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PART-II

Q. NO: 3

A) INTRODUCTION

State Owned Enterprises (SOEs) have been a huge and persistent burden on the budgetary economy of Pakistan. So all of the SOEs should be privatized to diminish the detrimental impacts on the budget of the country. The process of privatization should be in a formal and logical way after its complete capital lost and revenue generation.

B) How State Owned Enterprises are the persistent burden on the economy of Pakistan:

i) Power Sector

Power Sector is one of SOE, which has tremendous burden on the state resources. According to the economic survey of Pakistan 2023-24, that the current circular debt on the power sector is Rs. 2.7 trillion and which is expected to raise Rs. 4 trillion by the end of this year. Furthermore WAPDA is adding Rs. 600mn losses in the national treasury.

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ii) Pakistan International Aeronautics (PIA)

PIA, in 1960s was one of the best airline in the world. But due to their ineffective professionalism of authorities in the institution have lost its reputation in the international level. In 2020, PIA aeroplane was crashed in Karachi; due to which Europe banned its air space for PIA, which is opened in January, 2025. Due to this four years disruption PIA lost \$ 36 bn revenue generation.

iii) Pakistan Steels Mills

Pakistan Steels Mills (PSM) is one of the prominent mills in 2000s, constructed with the help of Russia. Historically it has been in lost. In 2014 it lost \$ 14 bn and in 2017 it lost \$ Rs. 18 bn. According to Pakistan economic survey 2023-24 that PSM lost Rs. 23 bn in the last fiscal year.

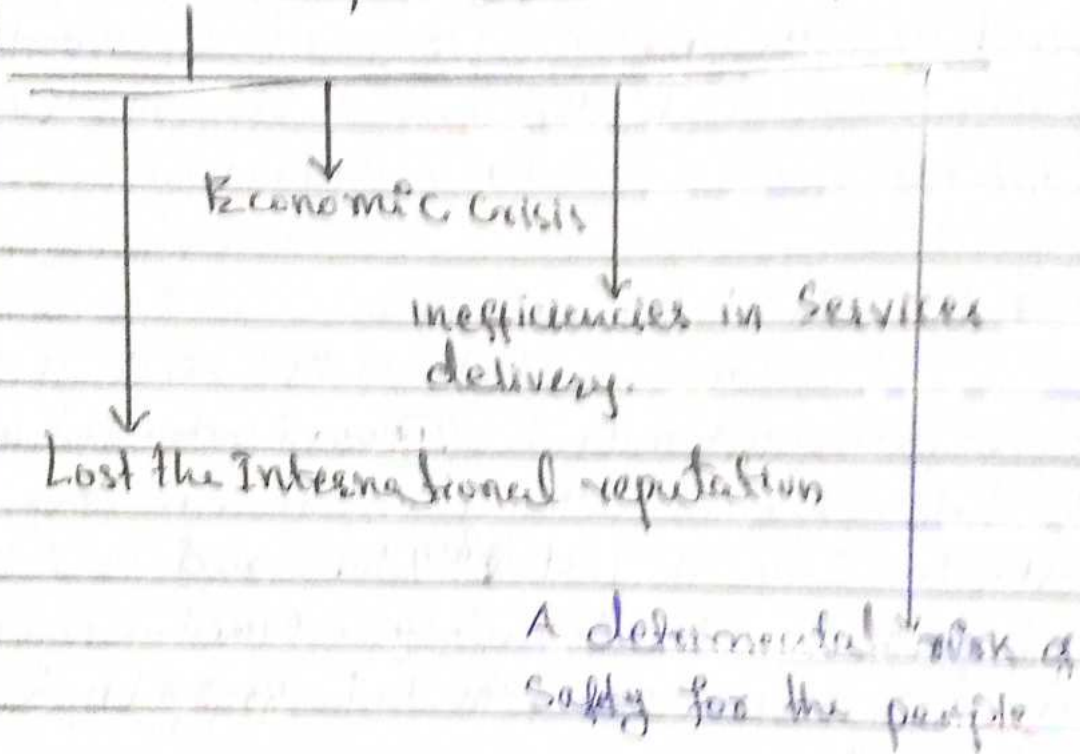
iv) Pakistan Railways

As the mode of transportation shifted from railway to air space, so its efficiencies did not improve according to the changing circumstances. As a result in the last fiscal year, PR has lost Rs. 40 bn.

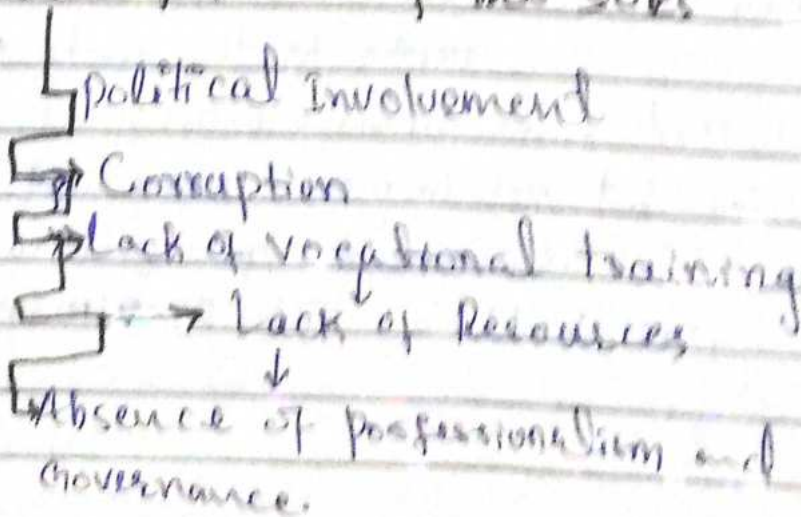
c) Why SOEs should be privatized

To save the state from economic burdens and other various factors are given belows due to which the SOEs should be privatized.

c) IMPACTS of SOEs losses in Pakistan



D) The causes of losses of the SOEs



D) Solutions to the losses of SOEs

1) Privatization

Privatization is the only option left with the government to eliminate its burden from the shoulder. If, SOEs privatized the following benefits can be obtain.

i) Economic Stability:

The sole purpose of SOEs is to contribute in the national resources of the country. But contrary to it, it lost $\text{Rs. } 5595 \text{ bn}$ in the last fiscal year. (Economic Survey of Pakistan 2023-24). So, if it is privatized the country will be save from the economic loss.

ii) Improvement in the service delivery:

Due to inefficiencies of SOEs, it cannot provide upto the mark services to the citizens. For example; Bullet train in Japan has 160 km/hr speed. Contrary to, it Pakistan railway speed is $30-40 \text{ km/hr}$. So, if it is privatized including PIA, PTCL and PSM so, its services will be improve.

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iii) Eradication of Monopoly

SOEs are working under the state of Pakistan. Services like; aeroplane, railway, electricity, etc.; PTCL and PSM are working under the state. So, if it is privatized then the monopoly of these institutions will eliminate and competition will boost up its goals and services.

iv) Improvement in the Human Safety

According to the Bureau of statistics that in the FY 2023-24 more than 800 people were died due to the lack of safety measures in the SOEs. So, if it is privatized then there will be a strict check and monitoring about the technical faults. Moreover, private investors will be more pressurized from the government to improve its safety otherwise the cancellation of registration.

B) How state own enterprises should be privatized:

i) Cost-Benefit analysis

The ministry of finance should

lost benefits. (6)

analyze [↑] with the help of concerned institution.
After determination; it should be send to cabinet

ii) Approval from the cabinet

A SOE in lost, a list should be send to the cabinet for approval to be privatize. As the government approve it than a public advertisement should public.

iii) Issue of the Advertisement

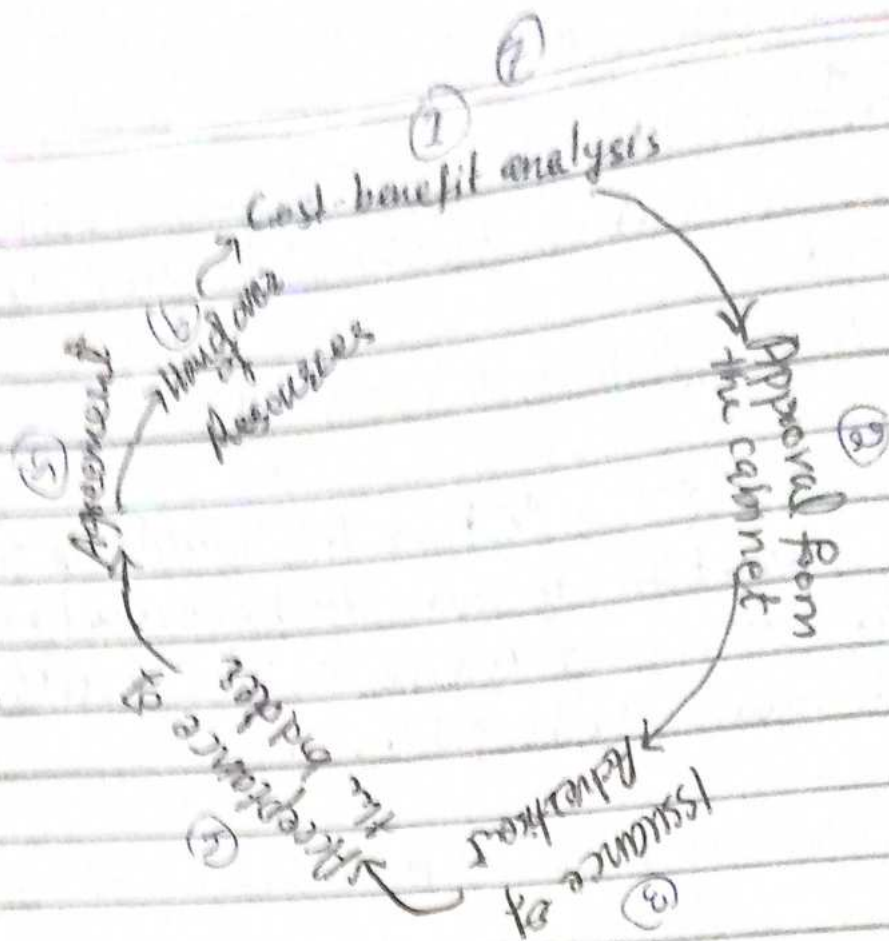
After approval from the cabinet, advertisement should be issue on its professional websites and newspapers as well. Moreover, the sold should be shown in TV and Radio channels so, maximum people should apply for it to sell on high prices.

iv) Acceptance of the bidder

A suitable bidder should be selected to buy SOEs.

v) Agreement with the bidder.

An agreement should be sign between the state and the buyer. to hand over the SOEs.



SOEs privatization process

f) Conclusion

SOEs in Pakistan are the persistent burden on the economy of the country. Therefore, it should be privatized through a legal process to reduce the economic burden on the country and improve the services delivery to the citizens in specific and people in general.

Q. 6

A) Introduction

Islamabad - Kabul tension lingers on due to the TTP using Afghan land as a launching pad for terrorist attacks in Pakistan. Even though, it was agreed on the Doha agreement that, it will not use its soil against any other country. Besides, this they have given safe haven to TTP and thus are committing terrorist activities in Pakistan through various ways. The issue can be solved through proper diplomatic dialogues and consultation between the two.

B) Historical Background to the Pak-Afghan Relation

Pakistan supported USA after 9/11 against Taliban. Moreover, Pakistan provided airbases, intelligence information sharing and land routes to NATO in Afghanistan. Due to which the relation between the two remains bitter. Moreover, the presence of TTP in Afghan soil and the returning of refugees to Afghanistan are the other critical points, which damaged the relations between the two countries.

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c) Prevailing Situation

i) TTP attacked on Pakistan

According to the recent report published by ISPR that in the previous year more than 300 attacks and 13 suicides bomb blast committed on the military and paramilitary forces. In which approximately 900 soldiers including officers are ~~martyred~~ martyred.

ii) Pakistan urges to Taliban to take actions against TTP

Pakistan Government and military establishment demanded from Taliban to take ~~again~~ actions against TTP present in their soil. Pakistan sent three diplomatic deputations but returned without any fruitful results.

iii) Pakistan airstrike inside Afghanistan:

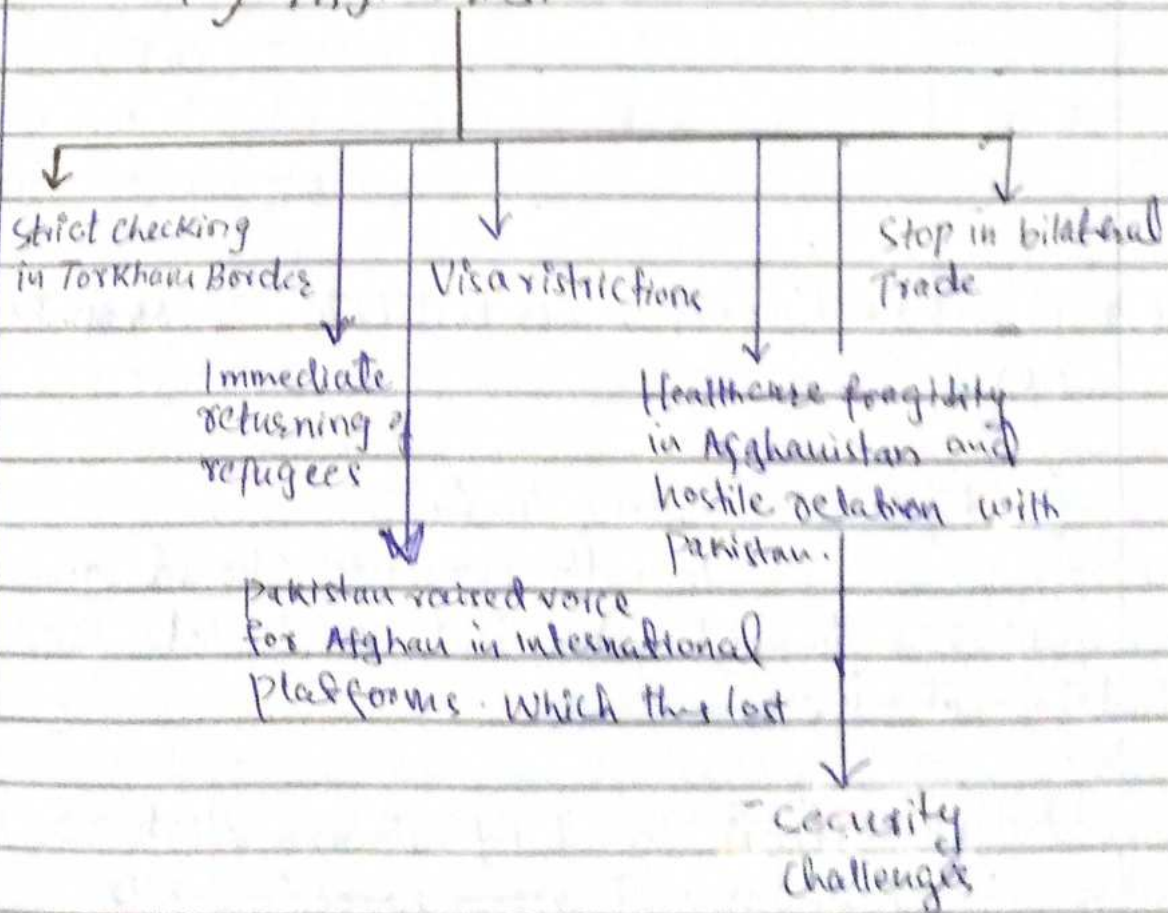
When the Kabul did not take any action against TTP present in their soil. Pakistan Air Force attacked on the location inside Afghanistan at the end of 2024. In which 60 TTP members were killed.

iv) TTP and Kabul Response

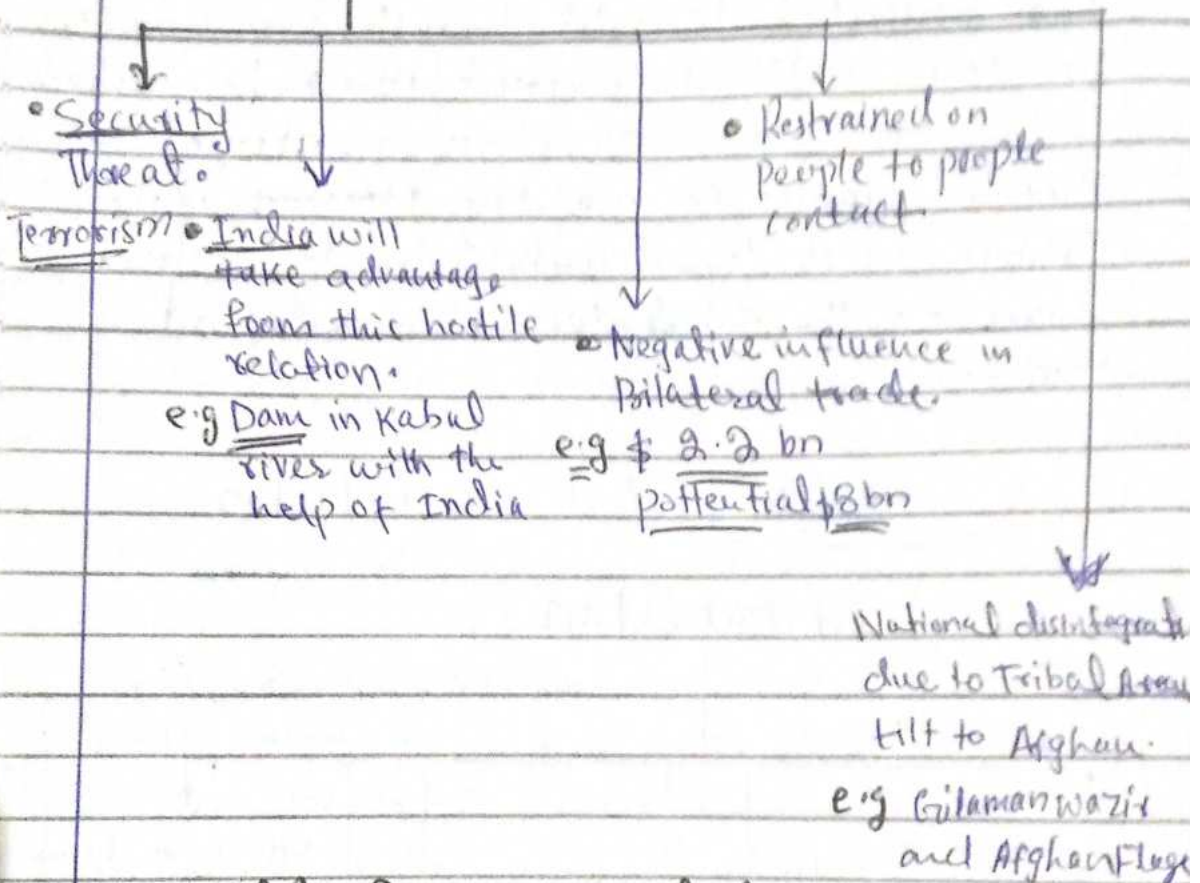
TTP and Kabul combinedly responded and infiltrated terrorist through porous border. In last month 13 terrorist attacked happened in which 16 soldiers were martyred in Kurram agency in one day. Moreover, Afghan Taliban joined hands with India to construct dams on the Kabul river flowing toward Pakistan.

D) The Impacts of Hostile relations

i) Afghanistan



ii) Impacts on Pakistan



E) Possible Recommendations to Normalize ties :

i) Diplomatic Negotiations

Both the countries should give emphasize to diplomatic dialogue to solve their bilateral issues.

ii) Evacuation of TTP from Afghan Soil

Feb, 2021; it was agreed by the

Afghan Taliban at Doha agreement. That Taliban will not allow Afghan soil to be use against anyone. Where as, the presence of TTP in Kabul is a persist security threat to Pakistan. So, the relation between both countries can be normalize to ensure complete evacuation of TTP from the Afghan soil.

iii) Pakistan to take care of Afghanistan Sovereignty:

Pakistan recently, committed an air strike inside the Afghan soil. Which ignite the relation between the two. As a result they also attacked on the borders and martyred Pakistan paramilitary forces. To normalize the ties between the two countries, so, they should respect each other state sovereignty.

iv) Remove visa restriction

Due to the war in Afghanistan from last four decades their health care system is weak. Serious patient come to Peshawar through Torgham border. Due to documentations checking and visa restrictions they cannot reach on time and their precious life are lost. Removing visa restriction creates softer corner in the Afghan citizen and the relation can be improve.

F) Conclusion

Afghan-Pakistan has bitter relation due to the presence of TTP and Pakistani air. strict response further ignited this bilateral ties which has impacted negatively on both Pakistan and Afghanistan as well on various domains. The ties can be normalize between the two through diplomatic negotiations, taking care of each other sovereignty and facilitation in the people to people contact.

Q. 5

A) Introduction

Dollar and SWIFT being used as a weapon by USA against the countries of the global south. So, BRICS could counter this to get of the western exploitation on permanent bases. BRICS has launched their own Bank system and currency to reduce dependence on dollar and International monetary funds working under their control. Global South countries can be liberated through regional connectivity, trade and financial assistance by the member countries of BRICS.

B) Historical Background to the BRICS

BRICS was founded in 2010. In which the every alphabets represent its member country. Initially, Brazil, Russia, India and China were the founding members, and later joined by the South Africa. Recently, ~~USA~~ UAE, Egypt and Ethiopia joined it and more than 40 states have shown interest to join it including Pakistan.

C) Prevailing Assets With the BRICS

Currently the BRICS hold \$21 Trillion budget, 3 billion population which is the

12. Population of the world 40 million territories which is 30 per cent of the world.

12) Motives Behind the BRICS Alignment to Remove Western Intervention Permanently
1) Promote Shift from Global North

According to the World Economic Forum 2023, that approximately 67% of wealth is held by the Global South and Western countries. So, BRICS is an initiative to ensure equal distribution of resources and to cut down its financial dependency on the Western countries.

11) New Development Banks and IMF:

Most of the developing countries are relying on the external debt like IMF and World Bank. In return, these use soft power strategies to mould their policies as per their interests. So, BRICS launched its own Bank "New Development Bank" to assist its member countries without influencing their policy formulation.

iii) De-Dollarization and BRICS-Dollar

The fundamental goal of BRICS is to diminish the hegemony of dollarization. In competition with dollar they are intending to this suggested currency name; BRICS Dollar, R5 and BRICS Coin. They will start trade in BRICS Currency instead of dollar to attenuate its demand.

iv) Extension of Mutual Trade

According to the World Economic Forum that the mutual trade raised to \$ 678 bn among the BRICS members from \$ 375 bn in 2023. This increase shows that the BRICS is a strong threat to the USA hegemony.

v) Security Cooperation

All of the BRICS countries to assist the member countries about their security concerns. Arms and ammunition trade is facilitate with one another to reduce its dependency on the western countries.

vi) Boycot the International Sanctions

Russia invaded on Ukraine

China claimed on Taiwan faces western restrictions including 60 PC tariff on the Chinese product at USA. The members countries did not join hand with USA and remained neutral on Ukraine issue.

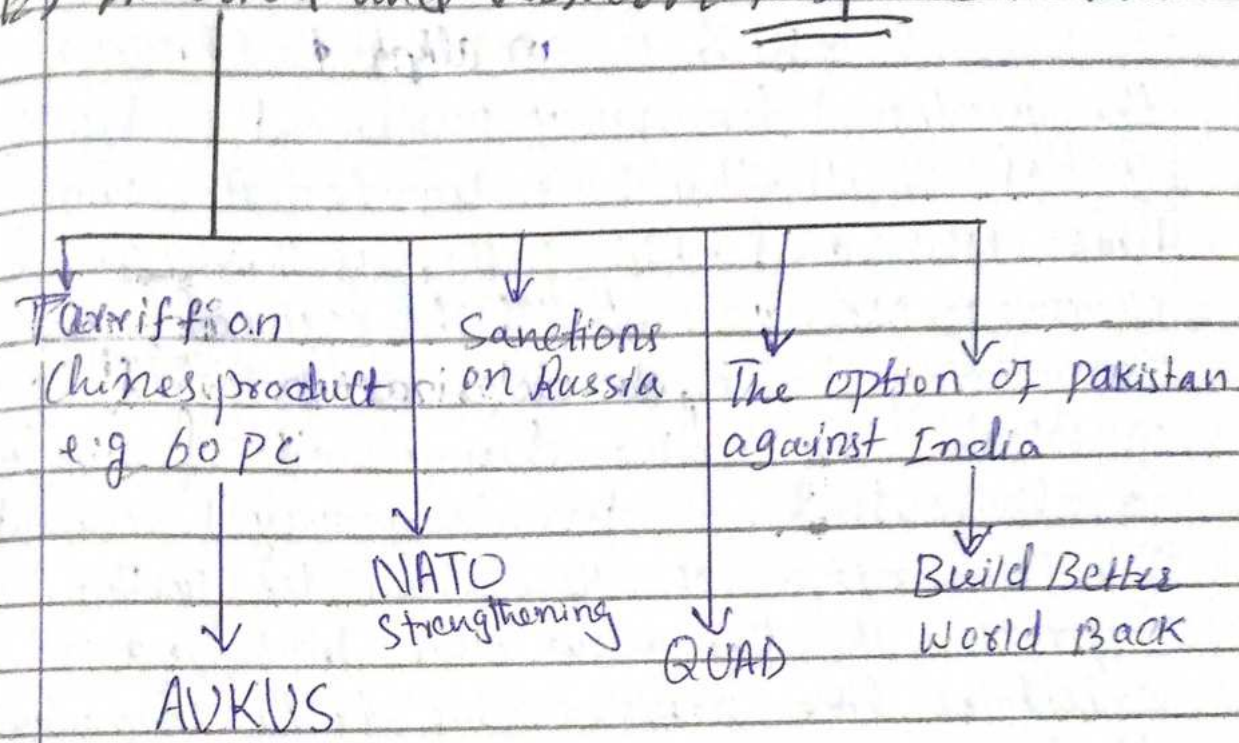
vii) Technological Advancement

BRICS countries is a permanent threat to the western world, due to the technological advancement. All of the member states share arms and ammunition, Robotics, healthcare equipments and innovative ideas with one another to reduce dependency on the western world.

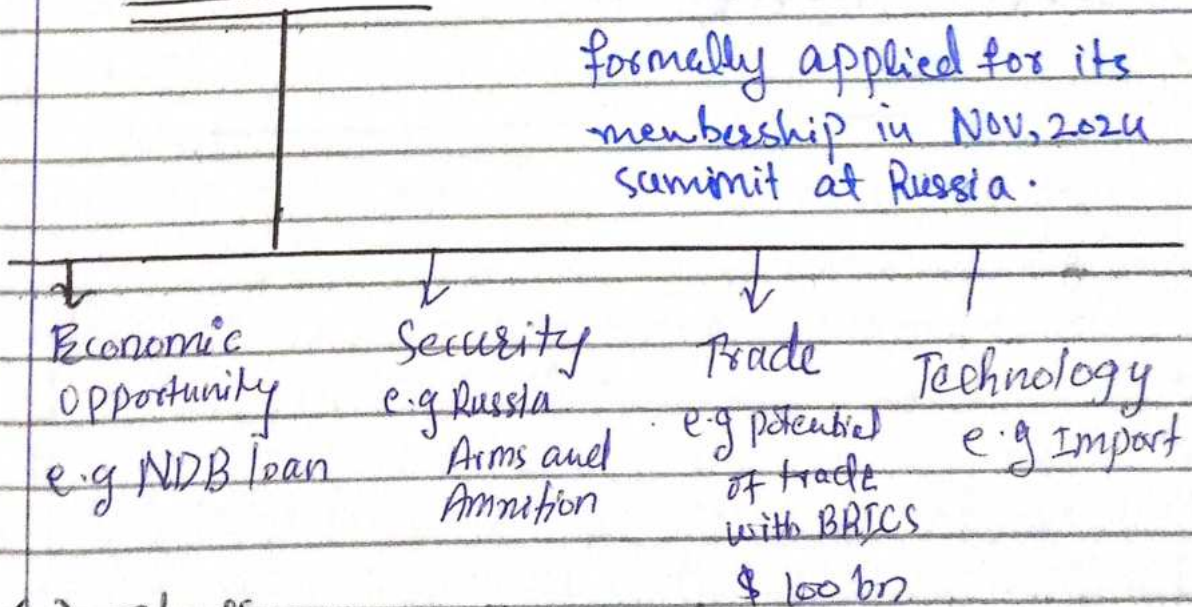
viii) Regional connectivity

BRICS members provides Regional and transcontinent connectivity with the member countries. In this context, BRI and CPEC play a vital role. BRI is extended to Africa and middle east can provide regional connectivity to reduce the naval dependence on the western.

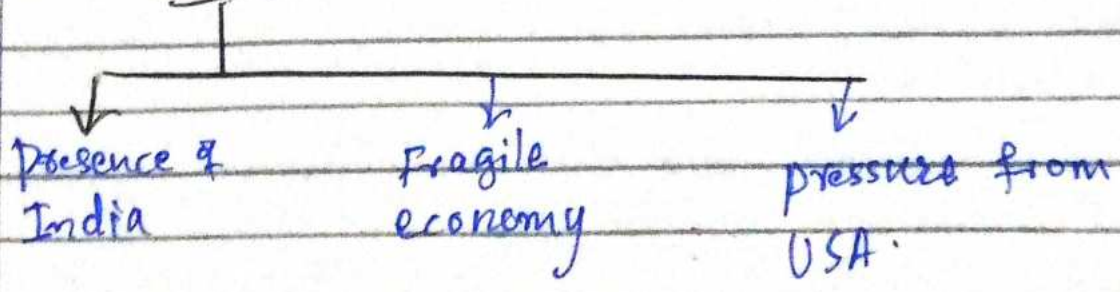
D) America and Western Response to BRICS



E) Opportunities for Pakistan



G) Challenges with Pakistan to join BRICS



H) Conclusion

BRICS is an alliance to eliminate the western dominance permanently by the global South. They have launched their own bank NDB and BRICS dollar as their official currency. Moreover, ~~strengthened~~ ^{ambiguated} regional connectivity, trade, de-dollarization and ~~diversified~~ mutual cooperation during critical situations to eliminate the western dominance permanently. The performance of BRICS can be further improved, if they allow other developing countries like Pakistan due to its important strategic location to further enhance their interests and reduce dependence on the western world.

Q. No: 04

A) Introduction

Russia-China growing economic, strategic and geopolitical collaboration is an effort to potentially challenge the USA led world order. Both the countries are assisting each other in various domains to absorb the shocks of USA in the form of sanctions, tariffs and security threats.

B) Background to Russia-China Collaboration

After cold-war the world shifted from multipolarity to unipolarity. But in the second decade of 21st century Russia-China are the two opposing forces to challenge the hegemony of USA world order. Both the countries are collaborating with one another through economic, strategic and geopolitically.

C) Russia-China Growing Economic, Strategic and Geopolitical Collaboration

1) China remained neutral in Russia-Ukraine war.

In UNSC voting China remained

neutral about Russia. And termed the Russia-Ukraine war as their bilateral issue. China emphasize to resolve this issue mutually.

ii) Trade Volume increased

China-Russia increased their bilateral trade exponentially from \$43 bn to \$46 bn from the last two years.

iii) Strengthening BRICS organization

Both the countries are the founding members of BRICS. who wants to eradicate dependency on dollar and launch as an alternative institution to IMF and World Bank.

iv) Support one another in International platforms

Both the countries support one another at international platforms such as UNGA, UNSC to secure the interest of one another.

v) Russia interests to Invest in the CPEC and BRI

Russia has shows interest to

Invest in the CPEC and BRI. Which a landmark project to enhance regional connectivity.

D) Opportunities for Pakistan

- Strategic position can attract further investment
- Relations may get better with Russia due to China historical relations
- May USA prioritize Pakistan due to China-Russia threat.

E) Challenges to Pakistan

- Balance of Foreign Relation between US - China - Russia
- Economic hurdles increase tilt to China

F) Conclusion

Russia - China has challenged the USA hegemony to change the USA led world order, through economic, strategic and geopolitical ways. Pakistan should care during balancing foreign policy ~~between~~ among all the major powers.