and find diplomatic solution to disputes.
- ④ Respect for international law :- uphold the principles of international law, including the UN Charter and the principle of non-interference and peaceful resolution of disputes.
- ⑤ Confidence-Building Measures :- Implement confidence based measures and mechanism to reduce the risk of accidental military encounters and promote trust and cooperation between the parties involved.

Q 8: CPEC is expecting huge foreign direct investment in Pakistan from the middle east and china. How do you see the chance of investment in Pakistan?

Ans The potential of significant foreign direct investment (FDI) in Pakistan from the middle east and china presents both opportunities and challenges.

OPPORTUNITIES

- (1) Strategic Location - Pakistan's strategic location makes it an attractive destination for investment, it serves as a gateway to central Asia, south Asia and middle east.
- (2) Economic Potential - Pakistan has untapped economic potential in various sectors such as energy, infrastructure, agriculture and technology, which could attract foreign investors looking for new opportunities.
- (3) China-Pakistan Economic Corridor (CPEC) -
The CPEC initiative a flagship project of China Belt and road initiative (BRI), has already attracted substantial Chinese investment in infrastructure development.

(4) Government Reforms:- The Pakistani government efforts to improve the ease of doing business, implement investor-friendly policies, and address security concerns could enhance investors confidence and attract FDI.

Challenges :-

(1) Security Concerns:- security challenges including terrorism and political instability may deter some investors from committing to long-term investment in Pakistan

(2) Deficient Infrastructure:-

Inadequate infrastructure, including transportation, energy and transportation and telecommunications poses challenges for investors and could affect the viability of investment projects.

(3) Regulatory Environment:- complex regulatory procedures, bureaucratic red tape and inconsistent enforcement of laws can create barriers to investment and hinder business operations.

④ Economic uncertainty - Pakistan is facing economic challenges, including inflation, fiscal deficit, and a balance of payment crisis. It can affect investors' confidence and the stability of its investment environment.

⑤ Governance issue - Corruption, lack of transparency and governance issue remains significant challenge that could undermine investors' trust.

Q:4 India-middle east Europe economic corridor is projected as competitor to the Belt and road initiative of China. Critically evaluate the potential and the future prospects of the two projects.

Ans:- BRE VS IMEC - BRE was launched in 2013. It is the biggest infrastructure project of 21 century comprising 6- corridors that will connect different parts of Asia on one hand and Europe on the other. These corridors will comprise upon investment in transport, energy, industry and agri sector. IMEC on the other hand is Saudi Arabia led supported

by US, India and Europe. its primarily transportation projects that will connect Asia with Europe. Both ~~the~~ The projects are being compared by geopolitical and geo economic scientists.

BRI vs IMEC

(1) Investment in Transport sectors-

Both the projects are primarily transport based projects. BRI is the project of China comprised upon 6 corridors (China, central Asia and Europe, China central Asia Iran corridor, ASEAN corridor, China ASEAN economic corridor, China, India Bangladesh and Myanmar economic corridor and China Pakistan economic corridor). This project is primarily comprising upon bullet train projects, dry ports, network of motor ways and highways and series of seaports around the world. will be built under BRI. on the other hand IMEC is ship and train corridor where dependency on the traditional sea routes are maximum from India to UAE. it will be the same sea route and from Israel to Greece through mediterranean sea. The major focus is on bullet train projects from UAE - Saudi Arabia - Jordan - Israel. In BRI there are multiple routes while in IMEC there are one route.

BRI vs IMEC.

a) Investment in energy sector:

After transportation BRI is focusing on investing in energy sector. There is an increase in investment in the hydrocarbon sector of Russia, CARs, Iran and middle east. Both in exploration and pipeline sector. This initiative also focus on clean energy projects like solar, water, hydrogen and even civil nuclear projects. Investment in hydrocarbon sector is to meet demand of china while investment in the clean sector is to promote decarbonization efforts and find new markets for solar and wind market of china.

IMEC does not mainly focusing in the hydrocarbon sector, but there is more focus on transportation of hydrocarbons through trains and ships. Furthermore, it will focus more on climate by investing in clean energy projects especially in solar and wind projects. Here china is and will be the major investor in energy.

b) Investment in industrial sector:

One of the major focus of the BRI is the investment in the industrial zones across Asia eastern Europe and Africa. There would be approximately 200-250 industrial zones built under BRI most of these zones will in south Asia,

Central Asia, ASEAN and Eastern Europe. On the other hand IMEC does not focus on industrialization. It is mainly a transport project where India, Saudi Arabia and Greece will be the major center of project.

(4) Investment in Agri sector: one of the main objectives of BRI is promoting the agri production of neighbor countries primarily in South Asia Central Asia and ASEAN. IMEC have no focus on agri sector. India itself is focusing on enhancing to increase its agri capacity. Europe has already increased while middle east is mostly desert area.

(5) Future of Tourism: it is one of the major contributors in global economy. one of the ~~major~~ major aim of BRI is to promote tourism in all member nations. IMEC will also promote tourism. India and UAE are already attracting million of tourists each year. Now USA is also focusing on tourism by building neon projects.

BRI vs IMEC

Are they truly in competition with each other?
The Indian American and Central European geopolitical scientist are trying to project IMEC as competitive project of BRI. They think

That IMEC will potentially challenge BRI in doHS to come to undoubted that we need to at certain facts. A series of motorways and highways under CPEC, Central Asian and ASEAN has already been completed or under construction. A series of dry and sea ports are either being completed or under construction. on the other hand there is not a single project under IMEC either announced or initiated.

Furthermore, there has been an investment of more than 200 bn USD by china under BRI. Around 30 bn USD is invested in Pakistan under CPEC. more than 40 bn USD in cars, at least 15 bn in Iran and 10 bn in Bangladesh. and process of investment is still continued at least 1.3 trillion USD will be invested in coming decades. IMEC still not completely drawn on the paper. it was announced in G-20 meeting in India in 2023. The total investment announced by KSA will be 30 bn USD in IMEC. US and Europe facing economic crisis to invest in corridor, India does not have enough money supply, KSA and UAE also does not have capacity to make IMEC compete with BRI

* ————— *