

# PART-II

## QUESTION NO # 05

### ANSWER

#### (1) INTRODUCTION:

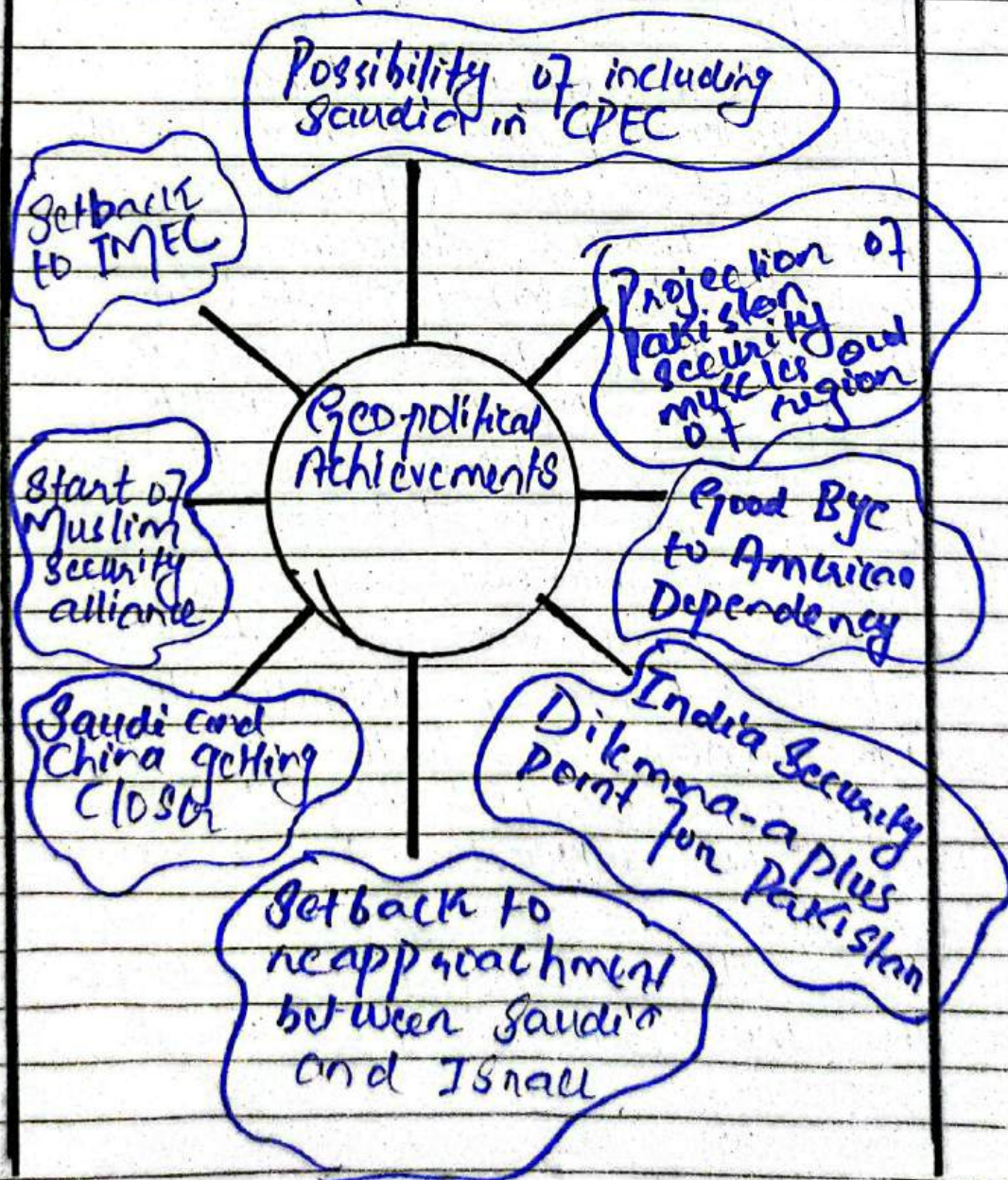
Pakistan and Saudi Arabia are two Muslim countries that have historically cooperated in many fields. The sectors of cooperation include military, finance, religion, energy and etc. Pakistan had sent its 1100 troops to protect Saudi in Gulf War. Many Saudi military officials are trained in Pakistan. In economic field, Pakistan has received financial aid from Saudi many times when it was at the brink of default. These two countries are further tied by religious correspondance. Saudi has also supplied oil to Pakistan on deferred and concessional terms. The security pact between the two countries has given

new face to cordial relation between two countries - It has further warmed the bonhomie between two countries. It has some geo-political implications for both the countries and also serve as economic opportunity for Pakistan.

(i)

## (2) GEOPOLITICAL ACHIEVEMENTS FOR BOTH COUNTRIES:

(ii)



(iii)

## (i) START OF MUSLIM MILITARY ALLIANCE

Pakistan-Saudi defence pact is considered as start of military alliance between Muslim countries. Initially, both countries have tactical engagements but this pact has given strategic direction to military cooperation.

## (ii) PROJECTION OF PAKISTAN'S MILITARY MUSCLES OUT OF REGION

This pact resulted in projection of Pakistan's military muscles out of region. Pakistan military might is considered as a reliable source of protection in security arena.

## (iii) INDIA'S ENERGY SECURITY DILEMMA: A PLUS POINT FOR PAKISTAN

India imports around 14% of its oil from Saudi Arabia and 10% of its gas supplies come from there. If India threatens Pakistan water supply, Pakistan can request Saudi to halt its energy

energy supplies to India

#### (iv) **CLIPPING TIES BETWEEN CHINA AND SAUDI ARABIA**

Pakistan imports its 82% of ammunition from China. Making defence pact with Pakistan will strengthen the indirect relation between China and Saudi Arabia.

#### (v) **A GOOD BYE TO OIL FOR SECURITY POLICY:**

America has pursued oil for security policy toward Saudi Arabia. America would provide security to Saudi Arabia in return to uninterrupted supply of energy. America has failed to protect the Middle Eastern allies when it goes to Israel. Israel has attacked Qatar where USA's largest military base is found. Pakistan would protect Saudi Arabia and in this way Saudi Arabia can get rid of USA's dependency.

## (vi) SETBACK TO REAPPROACHMENT BETWEEN ISRAEL AND SAUDI ARABIA:

USA has pressured Saudi to accept Israel in return for security protection. As the country has got aid of USA's security protection, it can now pursue independent foreign policy toward Israel.

## (vii) POSSIBILITY OF INCLUDING KSA in CPEC:

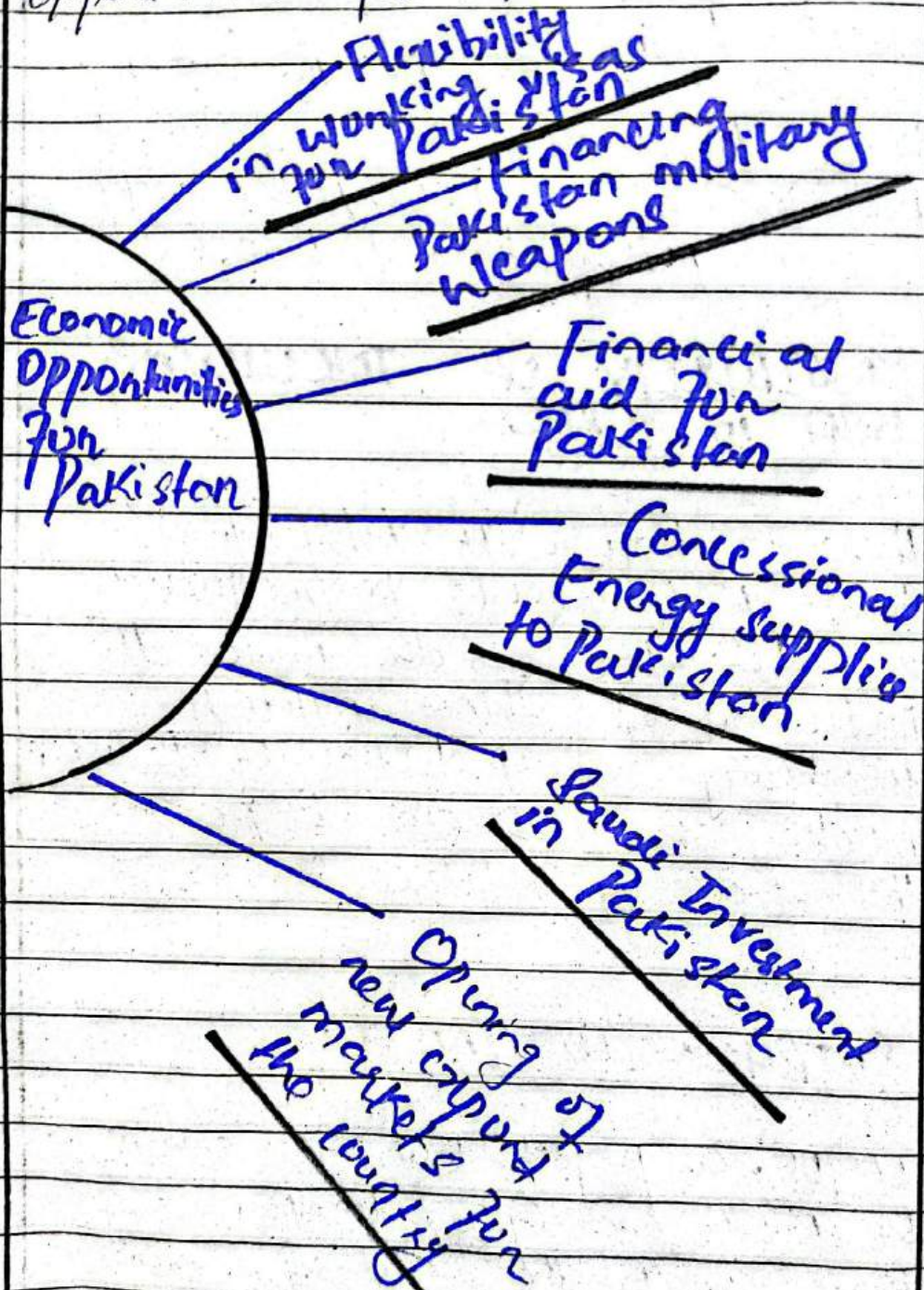
There is higher possibility that Saudi Arabia would be included in CPEC. A corridor under the patronage of Chinese military technology and protected by Pakistan's nuclear arsenals and by-passing the Strait of Malacca.

## (viii) SETBACK TO IMEC:

IMEC, a project that was envisioned by Modi and G-20 leaders, is buried under the sand of Saudi after the Pakistan-Security pact.

### (3) ECONOMIC OPPORTUNITIES FOR PAKISTAN:

Following are the economic opportunities for Pakistan:



## (i) FINANCING MILITARY WEAPONS FOR PAKISTAN:

Saudi Arabia would likely to invest and purchase military weapons for Pakistan. In this way, it strengthens its own security and the burden of military budget would also reduce on Pakistan.

## (ii) SAUDI FDI IN PAKISTAN:

Saudi-Pakistan defence pact has increased trust between two countries. Saudi investors has shown interest in Pakistan mineral and agriculture sector. This would be success of Pakistan economy if Saudi investor brings investment in the country.

## (iii) OPENING OF NEW EXPORT MARKETS FOR PAKISTAN:

Pakistan can get more access to Middle Eastern markets with the help of Saudi Arabia. This would increase the export of country and balance the current account.

#### (v) ALLOTMENT OF WORKING VISAS TO PAKISTANI WORKERS.

This pact may result in allotment of working visas to Pakistani workers. This would increase the share of remittances in Pakistan's foreign reserves.

#### (v) FINANCIAL AID FOR PAKISTAN:

Saudi has helped Pakistan on various occasions through financial aid. This pact has deepened the relation between the two countries - Pakistan can now have reliable rich friend that can give him loan and aid.

#### (vi) CONCESSIONAL ENERGY SUPPLIES TO PAKISTAN:

Saudi Arabia can also supply energy to Pakistan on concessional and deferred terms. This would ensure both energy supply security and financial stability.

#### (4) CONCLUSION:

Pakistan-Saudi Arabia <sup>part</sup> is one of the biggest achievement of Pakistan diplomacy. However, Pakistan must adopt cautious approach in ensuring that Pakistan must not compromise foreign policy because of security alliance. It should adopt independent foreign policy on global issue.

# QUESTION NO # 08

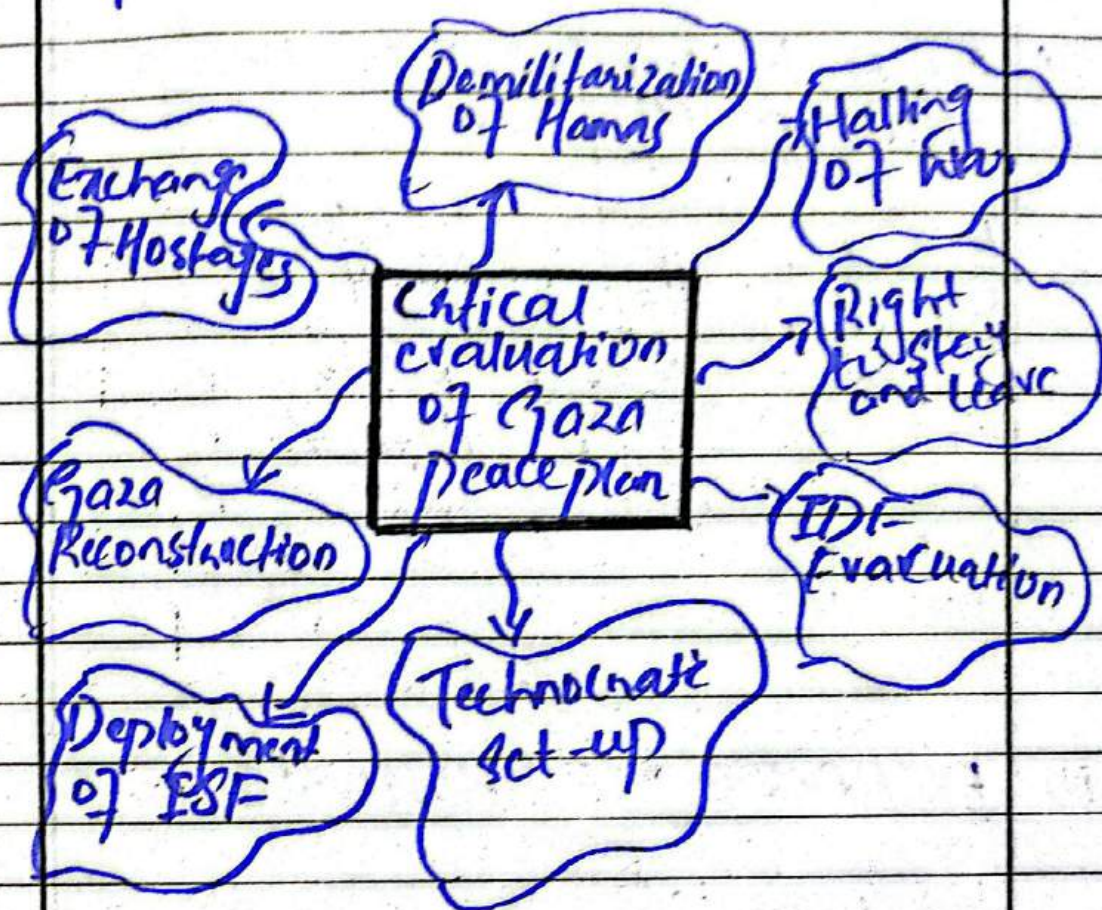
## ANSWERS:

### (1) Introduction

It was the month of October and the year was 2023 when Hamas attacked Israel. It was unprecedented attack in a way that Hamas attacked Israel through aerial, land and sea ways. Around 2200 Hamas fighters entered Israel and killed around 1400 Israelis and captured 250 Israelis and made them hostage. Since then, Israel has started genocide in Gaza in specific and the whole Palestine in general. It has killed around 69,000 innocent Gazans - including children and women. It has blocked the supply of basic necessities of life. On September 29, Trump has unveiled the Gaza peace plan to stop the war and restore the peace of Gaza. It has some shortcomings and skewed

toward Israel.

## (2) CRITICAL EVALUATION OF GAZA PEACE PLAN:



### (i) HALTING OF WAR.

This plan envisions the instant halting of war and restore the peace in the region.

### (ii) DEMILITARIZATION OF HAMAS.

This plan stipulates that Hamas

should demilitarize itself. Hamas has rejected this condition. This plan also asserts that Hamas should destroy the tunnels.

### (iii) GAZA RECONSTRUCTION AND HIDDEN MOTIVES:

This plan says that Gaza would be reconstructed - Airport, seaports, buildings and hotels would be built. Israel and USA forcing to displace Gazans to Egypt to reconstruct the Gaza and they have plans to build Gaza Riverid.

### (iv) EXCHANGE OF HOSTAGES:

The plan also says to exchange the hostages in the control of both sides. Both parties has also exchanged hostages in first phase.

### (v) TECHNOCRATIC SETUP IN GAZA:

This plan creates technocratic

government for Gaza to administer its affairs. It would consist of experts and it would be overseen by USA and Israel based Peace board.

### (vi) RIGHT TO STAY AND LEAVE

It recognize the right of Gazans to stay and leave the country without any interruption and force.

### (vii) DEPLOYMENT OF ISF:

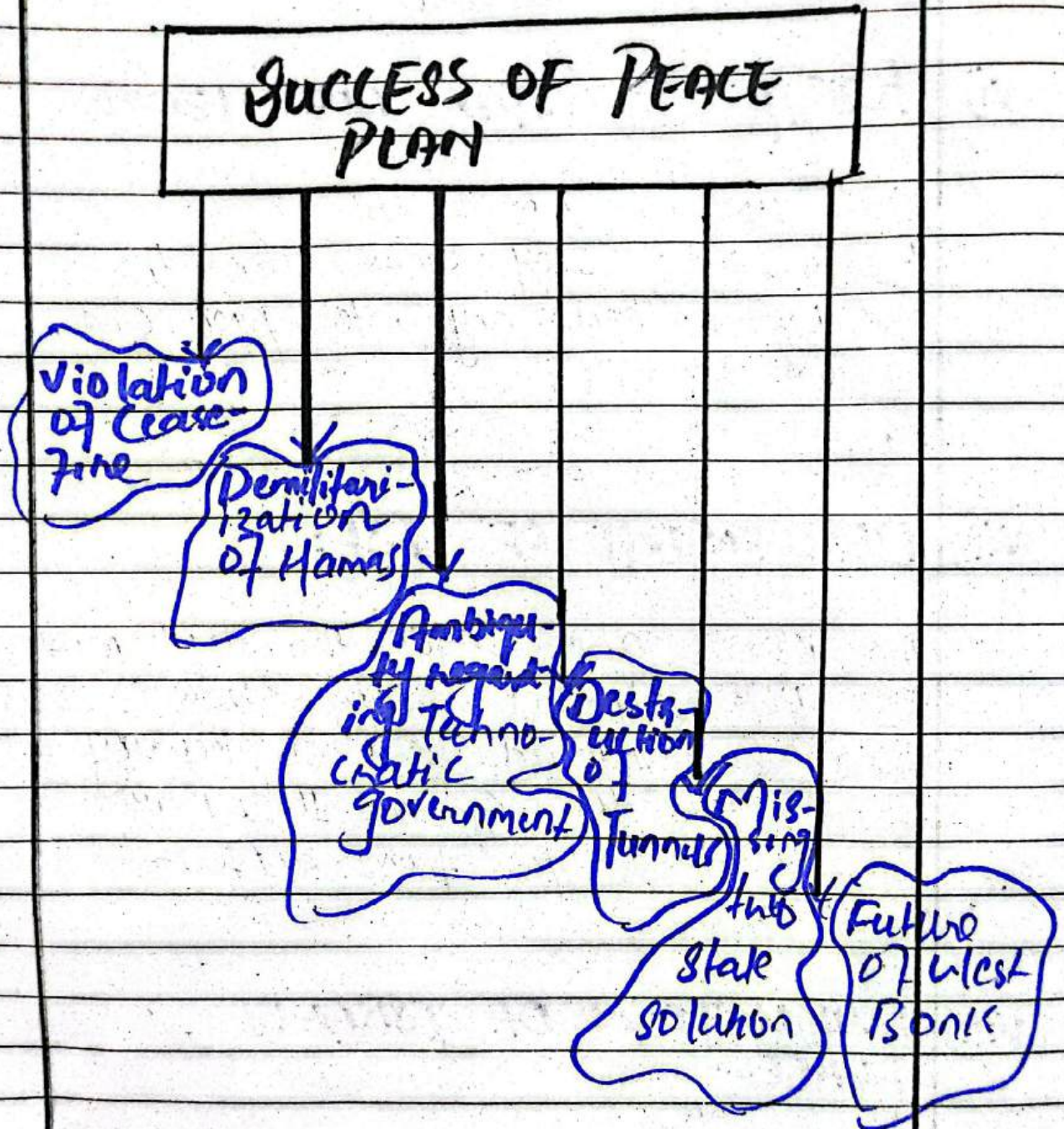
The plan also says the deployment of International Stabilisation Force that would serve as security force for the Gaza. It would consist of troops from different countries.

### (viii) EVACUATION OF ISRAELI FORCES.

The plan envisions the evacuation of Israeli forces in 2 phases. Firstly, 45% evacuation and in second 55% of evacuation but 15% of Israeli force would present.

in enclave

### (3) SUCCESS OF PLAN:



### (i) VIOLATION OF CEASEFIRE

Halting war is the main agenda

plan. There have been multiple ceasefire violation from Israeli side. This has lessened its chances of success.

### (iii) DEMILITARIZATION OF GAZA: A THORN IN THE EYE:

Hamas has demanded the sovereignty and self government for Palestine in exchange of demilitarization which Israeli has outrightly rejected.

### (iii) DESTRUCTION OF TUNNELS.

This plan also says to destroy tunnels which Hamas would not do as it is source of defence for Hamas and Hamas has zero confidence on USA and Israel.

### (iv) AMBIGUITY REGARDING TECHNOCRATIC SET-UP:

The composition of technocratic government is shrouded in mystery. It is likely to be filled by

loyals of Israel and may affect the sovereignty of Gaza. It is now led by Tony Blair which is also Jews and has soft corner for Israel.

#### (v) MISSING TWO STATE SOLUTION.

One of the major flaw in this plan is missing two state solution that has lessened the chance of success of this plan.

#### (vi) COMPOSITION OF ISF.

Composition of ISF is also not revealed. Many countries are reluctant to send their troops to Gaza. Its function regarding demilitarization of Hamas has reduced its efficacy.

#### (vii) FUTURE OF WEST BANK.

Future of West Bank is also ambiguous. This is under the Palestinian control.

#### (4) ANALYSIS OF PAKISTANI POLICY:

Initially, when Gaza peace plan was announced then many opinions came to the fore that this was not original plan that was discussed with Muslim leader Pakistan's deputy PM, Ishaq Dar, also confirmed it.

#### (ii) PAKISTAN'S ACCEPTANCE OF PLAN:

Pakistan has agreed to all the points of plan and appreciated Trump for his effort.

#### (ii) THE QUESTION OF SENDING TROOPS:

It is still unclear if Pakistan would send its troops to Gaza or not. There is no official statement from foreign office but it is said by Marco Rubio that Pakistan would send its troops to Gaza.

## (5) POSSIBLE FALLOUTS ON PAKISTANS:

### (i) CONFRONTATION WITH ISRAEL:

If Pakistan sends its troop to Gaza then there is possibility that confrontation between two country may occur because both are <sup>at</sup> loggerheads with each other.

### (ii) CRITICISM FROM RELIGIOUS LOBBY:

If Pakistan sends troop to demilitarize the Hamas, it may face criticism from religious lobby of the country.

### (iii) WORSENING OF INTERNAL SECURITY CONDITION:

Pakistan is facing internal security issue due to terrorism and has two hostile neighbours. Sending troops to Gaza would weaken Pakistan internal security.

## (6) CONCLUSION:

Gaza is the place that has  
faced genocide for many years.  
Though, there is ray of hope  
of restoration of peace in the  
Gaza but it eventually compromise  
the right of self rule for  
indigenous population. Pakistan  
should forbid to send its troops  
to Gaza but advocates the two  
state solution on all global  
platforms.

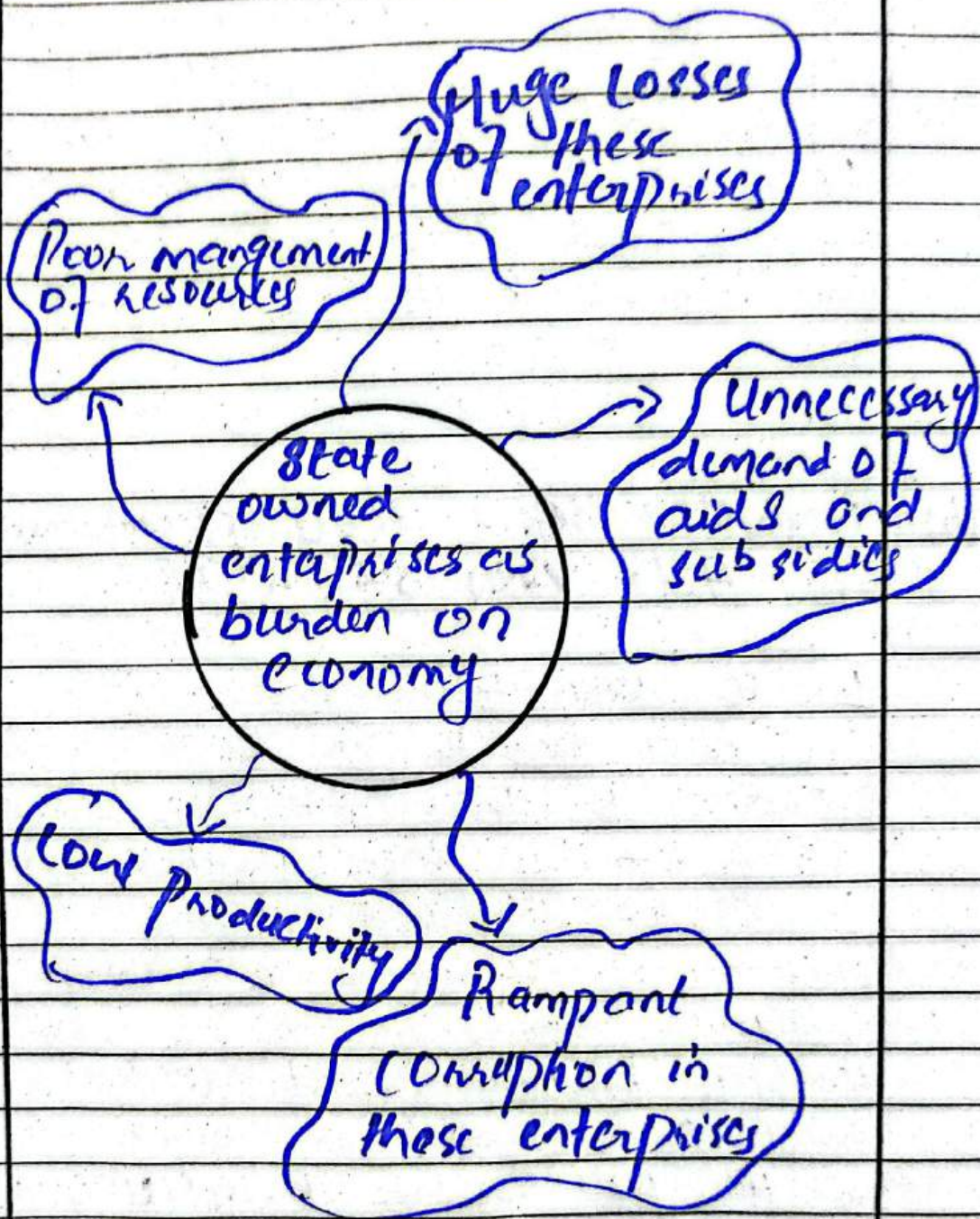
## QUESTION NO # 2

### ANSWER:

#### (1) INTRODUCTION:

Privatization is the process of selling the national assets to the private investors or personally. Privatization is the characteristic of capitalism. It is meant to increase the productivity of state-owned enterprises. It occurs when state owned enterprises are bearing huge losses and become a burden on the economy of the country. Many developed countries privatize their assets to earn revenue. State-owned enterprises are huge burden on already fragile economy of Pakistan. Debts are mounting on those assets and profit is minimal. There is need to take steps to encourage privatization to stabilize the economy and increase the productivity of these assets.

## (2) STATE-OWNED ENTERPRISES AS BURDEN ON ECONOMY:



## (a) MOUNTING LOSSES :

State owned enterprises are facing huge losses due to mismanagement and poor productivity. According to Pakistan Economic Survey, State owned enterprises are bearing the loss of around 6.5 tr.

## (b) UNNECESSARY REQUIREMENT OF AID AND SUBSIDIES:

Under

In to keep these assets operational, government has to give loans and subsidies to these enterprises. Subsidies are meant for those institutes and sector that contribute to the economy of country to huge level and also give relief to end user. Pakistan has given \$2.5 tr to these assets as subsidies and loan

in the past decade (Privatizing PIA as going concern, down).

Thus, these subsidies, credit and loan are burden on the already crippled economy of the country.

## (c) Rampant Corruption:

There is also rampant corruption in these enterprises. They are not held accountable for their action and policies. Government aids and subsidies are lured in the pockets of the corrupt management.

## (d) LOW PRODUCTIVITY:

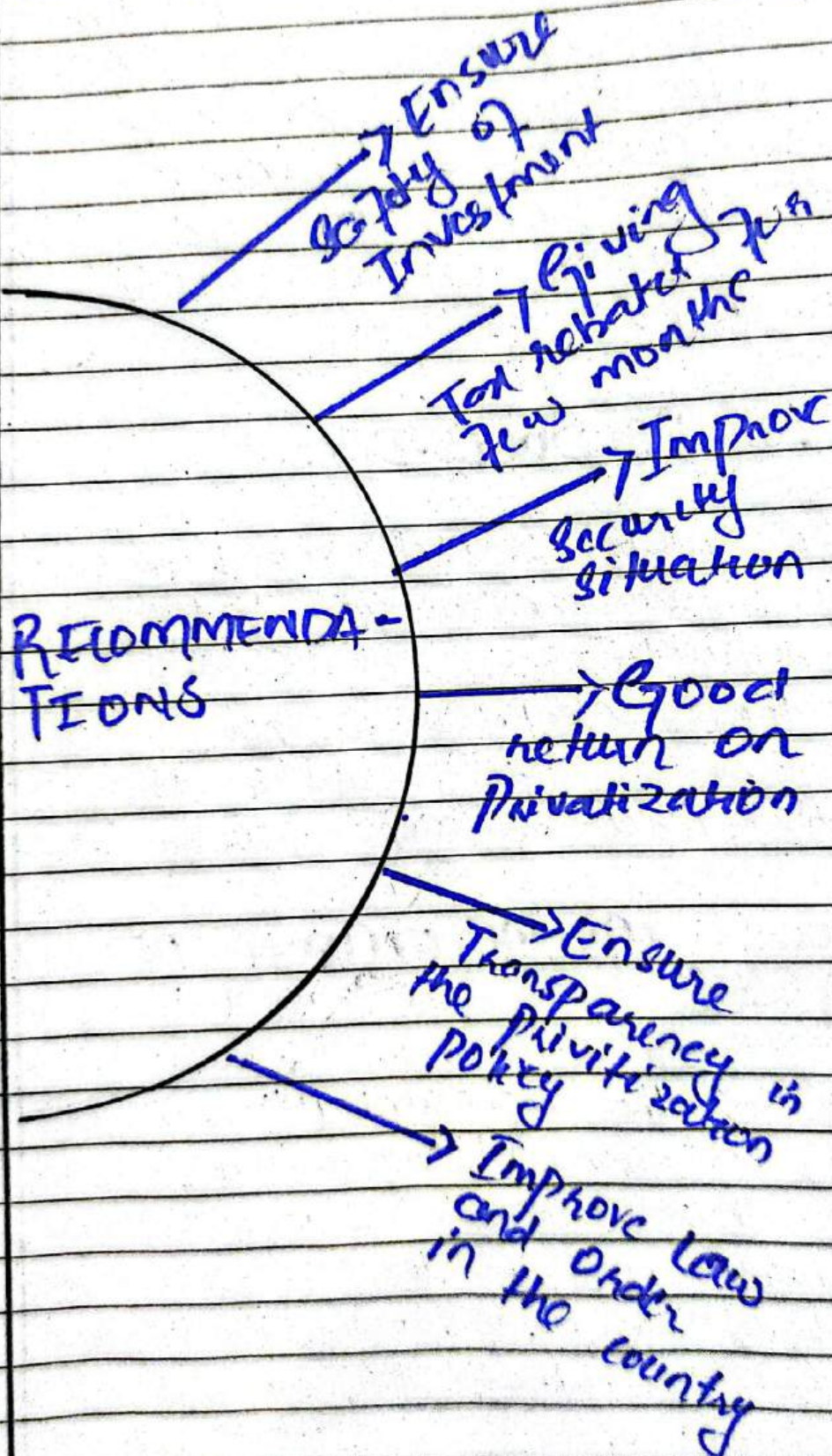
These state owned enterprises are also marked by low productivity. The work culture of these enterprises is not competent to fully utilize the state machinery and labour.

## (e) POOR MANAGEMENT OF ASSETS:

Besides, the management of these assets is not competent to use them as an engine of economic growth. The flawed policies lead to huge losses that are nothing less than burden on economy.

(3)

# RECOMMENDATIONS TO PRIVATE INSTITUTE



## (A) ENSURE SAFETY OF INVESTMENT

Investors should be taken in confidence that his investment will be safe and protected from fraud.

## (B) GIVING TAX REBATES FOR FEW MONTHS.

All the institutions that are privatized should be given tax rebates for few months. This would attract investors to invest in the country.

## (C) IMPROVE SECURITY SITUATION IN THE COUNTRY.

Pakistan is facing huge security threats due to terrorism. Pakistan needs to eliminate terrorism from its land as investors always invest in the country where peace exists and risk to investment is nil.

## (D) GOOD RETURN ON INVESTMENT.

Investor should be ensured that

he would get good return on investment. The potential and strong point of state owned assets need to be highlighted.

## iv) ENSURE TRANSPARENCY IN PRIVATIZATION POLICY.

The policy of ~~the~~ privatization should be transparent and free from doubts and ambiguity. All the clauses should be clear and convey the complete meaning. It would increase the confidence of investor.

## v) IMPROVE LAW AND ORDER IN THE COUNTRY.

Pakistan is facing law and order crisis. Government institution are characterized by corruption. There is lack of political stability and continuation of policy that shatters the confidence of investor. Pakistan needs to maintain policy continuation and improve law and order.

#### (4) CONCLUSION:

Pakistan is the country that is blessed with resources but poor in their management. Privatization is the best way to decrease the burden of state owned enterprises on economy. It would stabilize the economy and increase the revenue from these state-owned enterprises.

# QUESTION NO # 07

## ANSWER

### vi) INTRODUCTION:

USA and China are the two super power of the world. Initially, USA helped China in gaining Taiwan from Japan. Chinese leader Mao Zedong established Communist government in the country and the Republic of China leader fled to Taiwan. USA recognized Taiwan and its seat was held by Republic of China. In 1970s, the ties between both countries improved. US president Nixon visited China and also vetoed for People Republic of China to represent China in UN. However, it seems that relation between both countries has strained due to trade war between the two powers.

## (2) FUTURE OF TRADE WAR BETWEEN TWO POWERS

US has banned the supply of chip to China. It also created CHIP alliance to forbid its allies to stop the supply of chips to the China. These are Japan, South Korea and Netherlands.

China is the biggest name in the world of rare Earth metal and its processing. Currently, China hold around 82% of world rare Earth metals and process 90% of them. In response to US policy, China halted the supply of rare Earth metals to USA that is considered as necessary of AI technologies.

## (a) CHINA DOMESTICATION POLICY

China is pursuing domestication policy in which it ~~import~~ manufactures its own chips from metals.

## (b) US QUEST TO FIND ALTERNATIVE TO CHINA:

US is finding different countries to supply rare earth metals to reduce its dependency on China. It has made agreements with Pakistan, Greenland and Ukraine in the mineral field.

## (c) DECOUPLING OF CHINA AND USA.

This trade war resulted in the decoupling of both countries. Economic dependence is reduced between two countries due to this war.

## (d) CHINA + I POLICY OF INDUSTRIES.

Different industries in US are pursuing China + I policy to ensure the supply of material necessary for production.

## (e) RISE OF TECH NATIONALISM.

The war resulted in emergence.

of tech nationalism in which countries do not share technology and the raw material to manufacture technology based products.

## (1) SETBACK TO GLOBALIZATION

The war has reduced the interconnectedness of world. Many countries are promoting multilateralism. This has reduced global connection of the world.

## (2) RISE OF MULTILATERALISM

Countries are avoiding hardcore alliances and pursuing issue based alliance.

## (3) CONCLUSION

China and USA are at the brink of war. Both countries should de-escalate and promote dialogue to diffuse the tensions to revive the peace of the world.