

Q. No 4

Answer

Introduction

Pakistan's economy is in fragile situation. There are multiple factors that are responsible for weakening the economy of Pakistan. One of the major reasons is structural issues. Pakistan's economy needs structural reforms in agriculture, industry, IT, power sector and Tax system of Pakistan.

Agriculture Sector

Agriculture sector is called as the backbone of Pakistan's economy. But, unfortunately, its share in gross domestic product has declined from 60% in 1960's to 24% in 2024.

Irrigation system Defects

Although, Pakistan irrigation system is renowned as one of the best irrigation systems

in the world. But, despite it approximately 40% of water is lost during supply to crops.

Water Stressed Pakistan

World Bank report 2023, placed Pakistan in water stressed countries. In such daunting situation 40% water loss cannot be borne.

Fertilizer Crisis

Pakistan has only one fertilizer manufacturing industry. Pakistan has to import fertilizers to fulfil its need. Per bag price of fertilizer is about Rs. 5500. Poor farmers are unable to afford it.

Lack of Mechanization

In Pakistan, farmers are not using state of the art machines that is reducing per acre yield in Pakistan.

Pakistan can ramp up agriculture productivity by adopting structural reforms

Consolidate
Small land
holdings

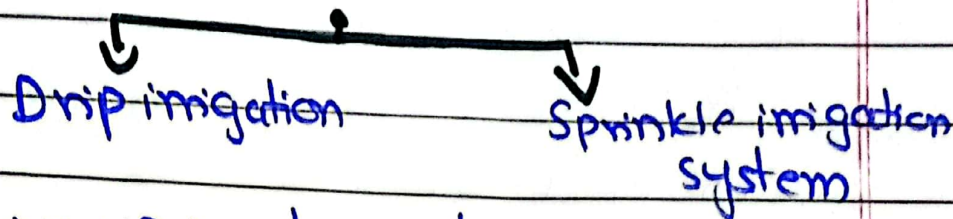


Irrigation reforms

Promote Mechanization

Irrigation Reforms

In order to improve it, Pakistan needs to adopt



Drive up Mechanization

There is a dire need to mechanize the whole agriculture sector of Pakistan. For this purpose, government needs to provide tractors, harvesters, threshers, etc at low rates with subsidies.

Consolidate lands

According to agriculture experts, About 9 million farmers hold less than 12.5 acres of land. There is need to consolidate fragment pieces of land in order to ease mechanization.

Industry Sector Reforms

Establishment of Industrial Banks

Although, industrial sector banks exist in Pakistan. But, new banks are need of hour. Industrialists are compelled to borrow loan at high interest rates of 21% from commercial banks due to ineffectiveness of already established industrial banks.

High Electricity Prices - Industrial decline

In Pakistan, industrial sectors are under deep water due to high electricity prices. As per unit electricity is Rs. 65, highest in South Asia, 3rd highest in world. The prices should be lowered to ramp up industrial productivity

electricity $\xrightarrow{\text{Lifeline}}$ Industry

IT Sector

Encourage IT Startup

Pakistan has to promote IT start up culture in Pakistan to harness the potential of youth bulge. According to Ministry of IT, about 25000 IT professionals are graduated every in Pakistan. But, they lack IT platforms to initiate IT work.

Un-interrupted Internet Supply

Pakistan has severe issue of internet disruption. In 2024, about 3bn\$ are lost due to internet disruptions. Pakistan has to do agreements with China, USA etc in internet infrastructure.

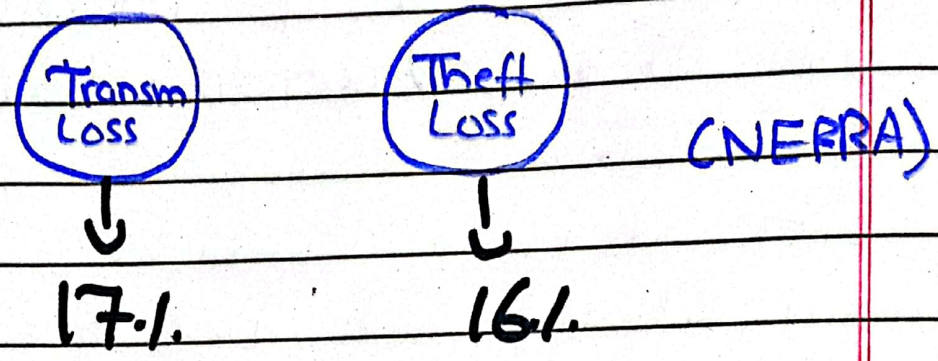
Power Sector

Re-Negotiate IPP's Agreements

Pakistan's energy sector is weakening due to the burden of IPP's agreements. Pakistan

- has initiated the negotiation process in 2024, to end deadliest conditionalities.

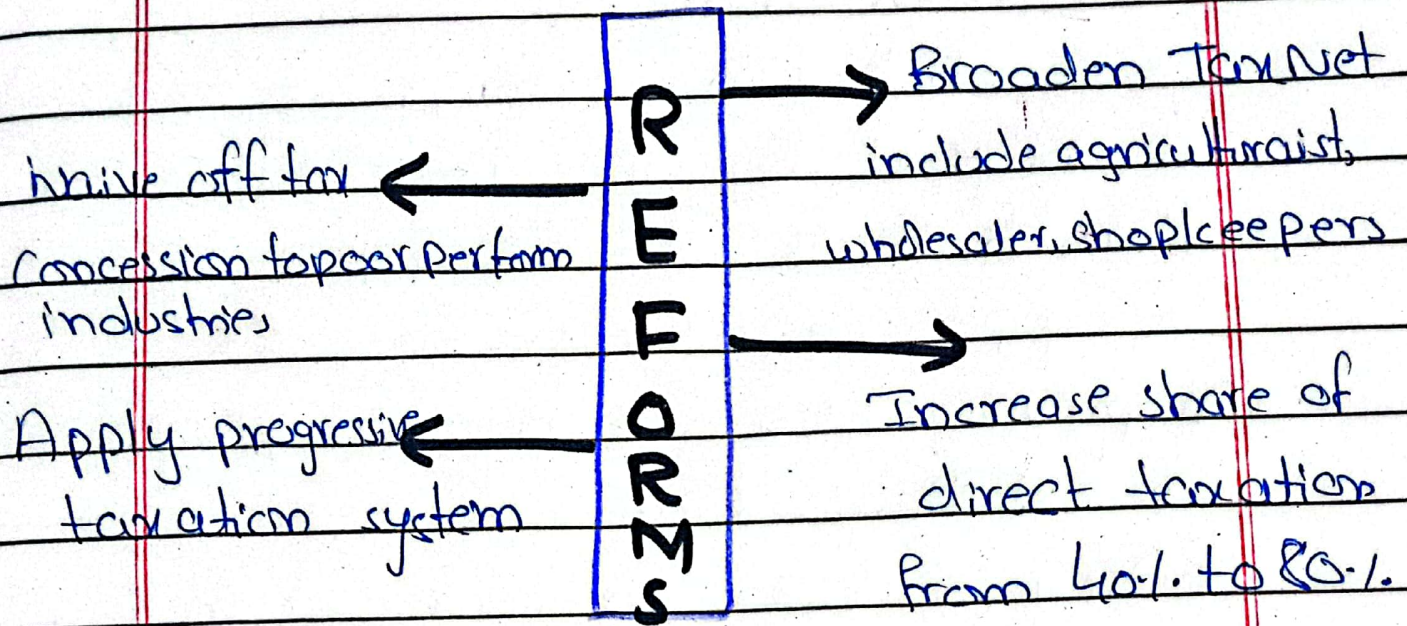
Reduce Transmission Losses And Power Theft



For countering it, punitive punishments should be given to those involved in theft. Improve transmission infrastructure to reduce 17% loss.

Tax System

Pakistan has worst taxation system in world. It is burdening those who are already paying tax instead of taxing untaxed segment.



Conclusion

Structural reforms in the key sectors of Pakistan can save it from the brink of destruction and re-rail the de-railed economy of Pakistan

Q No. 6

Introduction

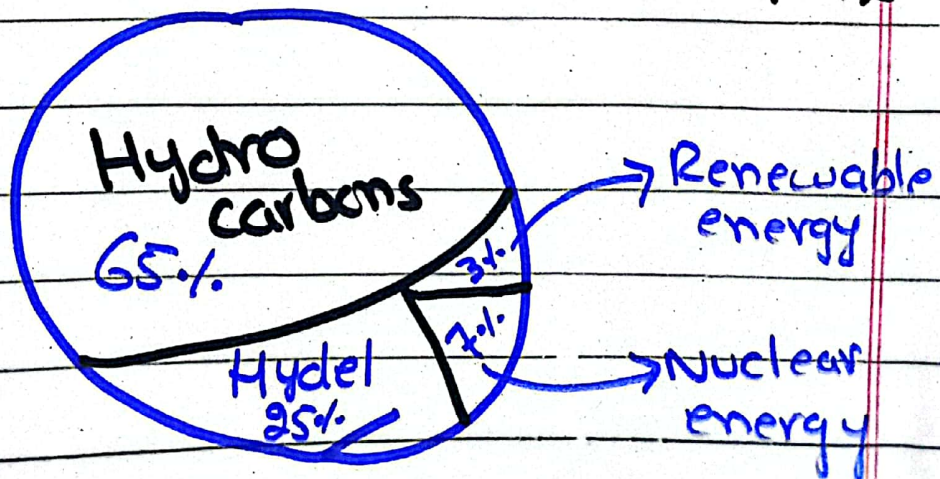
Pakistan's energy sector is hanged by the thread. Its condition is deteriorating with every passing year, instead of improving. However, by adopting a holistic and prudent energy policy, Pakistan can cut the guardian knot of energy crisis.

Issues of Energy Sector

1) Hydrocarbon's dependency

Pakistan's energy mix is highly dependent on hydrocarbons, especially imported fossil fuels

Ministry of Power Report of Energy Mix



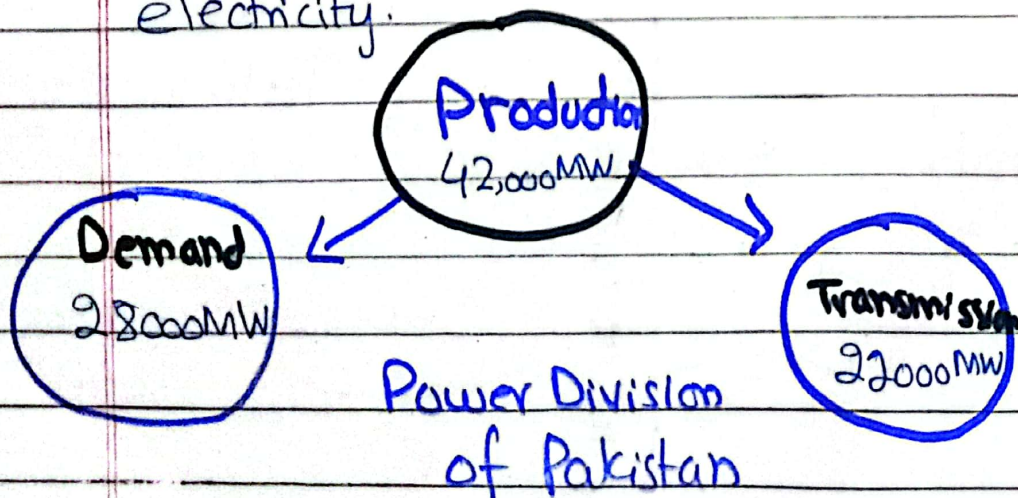
According to Economic survey of Pakistan, fossil fuel imports costs Pakistan about 20-22 bnd\$ annually.

Transmission And Distribution Losses

According to NEPRA, approximately 17% transmission and distribution losses are bore by Pakistan annually. While, in countries like India, Bangladesh, it is less than 5%.

Low Transmission Capacity

Another important issue of Pakistan's energy sector is low transmission capacity of electricity.

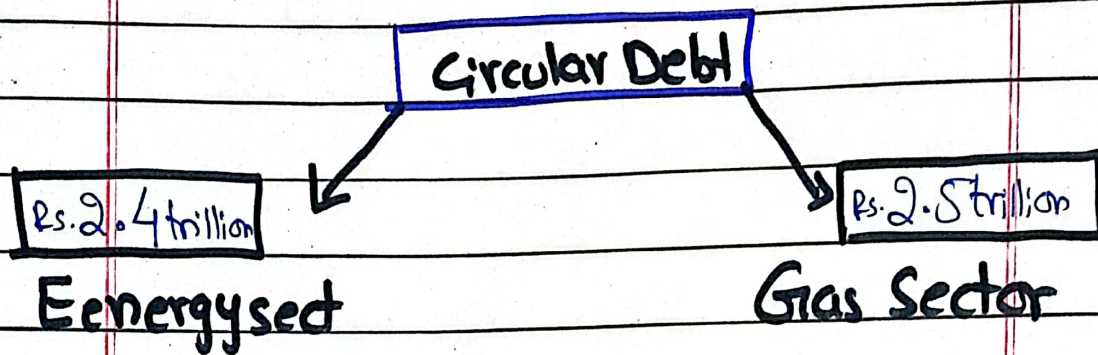


It is necessary to withdraw

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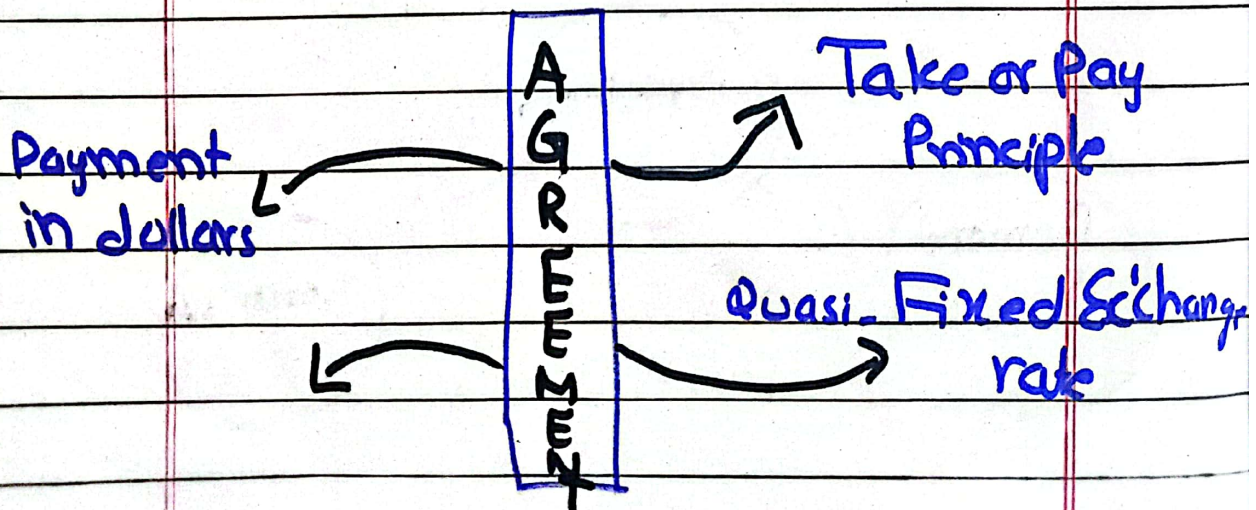
Circular Debt

Pakistan is facing a huge volume of circular debt. This debt is cutting the roots of energy sector. According to Power Ministry,



Agreement with IPPs

IPP's have become the ghost for Pakistan's economy. 1994, 2002, 2013 IPP's have done a great damage to Pakistan.



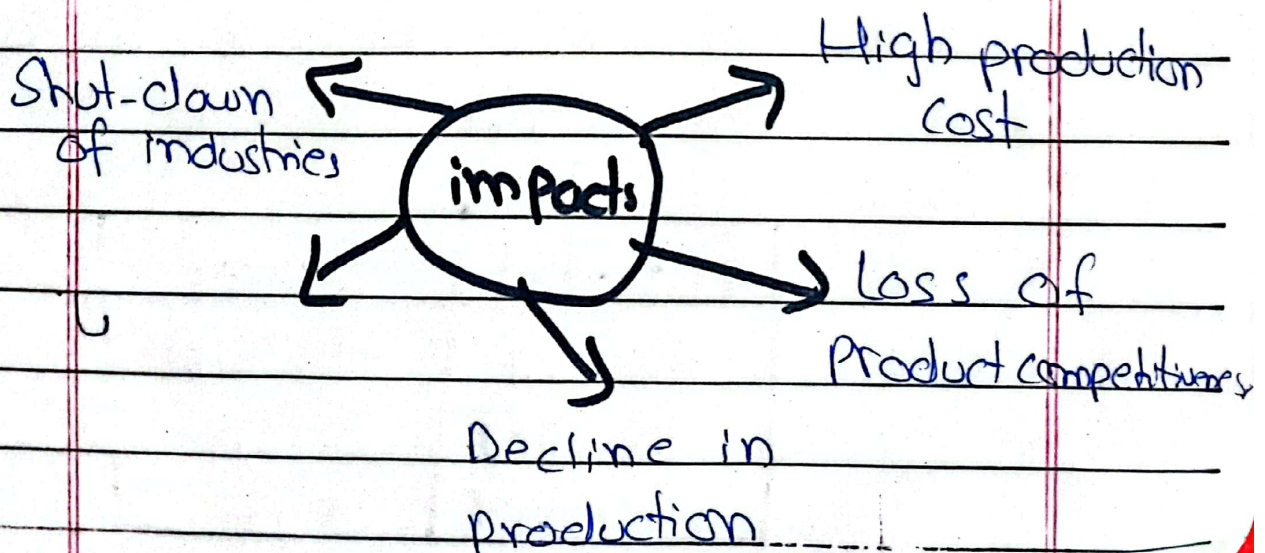
Implications

Agriculture Sector

High electricity prices are impeding the mechanization in agriculture sector. Moreover, it has raised the prices of fertilizers to Rs. 5,500 per bag.

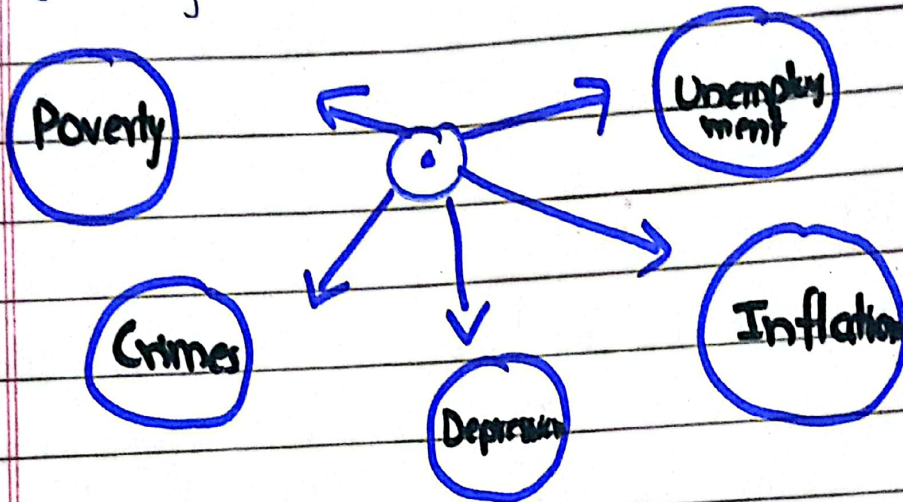
Industry

Industry sector is worstly affecting due to energy crisis. According to experts, about 200 companies have ended their working system in Pakistan in 2023 due to unbearable electricity prices hike.



Domestic Sector

Domestic sector is also severely affecting due to energy issues. They are facing multiple issues:



Recommendations

1) Shift to Renewable Sources

There is crucial need to shift Pakistan energy mix. Pakistan has huge potential of renewable energy

Potential	Sources
60GW	Hydral
50GW	Solar
40GW	Wind

To Harness it

Invest on building wind turbines

Establish solar parks

Construct large and small dams

1) Invest in Transmission Sector

In order to reduce transmission losses, Pakistan should sign deals with foreign countries in improving transmission sector infrastructure.

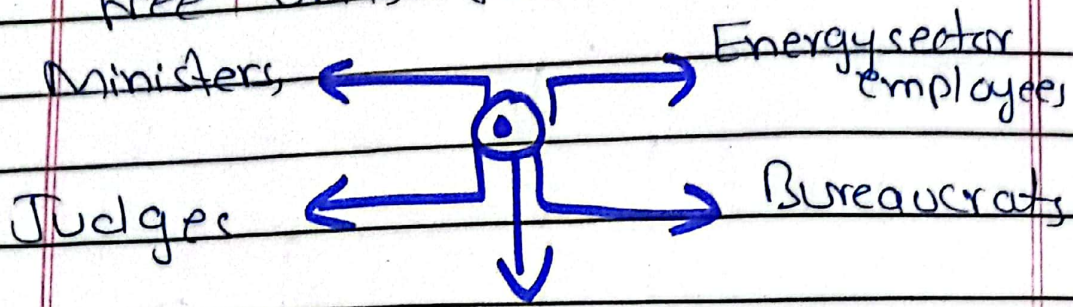
• End Friendship with IPP's

- 1) Re-negotiate IPP's agreements.
- 2) Shut down IPP's working under capacity
- 3) Replace Take or pay with Take and pay principle
- 4) Introduce accountability mechanism

1) Withdraw Free Energy units

It is necessary to withdraw

- free units from



Conclusion

Pakistan's energy sector is the life line of Pakistan's economic progress. To revitalize this sector, rational decisions are need of hour.

Q No. 2

Introduction

Taiwan has remained a bone of contention between USA and China. US, unconditional support for Taiwan, is deteriorating US-china ties economically, diplomatically and socially. The issue of Taiwan crisis is worsening with the every passing year.

Taiwan's Significance

→ Taiwan is known as the hub of **Semi-conductors**. It is a great blessing for Taiwan. Approximately, **92%** of global semi-conductors exports are being done from Taiwan. **Semi-conductor** is called the lifeline of electronics and machines.

USA and China's economy

USA and China's economy are highly dependent on Taiwan due to semi-conductors dependence. Approximately, **\$4 trillion** of ^{USA} ~~Pakistan~~'s economy is reliant semi-conductors. Similarly, more than **4trill \$** of China's economy is associated with Taiwan.

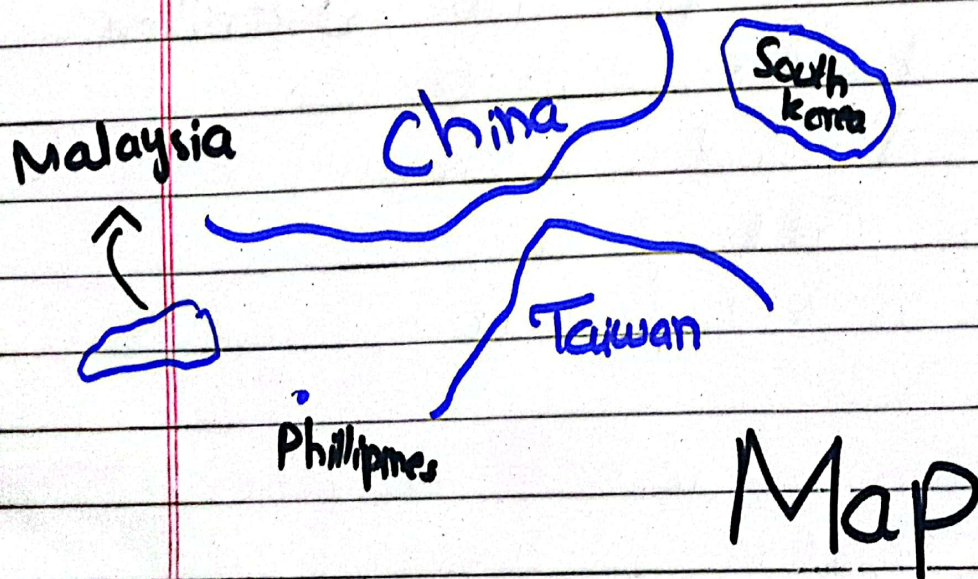
→ Taiwan strait is of immense importance. It connects Taiwan to Middle East

Europe, Asia etc. USA does not want that China gets the control of this strait.

Reasons of Conflict

China's Claim on Taiwan

Taiwan is an autonomous territory in China like Tibet. China claims Taiwan as its integral part. According to China, Taiwan falls under the **9-dash line** boundary of China. So, Taiwan cannot be separated from China.



US: Not Accept China's One Policy

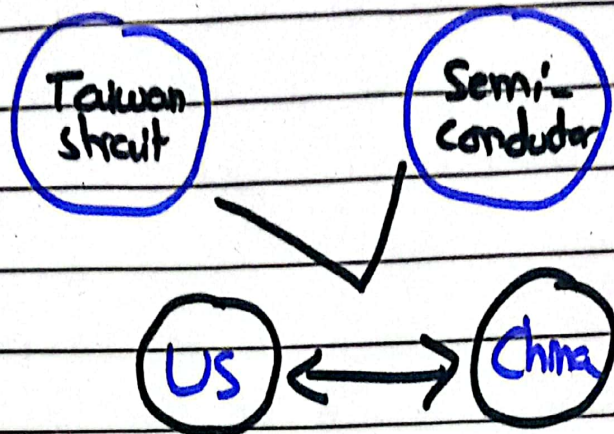
US support Taiwan stance in this conflict. Taiwan claims itself as an independent state having its own government. It does not consider itself as part of China.

USA doesn't accept China's one policy. Because, due to it, China's influence over the world will increase and US will be pushed in daunting situation.

Neither US nor China want to lose Semi-conductor and marine trade route

China and USA have their interests in Taiwan. Both of them don't want to lose Taiwan and

its potential resources - semi-conductor
and Strait of Taiwan.

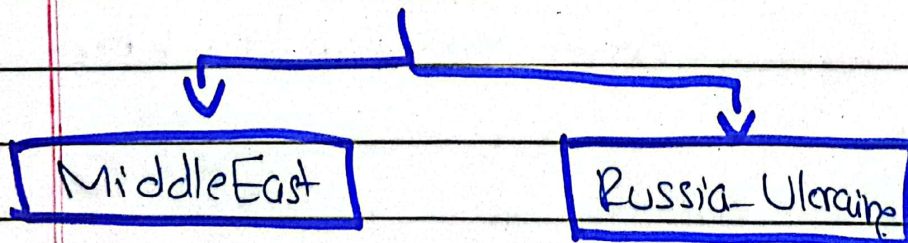


Implications of Conflict

Threat to World's Peace

Taiwan crisis is, no doubt, also a major threat to world's peace. World cannot bear one more war zone.

War Zones

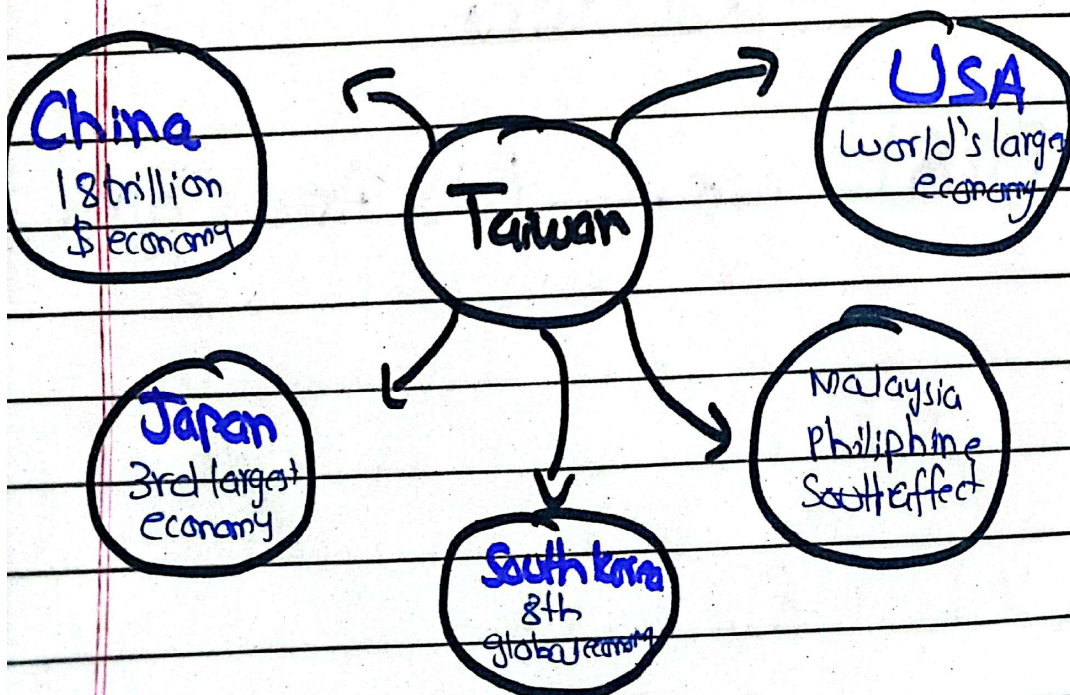


In 2024, a new president of Taiwan is elected. After

elections result, USA convoy visited Taiwan to extend congratulations to newly elected President of Taiwan. China conducted two days **drill** in Taiwan Strait to show Taiwan's its influence in the region.

Threat to Economic Powers

Moreover, if war breaks out in Taiwan, then it will become a major source of danger for world's economic powers



Danger to Innocent Lives

In case of war, large number of people may lose their lives. USA and China are nuclear powers of the world. During World War 1 and 2, approximately, 10 million had lost their lives. If war happens, then the USA, China (world largest population) Taiwan's population will be under threat.

Solutions

→ Dialogue — US And China

China and USA should conduct a joint dialogue to resolve this issue and protect the world from a new war zone.

→ UN Role

UN should intervene in this matter to prevent any sort of war escalation.

China-Taiwan Consensus

China and Taiwan should mutually decide the fate of Taiwan. It should decide that whether Taiwan becomes an independent state or part of China with collaboration and Consensus.

Conclusion

Taiwan is a bone of contention between USA and China. It needs to be resolved to protect the world from the danger of a nuclear war.

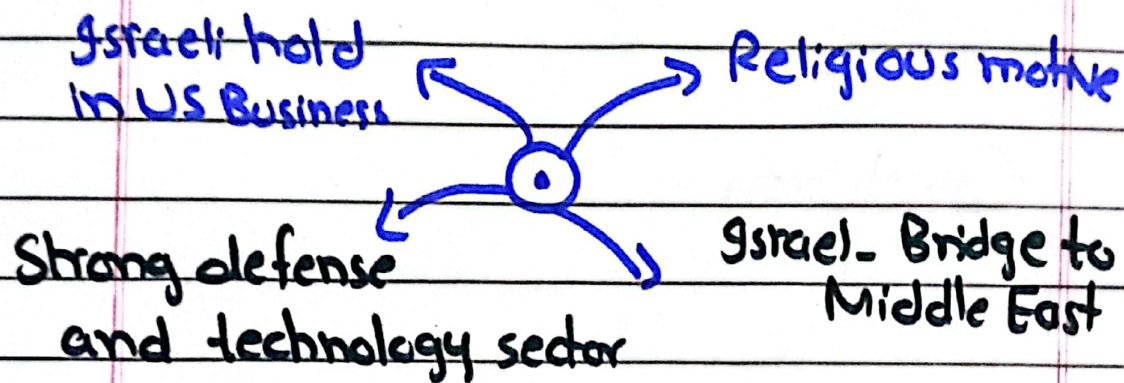
Q.No.

Introduction

Arab-Israel war has turned into a new shape after 7 Oct invasion of Palestinians on Israel. In this war, USA is providing unconditional support to Israel in Middle East. It is impacting US Arab relations and has created a vacuum in

in Middle East, which is being filling by US's anti states; China and Russia.

Reasons of US support for Israel.



Religious Motive

Most of the population of USA belongs to the Christianity's religion. Christian calls Israel the birth place of their religion. So, the hearts of USA residents pumps with the hearts of Israel's.

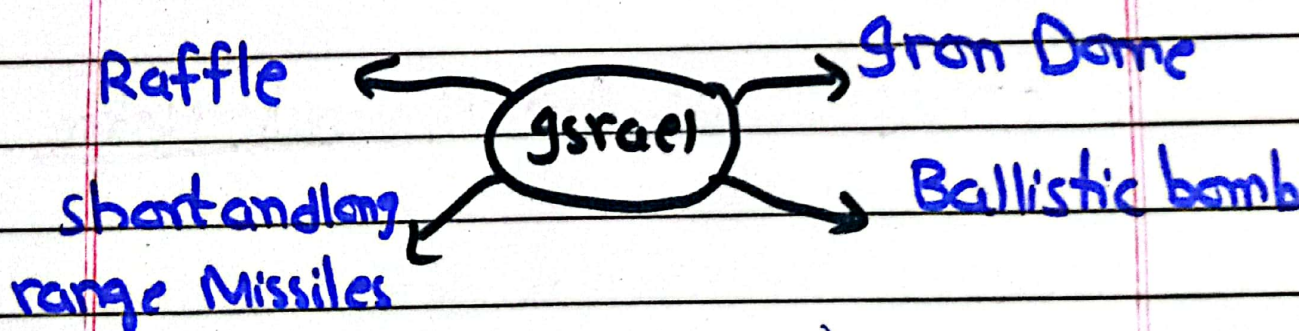
Israeli Dominated in US Business

Israelis are known as startup nation due to their innovative and creative business ideas and initiatives. Many

Israeli companies are operating in USA like Coca Cola. These are the source of revenue and employment for USA. So, USA supports Israel in every way to keep its relations strong with Israel.

Israel Defense And Technology Strength

Israel has one the world's top class defense system. USA has assisted Israel to build up matchless defensive system.



Moreover, Israel's progress in the field of technology has also brought it close to USA. Israel and USA are strengthening their ties with every passing year.

Gateway to Middle East

Israel is the gateway to Middle East for USA. USA wants to maintain its footing in the Middle East by supporting Israel. Iran is the anti west country of Middle East. While, ^{USA considers} Israel is the only country to counter Iran's influence in the Middle East.

Implications on US-Arab Relations

Portray US as Anti-Humanistic Nation

USA and its public unconditional assistance to Israel is portraying the negative image of it to the Arab world. As Arabs call USA people anti-humanistic because USA is supporting Israel in the ongoing barbaric and bloodiest war between Israel and Palestine.

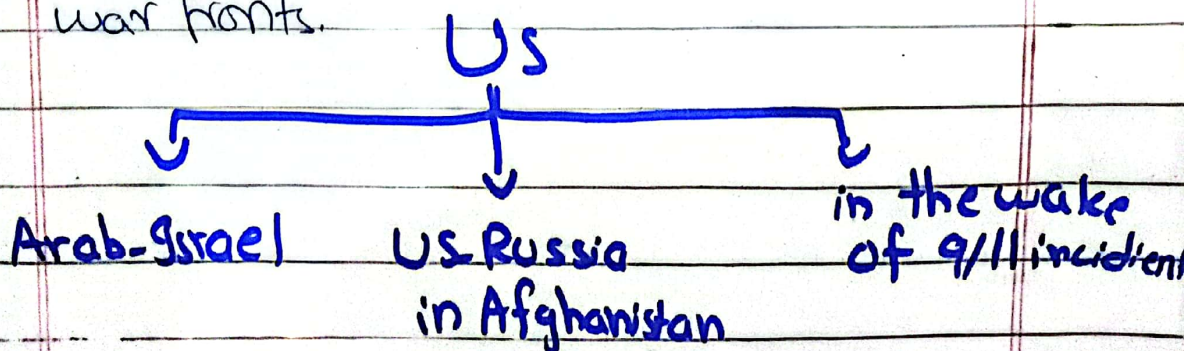
According to the **Palestine Media's report**, more than 95,000 Palestinians have lost their lives in the Gaza's war. While, millions of people are injured.

Despite the bloody body in Gaza, USA's support for Israel is raising concerns in Arab World.

USA: A Peace Destroyer Country

Moreover, USA's image is also deteriorating as it is being viewed as a peace destroying country. No doubt, the position of Israel in the ongoing war is strong because of USA military and economic aid.

USA has a long history of developing war fronts.



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China And Russia Penetration in Middle East

China And Russia Stance on Gaza War

Both countries are advocating unequivocally to end this brutal war in Gaza. They are demanding a complete ceasefire and two state solution for resolving this conflict.

China : Peace Broker Country

USA's focus is on Israel and bolstering its power in Middle. While, China is playing a soft game in the Middle East to strengthen its diplomatic economic footing in Middle East.

2023 "Iran - Saudi Reapproachment" is the self-evident example of China's peace developing policy in the Middle East. Moreover, in ^{sept} **2024**, China has succeeded in bringing

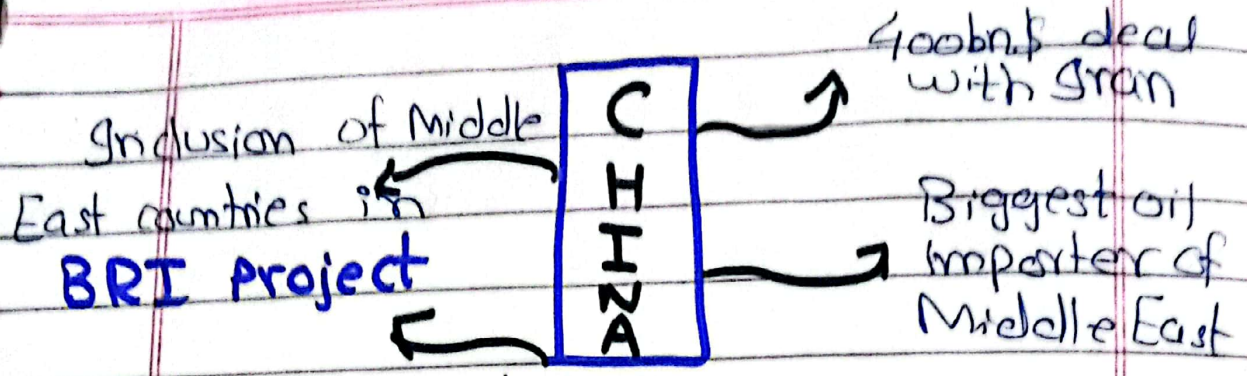
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all the factions of Palestine
on one platform, regarding
resolving the Palestine issue.
It is also a big hallmark
for China

Russia - OPEC+ Nexus

OPEC has expanded
and become OPEC+. Russia
is one of the major power
holders in the OPEC+ platform.
Russia is doing agreements
with the Arab world to
strengthen its ties and portray
the world that US sanctions
have become meaningless in
this multi-polar world.

China's Economic ties with Arabs

China is extending
its economic ties with
the Middle Eastern countries.



China Assistance to Saudia in establishing Neom city.

Conclusion

USA's unconditional support to Israel has intensified its relations with the Middle East. Moreover, it has created the space for the penetration of China and Russia into the Middle East. USA unbalanced approach toward Middle East is cutting its roots and stemling in the Arab world.