

Q#7

Introduction:

China and US are engaged in a Trade war. China has the resources of Rare Earth metals while US control the exports of chip equipment. Tariff Trade war, supply chain realignments and weaponization of REM and AI equipments and techniques are possible in future.

Future of Trade war between US and China

In future the trade war will be in several dimensions including:

Tariff Trade Barriers

Rare Earth Minerals:
New Theatre in US-
China competition

Technology sanctions
and weaponization

Supply Chain
realignments

Competition on Technology
and Rare Earth
Minerals

Tariff Trade Barriers

History of Trade Barriers:

US and China are in continuous struggle to restrict the trade expansion. In 2018 US alleged China of intelligence potential theft and forced Technology transfers. US imposed Tariffs on \$348 billion Chinese goods and China imposed \$144 billion on US goods particularly agricultural imports.

Tariff Trade War (2024-2025):

Competition over Technology and Rare Earth minerals leads to Tariff Trade war in 2024-2025. Mutual Trade between US and China was \$584 bn, with US imports \$344 bn from China and \$440 bn exports. After negotiations, US agreed to reduce

Tariffs on Chinese goods from \$145 ~~to~~ to 30% and China reduced Tariffs on US goods from 125% to 10%. In future, it is expected that this Tariff war will expand further.

Competition over Rare Earth Minerals

China's structural advantage.

China imports over 70% Rare Earth Minerals with 70%-90% mining or processing occurs in China. Rare Earth metals are useful in military equipments, medical and green Technologies. China can use it as a leverage to restrict US Technological expansion.

US strategic vulnerability:

US imports 70% of Rare Earth Metals from China. US feels a threat of its semiconductor chip and AI equipment production. In future, US imposed more sanctions on China and China controls REE exports.

US counter-strategy:

De-risking and De-coupling

US has chosen de-risking rather than de-coupling. US is also trying to expand its domestic industry. For example, Domestic Production Act (DPA) to strengthen its mining production. Furthermore, the agreements with allied forces including Quad Critical Minerals initiatives. US is expanding its trade with Australia, Canada and Mexico and

Supply chain realignments:

There is a massive amounts of supply chain realignment. US has expanded its supply chain transfer from Vietnam, India, Mexico. Moreover, China is also expanding its supply chain transfers from another allies. China is ~~try~~ expanding its trade with BRICS countries including Brazil, Russia, India. Moreover, China is strengthening RCEP framework which accounts for 23% of global GDP.

Technology sanctions and weaponization:

In future, there will be more technological sanctions as the world is controlling under Technology. For example, since 2019 China is referring to Rare

Earth & Metals as a tool against Technological sanctions imposed by US.

⇒ US control on Technology export:
US will control Technology Transport including semiconductor, AI equipments and quantum computing. For example, chips. Act determines to transfer \$52 bn to promote domestic mining production.

⇒ Counter-strategy of China to export Rare Earth Metals:

US is controlling the transfer of semiconductors and AI Technologies and China is controlling the raw materials which is essential for the production of semiconductors. China controls the export of

gallium and germanium in 2023-2024 shows the response of US sanctions.

Restrictions on Tech giants:

Restrictions on Tech giants is included in trade war. US restricts Chinese Tech giants including Ali-Baba, Huawei, Baidu to control their global reach. US and Chinese Technical firms impose restrictions. US controls AI firms and China is the center of 30-35% of global AI research publications.

Currency war between great powers:

US is supporting its dollar expansion among allies and QUAD countries. & However, China is in the efforts of

dedollarization. BRICS payment system is expanding the trade in Yuan and Rouble. Hence, in future there is a threat of currency war in trade. According to a report, 85% of global financial reserves and global trade invoicing are in dollar.

Conclusion:

US impose Technological sanctions and restricts the Technology transfer. China is the center of Rare Earth Metals and trying to control their transfer which can be a setback for future Technological industries. Tariff trade war, currency war and supply chain realignments are expected in future trade war.

Q #6

TRUMP PULL OUT FROM PARIS CLIMATE AGREEMENT

Introduction:

Trump's pullout from Paris climate agreement will leave the world leaderless in efforts of climate change. There will be weakened ^{climate} international cooperation in climate adaptation, mitigation, climate finance and loss and damage fund. However, China and Europe could help the world to continue achieving the promises of COP21.

COP21: Paris Climate Agreement-
A Global Commitment
with GAPS Gaps

Paris Climate Agreement was the international cooperation on carbon cut. Every major emitter gives a carbon cut off plan.

^{US}
~~China~~: To reduce carbon emissions by 45% below 2006 level upto 2035

China: To reduce carbon emissions by 40%.

UK: Reduce carbon emissions by 40%.

It was also decided by reduce Temperature increase by 1.5°C above the pre-industrial level.

For global climate finance, it was decided that developing countries will receive \$100 bn in efforts of climate change. COP26 Glasgow agreement shows that single country did not reach the level of carbon cut off plan and Trump reversed all the policies of Obama.

Implications on Paris Agreement and US Policy Shifts: A cycle of withdrawals and commitments

⇒ Trump withdrawal (2017-2020):

Trump withdrew from Paris climate agreement in 2017 and leaving the world leaderless in climate change efforts. The US claimed that it is a burden and China has more flexibility than US. US also withdrew from 100 regulatory environment frameworks which aimed to change the climate change.

⇒ Biden's re-entry and policy shifts (2021-2024):
Biden pull US again

To Paris Climate Agreement. Biden has introduced reforms like reducing 66% carbon emissions below 2005 level till 2035. Later administration overlook the policy reforms.

Trump Withdrawal (2025):

Trump withdrew again from Paris Climate Agreement in 2025. It claimed that climate finance distribution is unfair and benefits the developing countries at the expense of US industries.

Trump particularly pointed out \$100 bn climate finance for developing nations and its unfair distribution.

Implications of Trump pullout on future climate efforts

→ Weaken the international climate cooperation:

• Climate finance shortfalls:

World will face climate finance shortfalls for adaption and building climate-resilient infrastructure.

A global pledge of \$1.3 Trillion for developing countries is difficult to achieve. Moreover, Obama administration determined to contribute \$3 bn ^{to} Green Climate Fund (GCF).

• Climate adaptation:

Developing countries are in need of climate adaptation fund. Green

industries, climate resilient infrastructure and climate smart agriculture are the emerging needs of developing world. US withdrawal indicates difficulties in achieving all these objectives. For example, in COP28 it was determined by the world to triple renewable energy resources until 2035.

• Loss and damage fund for developing countries:

US is the superpower of world with great industries and a share of global GDP. Without US efforts, the loss and damage fund for developing countries is difficult to achieve. For example, Pakistan is facing severe

challenges of climate change including floods, droughts and extreme weather conditions.

However, Pakistan contributes less than 1% in greenhouse gas emissions. US is among

the major emitters of greenhouse gases and should bear

the responsibility on its shoulder.

According to IPCC report, half of the world population is living in climate vulnerable areas and 15% deaths due to floods and climate change are in these areas.

Fossil fuel reduction and decarbonization:

Fossil fuel reduction and decarbonization efforts need super-powers to cooperate. For example, according to world

World Bank report, Pakistan need \$342 bn, from which \$146 bn dollar is needed for adaptation and climate resilience infrastructure and \$196 bn is needed for decarbonization.

China and Europe
could help the world
in achieving the
promises of COP21

⇒ Reduction in carbon emissions

China and Europe are included in countries which are the hub of industrial growth. They can contribute in minimizing carbon emissions by addressing industrial emissions.

⇒ Shifting the world to renewable energy resources.

With the efforts of China and Europe, the world can shift to renewable energy resources.

They have technologies and renewable energy resources to address the issue of expensive and unsustainable energy resources.

For example, modernization plan of China for smart investment and green development under Action plan between Pakistan and China can extend to other developing countries.

Contribution in climate finance:

China and Europe can contribute in climate finance fund. They are the growing economies of the world and can contribute in loss and damage fund to minimize

The issues of developing countries

Future of UNFCCC:

US has withdrawn from Paris Agreement but still the participant in United Nations Framework Convention for Climate Change. It can extend its cooperation under Kyoto Protocol with other superpowers.

Conclusion:

Trump pullout from Paris Climate Agreement will have far reaching implications in addressing climate change issues. World will face difficulties in shifting to renewable energy resources and adaptation and mitigation efforts. However, China and Europe as a world leader can take the responsibilities.

Q#5

Introduction:

Pakistan - KSA Defence Pact would have far reaching geopolitical achievement for both countries. It would have political, diplomatic, economic and social opportunities for Pakistan to secure its future and reach the goals of economic security.

Pakistan - KSA Defence PACT

Pakistan - Saudi Defence Pact ensures the sharing of 'all military means' including nuclear power, military personnels and defence equipments.

→ Saudi Defence Budget = \$8²bn

→ Pakistan Defence Budget = \$10bn

Date: ___/___/20

Day: _____

⇒ Saudi Military Personnel: 645000

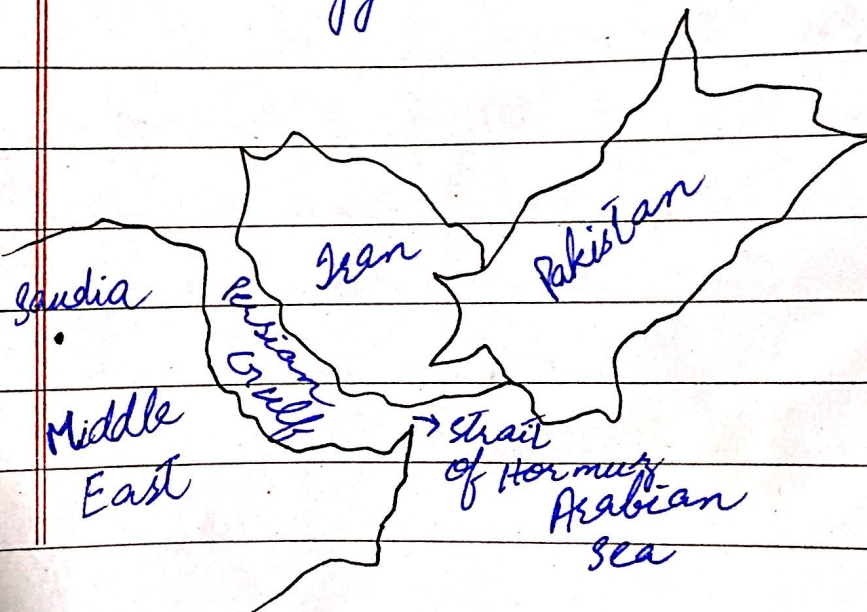
⇒ Pakistan Military Personnel: 456000

⇒ Saudi Defence equipments: THAD, Patriot and modern aircraft

⇒ Pakistan Defence equipments:
P Nuclear weapons, Ballistic Missiles

Geopolitical Achievement of Saudi Arabia

⇒ Enhance the Gulf security:
This pact will enhance the Gulf security and energy lanes.



Strait of Hormuz is the important choke point for trade and energy supply from Middle East. This pact will enhance the security of energy lanes and trading routes. It can transform into Combined Maritime Forces or Middle East Strategic Cooperation which will ensure the security of Saudi Arabia and Middle East.

⇒ Counter-response To Israeli hegemonic ambitions:

Israel's attack on Iran nuclear facilities and later on attack on Qatar implies the hegemonic ambitions of Israel. Sideline of US in Qatar - Israel clash clearly shows that US will not take any step against Israel if Israel attacks on Saudi Arabia.

Diversification of Saudi defence agreement:

Pakistan-KSA defence agreement implies the diversification of Saudi Arabia policy and multipolarity. Saudi US was a major supplier of defence equipments to Saudi Arabia. This pact will minimize the US involvement in Middle East.

Strategic leverage of Saudi in Middle East:

By expanding its defence agreement, Iran and Israel fasten-up their efforts in nuclear technique and power.

Abraham Accords to benefit Israel and Iran's efforts of nuclear facilities will have a balance in Middle East.

⇒ Expansion of Asia-Arab cooperation:

There might be expansion in Asia-Arab cooperation. It can counter-balance NATO forces and expand the Islamic world cooperation.

⇒ Strategic shift of global power alliance:

There would be strategic shift of global power alliances. US, India, and UAE and Israel are expected to make an alliance in response of Saudi alliance with Pakistan. India-Middle East-Economic Corridor (IMEC) corridor, which was established to counter CPEC and China's BRI, is in weak position.

Geopolitical Implication and Economic Benefit for Pakistan

⇒ Security from Indian Threat:

Pakistan has a security threat from India and its proxies. Pakistan is continuously securing its borders from Indian attack, terrorist attacks from Afghanistan and sectarian violence from Iran. After India-Pakistan war in 2025 this pact will ensure its security in future.

⇒ Pakistan's leadership in defence sector:

Pakistan's leadership in defence sector will continue to grow. Pakistan's defence agreements with US and joint military exercises like Warrior IX with China shows the

strategic benefit of Pakistan and the dominance of its defence equipments and techniques in the world.

⇒ Secure the counter-Terrorism alliances.

Pakistan will secure its counter-Terrorism alliances against the TTP, BLA threats from India and Afghanistan. The resurgence of Islamic Military Counter-Terrorism Coalition will significantly deal with Terrorist threats. It was founded in 2015 and under army chief Raheel Sharif and it is a body of 43-member countries. Another Islamic countries like Iran can join this coalition under the defence leadership of Pakistan and can response to US and Israel effectively.

⇒ Expanding CPEC in Saudi Arabia - Benefit for Pakistan:

It is possible that China will extend its BRI and CPEC projects in Saudi Arabia. Saudi Arabia and China relations will grow in future with the cooperation of Russia. CPEC expansion in Saudi Arabia will benefit Pakistan. For example, according to Maritime Action plan (2025-2029) China is determined to make Gwadar as a regional hub and to extend Gwadar port to Middle East.

⇒ Gain in remittances:

Large diaspora of Pakistan workforce is in Saudi Arabia which results in large amount of remittances. According to a report, \$9.3 bn of

remittances come from Saudi Arabia. In future, this amount will grow as there is defence agreement which will improve its relations with Saudi.

Expansion in trade and oil on deferred payments.

Pakistan-KSA defence agreement will enhance its

Trade and economic agreements.

Pakistan Economic Framework

shows the intentions of Pakistan to grow its ^{foreign} investment instead of loans. Pakistan can attract

investment and Trade and

ensure SIFC outcomes. Bilateral

Trade between Saudi Arabia

and Pakistan stands at

\$5.7 bn which will grow in future.

⇒ Oil and energy security:

Saudia Arabia helped Pakistan in every Tough Time by offering oil on deffered payments. For example, in 1998 after nuclear tests and international sanctions, Saudia provided financial assistance and oil on deffered payments.

⇒ Pakistan as a protector of Holy places and standing at OIC:

This pact will enhance the position of Pakistan at OIC and its diplomatic position in the world. Moreover, it will have significant influence in the Islamic world as it is known as the protector of Holy places. Pakistan has deployed many military

personnels in Saudi Arabia
for defence and Training.

- 1948 - Saudi recognized Pakistan
- 1952 - Friendship Treaty
- 1972 - Soviet invasion of Afghanistan and Iranian revolution and support of Saudi
- 1982 - Organization framework
- 1991-1992 - Cooperation in Gulf war
- 1998 - Nuclear Tests and support of Saudi
- 2001-2008 - Cooperation of Pakistan and Saudi in war of Terror

2014

- Financial assistance
from Saudia

- 2015

- Pakistan rejected its
support against Yemen
rebels and strain
relations

- 2019

- Pakistan pointed out
that Saudia ~~to~~ did
not help in support
of Kashmir

- 2022

- Financial cooperation

- 2025

- Mutual Defence
Agreement∴ Relations between Pakistan
and Saudia Arabia

Conclusion:

Pakistan-KSA defence pact will result in geopolitical benefit for both countries and ^{will} also provide economic security to Pakistan.
