

Date: \_\_\_\_\_

# Current Affairs

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## Mock Exam

### QNO:2

#### Answer:-

#### Taiwan :-

Taiwan is an immediate neighbour of China. Beijing has long standing claim on Taiwan as the territorial part of China. Taiwan is the hub of chip industry.

US-China rivalry has entered into the phase of 3rd technological war. Chip has become the central point of oil economy in the recent years.

(If) China Taiwan is the central point of world chip industry.

It is the largest producer of raw material used in semiconductors.

It also produce world largest, cheaper and latest chip.

If China controls

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Taiwan. It would also control the chip industry. In this way China would boast tremendously and setback of US in the field of technology. It would <sup>provide</sup> more opportunities to China to control over the raw material on chip and also control on production on the cheaper semi-conductors. On the other hand US would be major loser in this competition. All the chip industry, transport, electrical, weapon industries would also under the control of China. Therefore, US don't want to go Taiwan into the China.

## US Policy and Taiwan :-

In 1955, Taiwan became the US protectorate. The defense of Taiwan became the responsibility of US. So it was

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made the part of SEATO. US also announced that any kind of attack by China on Taiwan would be military retaliated. US established diplomatic relations with Taiwan in 1949. Taiwan represented China in UNSC and GA.

US opened its embassy in Taiwan.

In 1972 US accept one China policy that means Taiwan is a part of China. It also stop supporting Taiwan as independent entity. US shifted its embassy from Taipei (Taiwan) to Beijing.

## Reasons for Change in Policy:-

Firstly US wanted to transform China. US relocate its industries in China and provides loan through IMF and WB. In return China will transfer the

power of economic decision making from state to market that mean "capitalism".

Secondly economic transformation will automatically results in political transformation. But China opened it economically not socio-politically. In the similar way US wanted to China on its side or neutral in cold war.

But now China is trying to implement one country two system policy on Taiwan. This policy is not accepted by Taiwan and US. There are three kind of forces in Taiwan. One kind of force want to unification with China but rest two want to remain Taiwan as independent. This is not acceptable by Beijing.

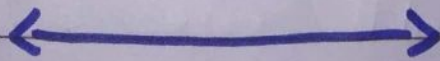
US has started

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increasing engagement with Taiwan by providing weapons, military aid and visits especially US leader Nancy Pelosi to Taipei. This enraged China. Its military encircles Taiwan. Chinese jet fighters repeatedly violating Taiwan air space.

So Taiwan is emerging as a dash point between two countries. If China annex Taiwan, US would come for its defense. If it happened, then there would be a war between two countries. The negotiation must occur between two countries on Taiwan.



Answer:-

US Support to Israel:-

The unprecedented support of US to Israel is due to a major reason which is that Israel became US protectorate in 1948. Secondly, Jewish lobby is the strongest lobby in Washington that comprises upon billionaires, major fund raiser to US. Therefore, US has deployed its Naval Aircraft Carrier in the Mediterranean Sea, Its 5th Naval Fleet in the Persian Gulf. Series of Warships in Red Sea. All these deployment made to save Israel against the possible attacks from Iran, Houthis, Hezbollah and Hamas.

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US has provided \$3 billion military aid in the form of weaponry and approved \$13 billion by US Congress.

This unprecedented tilt of US toward Israel has antagonized the Arab world leader more and more. Egyptian president Fateh el sisi refused to <sup>meet</sup> Biden. The Jordanian also refused to meet Biden. MBS made US secretary of states kept waiting for two hours and met him for only 20 minutes. The more prolongation of was there more pressure on Arab leaders to distance themselves not only from Israel but also from US. US considered himself champion of human right protection but is silent on the war crimes committed by Israel

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on Gaza. So all these  
(made) diminished the image  
of US in Arab world.

### Arab-Iran normalization of relation -

US support to  
Israel increased the chances  
of Arab-Iran normalization  
of relations. They established  
diplomatic relations with each  
other in 2023. They lifted up  
visa restrictions and increased  
people to people contact  
between Arab world and Middle  
East.

### Benefits to China -

US has become  
stuck in the unwanted war in  
the middle Israel. It will  
help China to establish diplomatic  
relations with Middle East and

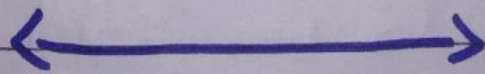


provide China an opportunity to continue its economic growth and geopolitical role in the region on Taiwan and Middle East.

### Russia also benefited:-

US has engaged in Middle East, it would divide the attention from Ukraine.

In such situation, Russia would flex its muscles even more against Ukraine and try to assert itself more and more in Eastern Europe.



Ans: -

## War on Terror Launched by Israel on Gaza:-

Hamas launched ~~was~~ a surprised and unprecedented attack on Israel. 1100 individuals were killed and approximately 240 were captured by Hamas as war prisoners and brought to Gaza.

In response Israel launched ~~is~~ terrorism against Gaza and destroyed the North and Centre of Gaza. Israel destroyed buildings, mosques, educational institutions and hospitals in northern and central Gaza. More than 37000 Palestinian lost their lives, including 12000 children, 10000 women, 120 journalists, 200 plus doctors and health staff. More

than 100,000 injured. 1.7 million plus people displaced from north and centre of Gaza.

Israel also stopped the supply of medicine, oil, food and water to Gaza.

There has been increasing rate of war crimes committed by Israel in Gaza.

South African government is on the lead which has filed a case against Israel in the International Court of Justice (ICJ).

Majority of muslim countries have supported South Africa against Israel. The attorney general has recommended the proceeding of war against the Netanyahu and other leadership on one hand and Hamas leadership on the other hand.

USA has been silent

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on the human right violation on war crimes being committed by Israel in Gaza. Though the governments in European countries, US, and Canada do not support the Gaza but there is increasing interest protests across the West by organizations and students on human right violation in Gaza. They demand to stop Israel war crimes in Gaza. ICJ also demanded Israel to stop war crimes also demanding their respective governments to stop supporting Israel.

### Impacts on relation with Arab World :-

Due to war crimes committed by Israel on Gaza negative impacts are

seen in relations of Israel with Arab World. Iran-Israel security tension has exacerbated in recent day as Israel attacked on Iranian Embassy. In return Iran also made multiple attacks on Israel. Muslim world also seized their diplomatic relations with Israel. They also stopped trade and people to people contact with Israel. Overall war crimes committed by Israel has destabilized Israel towards Arab World.

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Answer :-

Pakistan is facing multiple crises in politics, constitution, defence and in economy. Out of these crises Pakistan is also facing energy

crises by inadequate energy supply and high electricity bills. The crises in energy sector negatively affected the industrial, agricultural, domestic and public life. These crises must be addressed to save the national life of the country.

## Problems in Energy Sector :-

### 1) Loadshedding :-

Pakistan is facing severe loadshedding. In summer 2023 the shortfall was 10000MW, loadshedding in urban areas 4-5 hours and in rural areas 10-12 hours. In 2022 shortfall was 7000MW, loadshedding in urban areas was 8 hours and in rural areas was 16-18 hours. From 2007-16 facing shortfall of 5000-8000MW and same loadshedding as in 2022.

## Expensive Electricity:-

Pakistan is 1st in Asia and 3rd in the world being producing expensive electricity. (PM of Pakistan)

domestic per unit price (pup) varies from 28-65 Pkr. NEPRA introduced SLABS

for per unit price. 1-100 unit cost

including taxes is 28pkr per unit price.

from 100-300 units cost price is

44pkr, 300-600 unit cost price is

58pkr and above 600 units is 72pkr.

It increased 3 times as it was

18pkr for 300-600 units in 2022.

Commercial unit cost varies from

48-90 plus pkr per unit price.

## Reasons:-

1) Produces 60% electricity from HC:-

12000 MW capacity installed of diesel, 7000 MW of LNG

and 6500 MW of coal. Diesel

is most expensive than LNG

and coal. All HC are imported

and after war in Ukraine and sanctions on Russia have high prices and imported in dollars making electricity production expensive in Pakistan.

## 2. Expensive Agreement of IPPS:-

IPPS installed in 1994, 2005, 2001, 2014 produces expensive electricity due to capacity payment. As in summer 2023 28000MW is demanded and in winter demand decrease to 50% as 14000MW electricity is required. But Pakistan has to pay on maximum demand. Secondly payment is done in dollars that devalues rupees.

## 3. IMF Conditionality:-

On October 2022 and March 2023 IMF renegotiated. IMF conditions on provision of loan to Pakistan are to increase electricity price, fuel price and wared of subsidies.



Thirdly is devalue the rupee that further make electricity expensive as import and IPPs payment is done in dollars.

#### 4. Problems in Transmission and Distribution of electricity:-

Pakistan is facing 33% loss in transmission line and distribution. Only 17% loss is experienced in transmission line as it is outdated and expired. China transmission line loss is 3%, Afghanistan is 12%, India and Bangladesh is facing 9%. So in Pakistan if 100MW electricity is produced, 17MW is losted in transmission line.

Secondly distribution line is facing 16% electricity loss due to theft, temper meter reading in rural and urban areas. Kunda system in Karachi and no concept of bill payment in

ex-tribal areas and government departments contribute to price hike in electricity in Pakistan.

## Implications :-

### 1) Industrial Sector :-

The price of product is decided on the price of raw material, labour cost, production cost, transport cost and electricity cost. As price hike in electricity, final cost of product increases. These products can not compete in International markets like India and Bangladesh. So export decline occur as in textile, leather, sports products. Recently about 200 industries have been closed in which unprecedented increase in electricity is major reason.

## 2. Setback on Agriculture:-

In Pakistan about 30% of agriculture is base on tubewells and digwells that are powered by electricity. Loadshedding cause set-back on agriculture sector.

## 3. Increasing Balance of Payment Crises :-

As export decreases and import increase. The pressure on dollar reserves increased. More loan is required from IMF and other organization to meet dollar reserve.

## 4. Domestic Life:-

About 40% of income of an individual is consumed in bill payment that disturbs badly the routine budget of each month. Moreover loadshedding also disturbs domestic life.

## 5. Commercial Life :-

As the price of electricity increases, the shopkeepers add it to the price of product. On one hand buying capacity of consumer declined and income of businessmen also curtailed. Because due to loadshedding market use generators in peak shopping hours of public.

## 6. Public Life :-

Due to loadshedding deindustrialization is under process that cause unemployment. The price of commercial unit has increased so shopkeeper is bound to add it to the price of product. Burden is on consumer. Purchasing capacity of consumer decrease and income of businessman also decreased. As a whole electricity disturbs the national

life of Pakistan.

## Solutions

### 1. Renegotiate IPPs Agreements.

IPPS projects of 1986, 1991, 1994, 2001, 2005 have been renegotiated decade long ago that on capacity payment and payment must be in pkr.

It was a positive development and solved 40% problem. IPPs agreements signed in 2011, 2014 can not be renegotiated until 2030.

### 2. Installing Local, cheaper projects of electricity.

Energy policy of 2030 focus on indigenation of electricity in Pakistan. 15000MW project would produce electricity by hydel power in which Diamer Basha dam would produce 4500MW by 2029, Daska would produce

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4300 MW<sup>by 2027</sup>, Mumand dam would produce 800 MW by 2025, Karat has started generation of 730 MW and Sukhi Kinari would also 883 MW. Secondly, make dependence on Thar coal for electricity production. By Thar coal on project of 1320 MW and 4 projects of 320 MW have produced electricity. 4500 MW has been produced from wind power and 300 MW by solar power. The purpose of Pakistan is to finish the dependency on imported HC by ~~2023~~ 2030.

### 3. Revamp / Updated Transmission Line :-

It is an expensive phenomenon but is a dire need of changing transmission lines. The local transmissions

and broader network of NTDC need to be changed. This would decrease the loss of electricity in transmission & line greatly.

4- The writ of the state must be developed against theft. Payment of bills must be insured. No government sector must be given free electricity.

5- Support the privatization of electricity sector and state's role would be as regulator.

### Conclusion:-

By taking these above steps not only loadshedding would be reduced but also help to decrease per unit price of electricity overall in Pakistan.

