

Part II

Q:2

Privatization

Privatization is basically getting sold the government owned businesses which are being liability and burden on the economy of state.

1) Issues: Pakistan is facing severe economic issues as the government owned businesses became a liability on the economy. The liability means that the government owned businesses have more expenses than the revenues which are being generated.

2) Need of Privatization is inevitable because the state owned enterprises have been a huge burden for the budgetary economy of Pakistan. The economy of Pakistan is bearing huge expenses of the enterprises or which are in loss from past 20-25 years. So, there is an extra burden on the budget of Pakistan due to which the budget deficit is created every year. However, Although it is inevitable but it was not done in past because it was not encouraged by the past leaders.

Pakistan is paying billions of rupee every year in terms of the expenses of state owned Enterprises.

These a billion of rupee can be used by government for the public welfare if not paid in terms of expenses.

3) Early Actions by Government

i) Privatizing Key Enterprises: The government of Pakistan took action and already sold some state owned enterprises due to which the liabilities of the government are lowered. There are following some of the enterprises which are sold by the government in term of the privatization.

i) PTCL

ii) K-Electric

iii) PIA

ii) Causes:

~~Reason~~

Though the actions by the government are late as it would have been done very early but now government is considering it as a serious need to manage the budgetary issues.

Earlier the government sold the PTCL and K-Electric PTCL was a state owned enterprise which was established by the government to provide the

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internet services nation wide. But, this enterprise remained ~~an~~ a liability for the state for many years. So, the government sold it.

K-electric is an electric ~~su~~ or energy supply company which is basically karach based. This company provides electricity to Karachi. This company was also a state owned business and government beared losses of this company for years. After continuous losses, the government sold this company.

The recent big development is done in the December of 2025 by the state as the one of the largest state owned enterprises, the PIA was sold for PKR 135 Billion. Due to decades of continuous losses from PIA, government decided to privatize this institute and the decision is formally implemented in the December of 2025.

~~The reason of the privatization of these~~

iii) Reasons: The reason of the privatization of these companies is that the government was facin bearing their expenses continuously as they were in loss from ~~may~~ many years. For instance, PIA was in continuous loss for decades and the government had to pay

billions of Rupee in the expenses of PIA every year in their budget.

4) BOP and FX: Privatization is basically inevitable for the state of Pakistan because the Economy of Pakistan is already facing struggling due to debt payments and balance of payments. There is a huge debt of trillions on the Pakistan due to balance of payment issues as the government earning is not as much as it is paying because of exports deficit. The major portion of the budget already goes to the debt settlement payments. Currently, Pakistan is managing the balance of payments and Foreign exchange reserves with the help of IMF program. So, because of these issues, the government cannot bear the extra expenses of the and burden of these government state owned liabilities.

Future Plans

The government is also planning the privatization of some other state owned enterprises after the successful privatization of PIA. These enterprises include:

i) PSO

5) Future Plans and Recommendations

i) Future Plans: The government of Pakistan-after the privatization of major state owned enterprises, PIA- should also consider the privatization of some other larger State owned enterprises like:

- PSO
- Pakistan Steel Mills
- Energy supply companies
- NHA

• Need of: These are also the enterprises which are being Future Plans a liability for the state for many years. The government is paying Billion of Rupee in terms of their expenses every year in their budget.

PSO is going in Billions of losses in past several years according to the reports. The Pakistan Steel Mills are not functional from many years and government is bearing their expenses.

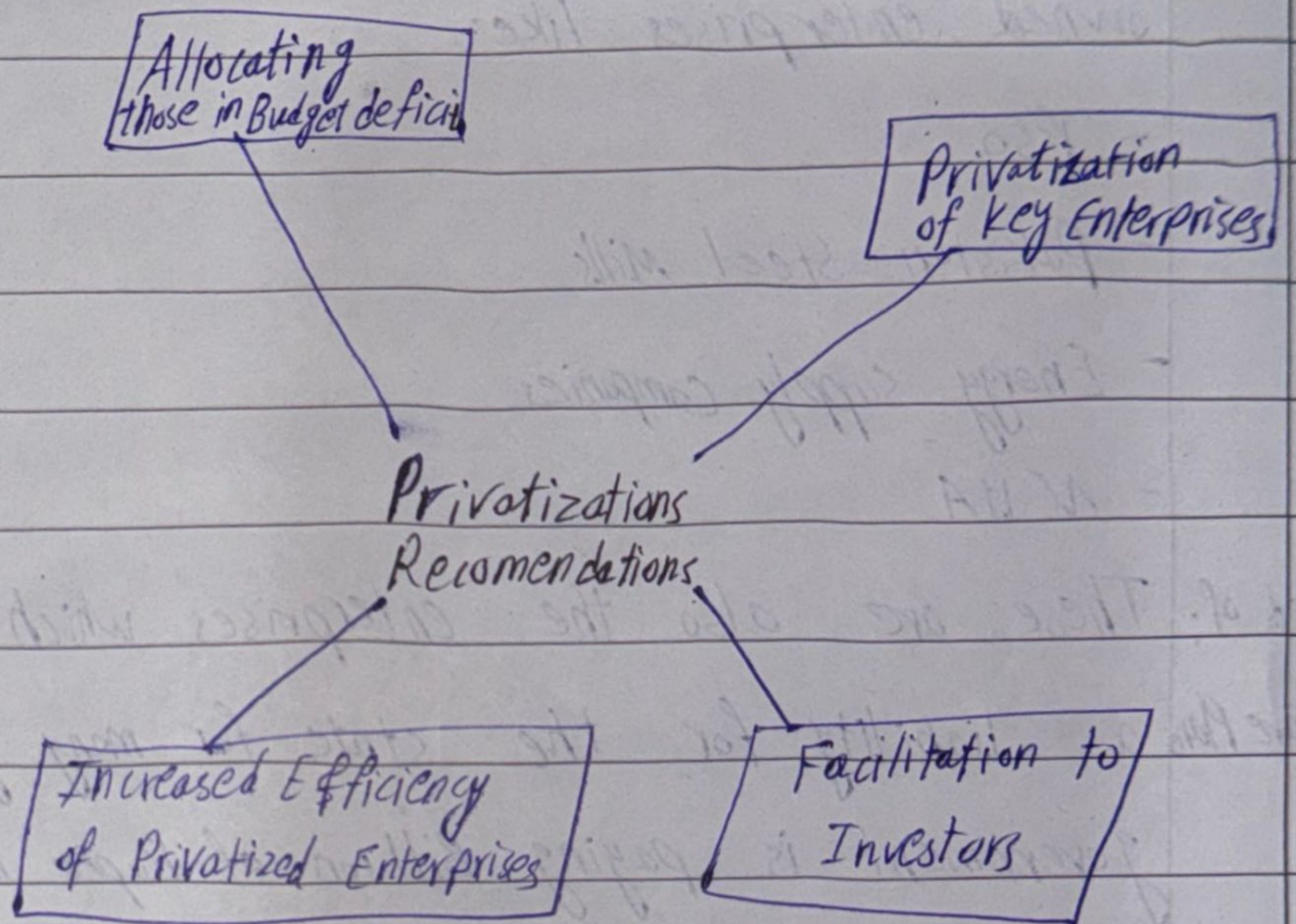
• Benefits: There are several benefits of the privatization of key state owned enterprises.

First of all, by the privatisation of these enterprises, their efficiency can be increased. The government is paying the salaries of thousands of employees as

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well as it is also bearing the pensions of thousands of employees & which have been retired from these institutes. These expenses will be cut down and the burden on budget will be reduced, so that the government can invest on better projects.

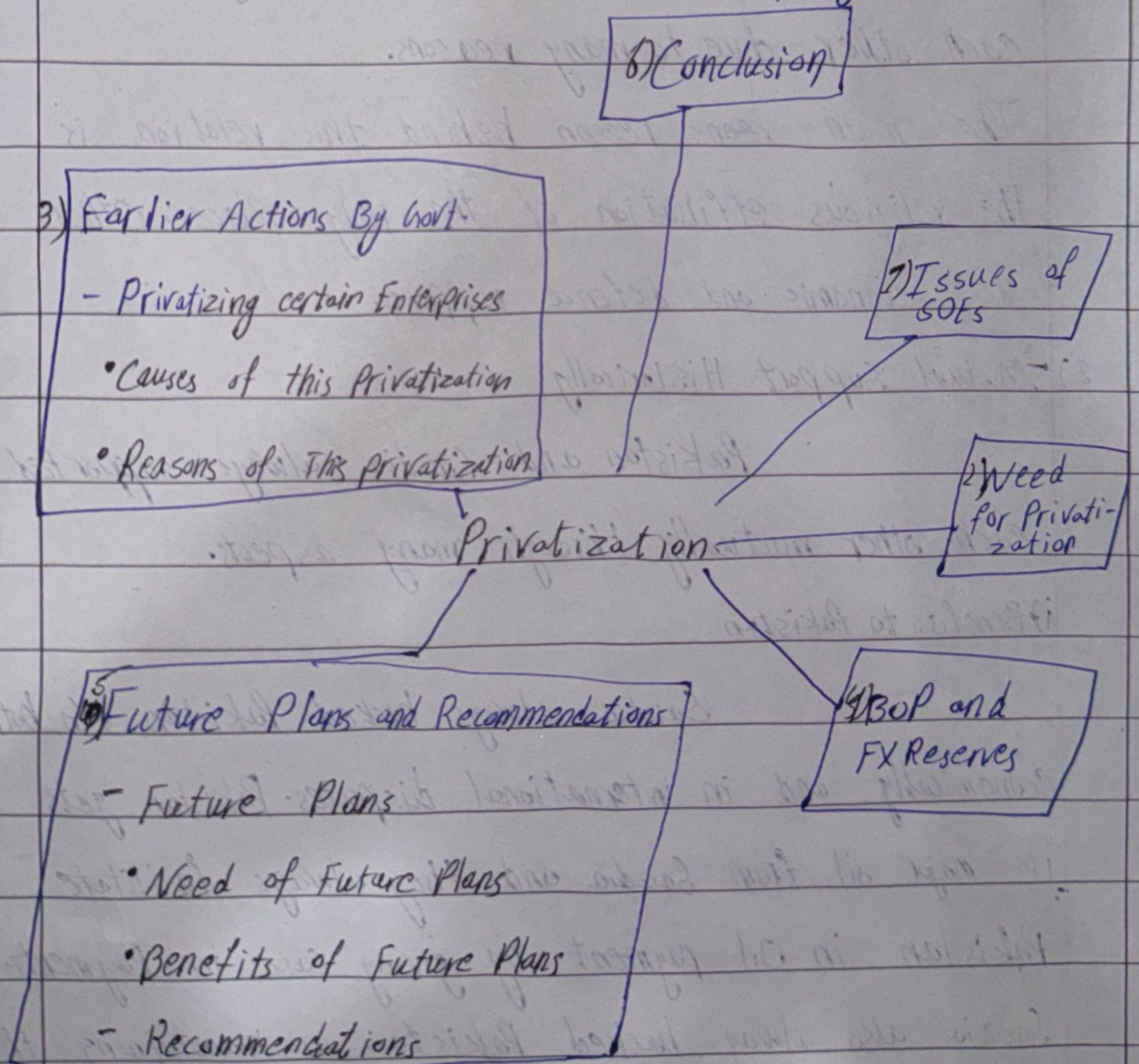


ii) Other recommendations on the privatization privatization include the facilitating the investors which are buying these state owned enterprises.

b) Conclusion

It is now evident that the privatization is the great need of time for Pakistan right now. The government can only get the to control the budget issue by

Privatization of key enterprises which are being liability on the government. As the current economy of Pakistan is not able to bear these expenses and these expenses can be reallocated to better projects in the budget. There are many benefits of privatizing these institutes and no benefit from keeping them.



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Q:5

Pak-KSA - Relations

- 1) History ~~Pakistan~~ Pakistan and Saudia are in great brotherly relations from the emergence of Pakistan in 1947. Both the countries have strong ties with each other due to many reasons.

The main ~~rean~~ reason behind this relation is the religious affiliation of the Holy Places. Others are economic and defence supports.

2) Mutual Support Historically

Pakistan and Saudia always supported each other mutually through many aspects.

i) Benefits to Pakistan

Saudia always backed Pakistan ~~too~~ both economically and in international disputes. Pakistan gets its major oil from Saudia and they always facilitate Pakistan in oil payment by giving ease in payments. Saudia also always backed Pakistan in maintaining the BoP and FX reserves. Balance of Payments and Foreign Exchange reserves. Saudia also supports

~~Pakistan~~ the stance of Pakistan on Kashmir issue and always backs Pakistan.

ii) Benefits to Saudia

Pakistan in return always provides the defence and strategic support of to KSA.

Both the countries have ideal relations with each other and they back each other in every manner.

3) Pakistan KSA Mutual Defence Pact

Pakistan and Saudia recently marked a historical relationship by signing a mutual defence Pak Pact on 17th September 2025. This defence pact is considered a historical achievement for both of the countries in every manner.

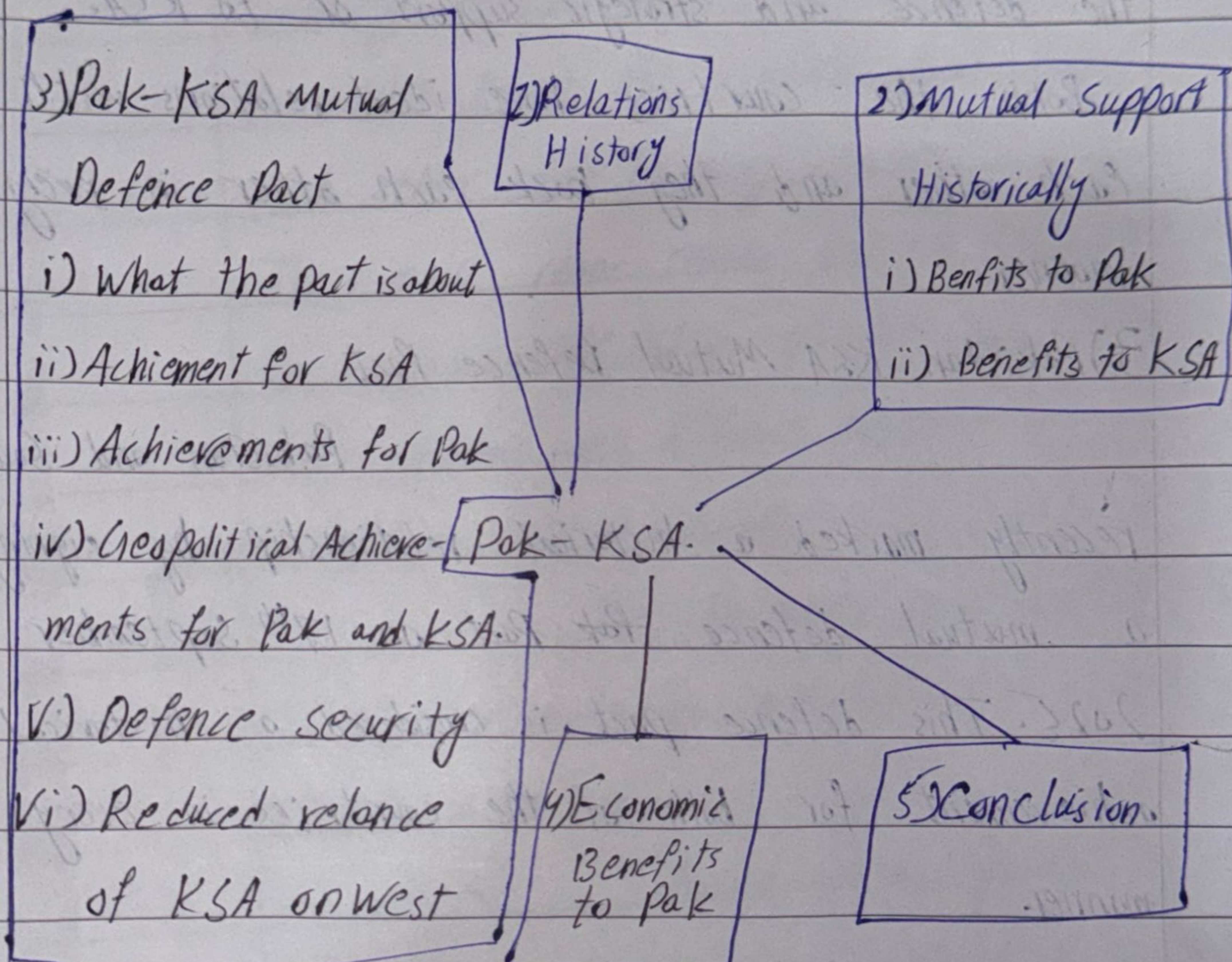
i) What This Pact is About

According to this pact the statement is given that all the defence and other capabilities of both countries are available to each other in every manner.

Which means that both the countries will defend each others sovereignty in every manner. According to the report of Foreign office and

ministry of defence of Pakistan.

There are certain benefits that both countries will get under this pact which are discussed below.



ii) Achievements for KSA

KSA got many achievements and benefits under this part. Like the defence - ~~first of all~~ security, geopolitical achievement and ~~Geop~~ stability in region. Also there is a message of unity with Muslim allies rather than only relying on West and USA.

iii) Achievements to Pak

Pakistan also got achievements under this part. Like the defence, security and stability. Economic security in future prospects.

iv) Geopolitical Achievements for Pak and KSA.

Both the countries achieved geopolitical security and success under this part. Saudi became a country in the middle East which is backed by the major Islamic power which makes the country stronger in Gulf region.

Pakistan got the geopolitical success because all the Saudi economic support in terms of defence and economy are available to Pakistan by Saudi.

v) Defence Security

Both the countries stated under this pact that all the defence capabilities of both the countries are available to each other.

The defence makes KSA a stronger power in Gulf region backed by major Islamic power. Some reports also say that the Pakistan's nuclear facilities are also available to Saudi under this pact and also said by the Defence Minister of Pakistan. But publically Pakistan does not claim that in foreign policy and states that its nuclear capabilities are only to create balance of power against India in region.

Pakistan also get defence benefit as it gets one more ally is increased in the court of Pakistan.

vi) ~~Pak~~ Reduced Reliance of P. KSA on West

Under this pact, KSA achieves reduced reliance on west and USA for their security which most of the Gulf countries do.

4) Economic Opportunities For Pak

Pakistan does not get the official economic stability under

this pact but there are certain economic opportunities for Pakistan under this pact.

Pakistan basically will get more strength and help ~~eco~~ economically by KSA after this pact. Under this pact, Pakistan will safeguard the geographic sovereignty of KSA and will also safeguard its major & sensitive geographic locations. As a result of which Pakistan will get economic gains and investment from KSA. By signing this pact, Pakistan gained more confidence of KSA and now it is predicted in reports that the oil relations will further be relaxed and KSA will invest more in Pakistan.

5) Conclusion

In conclusion, it is evident that the defence pact is huge geopolitical achievement for both countries and especially KSA and more ~~eco~~ consequently more indirect opportunities. So, this defence pact is considered historical for both the countries.

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Q: Dollar and SWIFT Weaponization Against Russia

1) Historical Background: The

Russia invaded ~~in a~~ ⁱⁿ ~~real~~ ⁱⁿ Ukraine in a real manner in 2022 and till date this issue is not resolved.

This issue got heated because Ukraine got attached with the western block and applied for NATO membership and as a result of which Russia invaded Ukraine to safeguard its territorial integrity and sovereignty.

2) Dollar and SWIFT Weaponization by West

As a result of this ~~in~~ invasion by Russia, the western block including Europe and USA supported the Ukraine and gave them every kind of support including economic, humanitarian and weaponization.

USA and Western block used the weaponization of sanctions against the Russia and stopped trade with Russia. They also used the Dollar weaponization. ~~They~~ The Dollar is used as

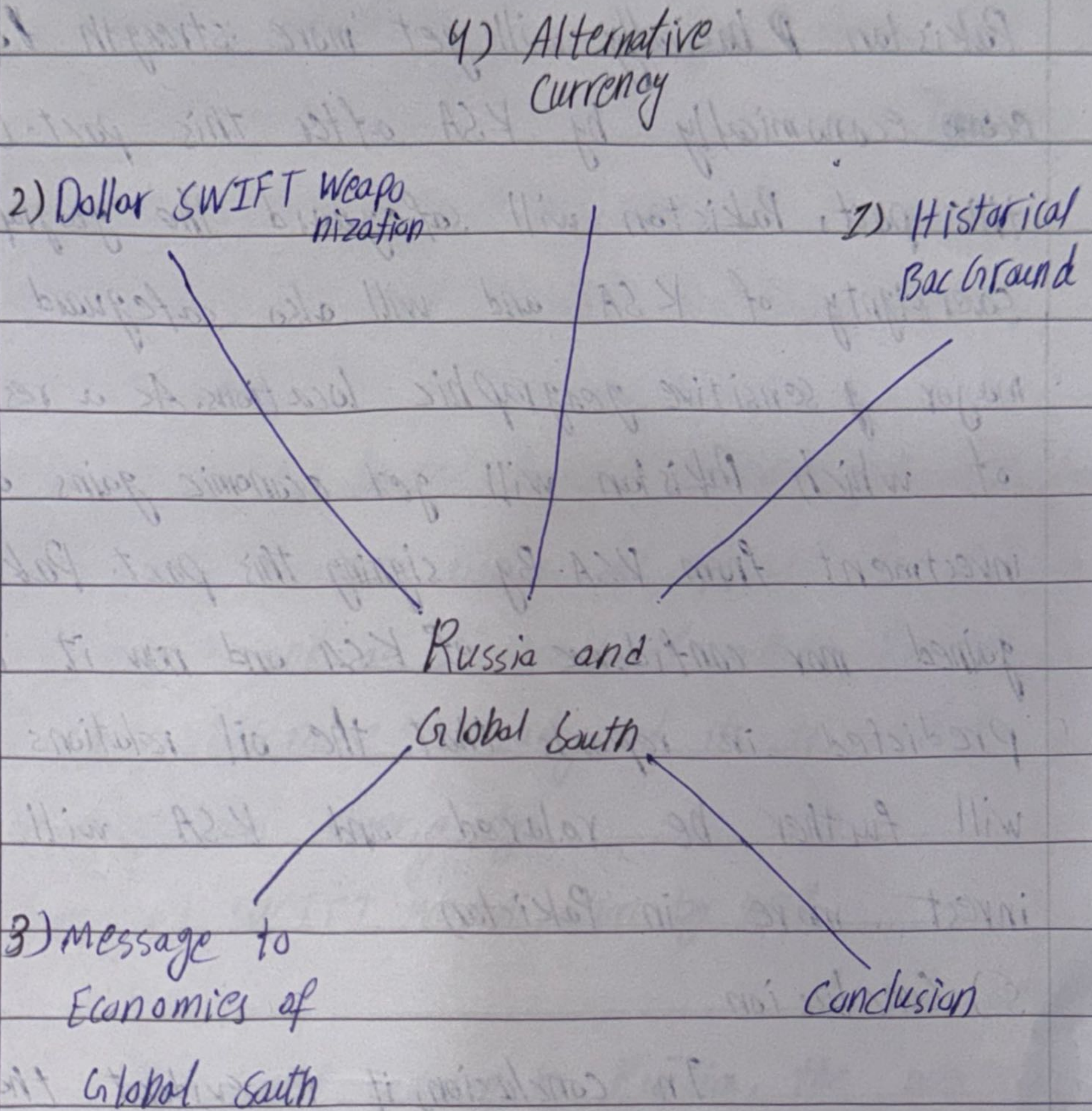
a global currency in which the global trade and transactions are done. USA and Western block ~~has~~ banned Russia from use of Dollar in transaction. They also stopped their allies to trade with or any kind of relation with Russia. which put Russia in great ~~is~~ vulnerability and chaos economically. Message to Economies of Global South

This Dollar weaponization greatly influenced the other countries and especially the economies of global South to find an alternative currency and transaction system in which they can trade if this Dollar weaponization is used against them.

~~The~~ South economies include. In

The major South economies include China, India, Pakistan, Iran, Turkey, and etc. These countries see a great threat of Dollar weaponization against them and are finding now an alternative currency by which they can trade and do transactions. if any sanctions

or ~~dot~~ Dollar weaponization is used against them.



4) Alternative Currency

The countries of global south are now considering an alternative currency for their stability. The Chinese Yuan is seen as the most most suitable currency the global south can use as an alternative

Source to tackle the transaction issues if the Dollar weaponization is used against them. China is a super power competitor against US so the global South is making alliance with China to tackle this issue. China is now focusing on making its currency as global trade currency to take the place of Dollar. By the US weapon of Dollar on Russia, China got the opportunity to create a block which ~~the~~ in which it can put the Chinese currency for trade in place of US Dollar. China is all set to ~~use~~ start this process. Moreover, China is doing the bilateral trades with the neighbouring countries in Chinese currency.

5) Conclusion

In conclusion, due to the use of Dollar weaponization, the global South has started thinking about an alternative currency option consequently to the use in trade and transactions. The Southern Countries are

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focusing on shifting to a new currency for trade. China is becoming a new currency option for the countries for trade. Moreover, China is using its currency in bilateral trades.

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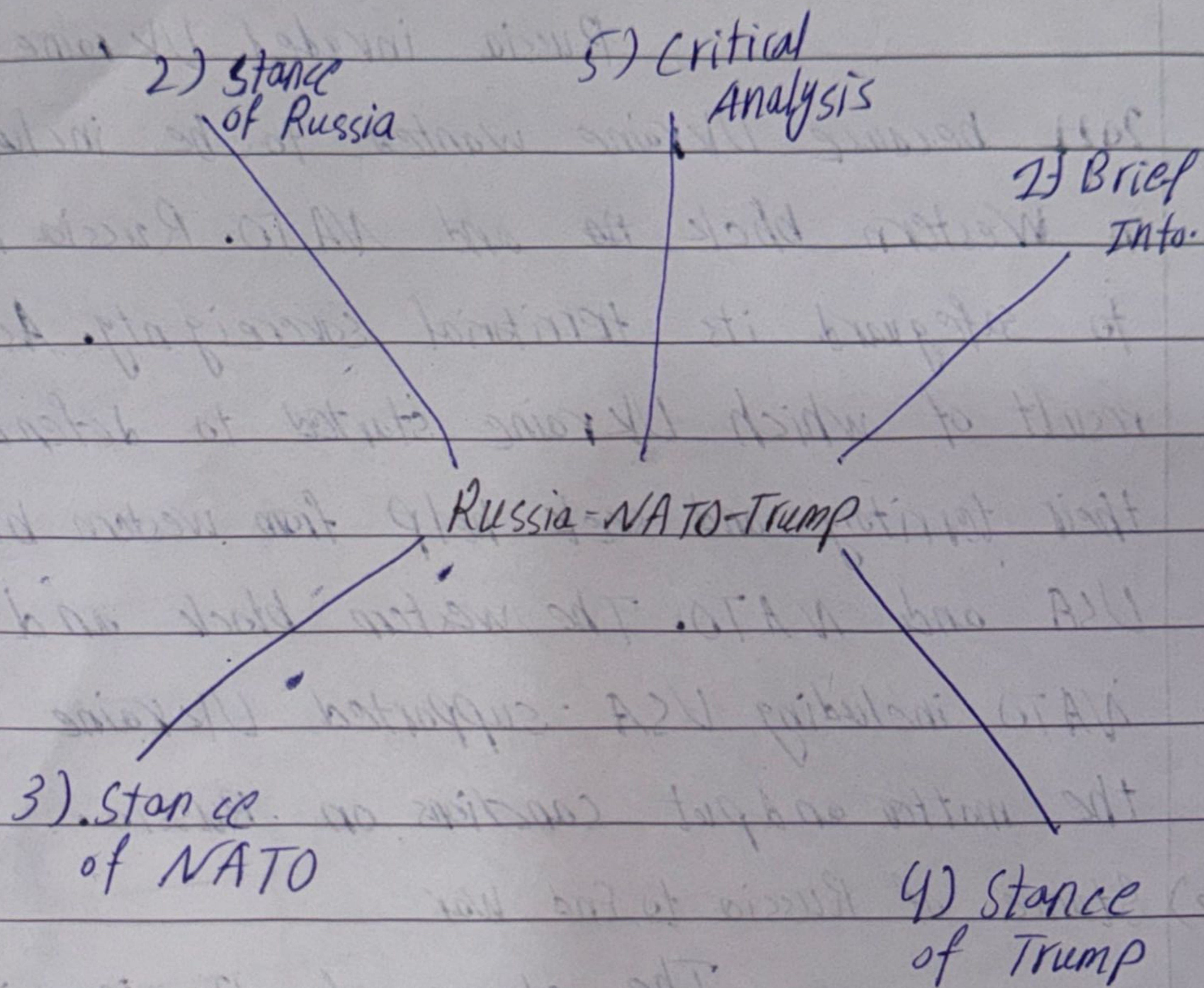
Q1) Brief Background

Russia invaded Ukraine in 2022 because Ukraine wanted to be included in Western block and NATO. Russia invaded to safeguard its territorial sovereignty. As a result of which Ukraine started to defend their territory and seek help from Western block, USA and NATO. The Western block and NATO including USA supported Ukraine in the matter and put sanctions on Russia.

2) Stance of Russia to End War

The stance of Russia is that this fight is essential for the sovereignty. This invasion is inevitable to defend the sovereignty.

The Russia's stance to end the war is that the Ukraine must back off from NATO membership and inclusion in the Western block. As it is a threat for their National security and sovereignty.



3) Stance of NATO

The stance of NATO about the situation and invasion is that Russia has illegally invading and attacking the Ukrainian land which is against the International law.

The stance of NATO is that Russia should immediately back off. NATO states

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That every kind of support will be provided to Ukraine in this matter.

4) Stance of Trump

The stance of Trump ~~about~~ about this war is different from NATO.

The stance of Trump is that US and NATO should not practically involve ~~in the~~ in war for Ukraine. Trump's stance says that there should be moral support but there should not be any kind of proper military support.

5) Critical Analysis

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Over all, the stances of Russia, NATO and Trump, all are opposing each other. Russia does not want to stop the war until ~~the~~ Ukraine back off from NATO. NATO states to support the Ukraine in every manner and Trump's stance says the moral approach. So, overall it became an issue which is not resolving due to ~~is~~ these issues of contradicting stance are making it more difficult to curtail and the conditions and making the peace tries. Peaceful stance is not an option of for any of the stakeholder because all the state holders are not backing off from their stance. So it is overall now become a complicated issue.

1). Recommendation

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The recommendations on this issue are that, First of all ~~the~~ the stakeholders involved should reconsider their stance.

As Russia consider it a sovereignty issue for their territory and Ukraine conside it as the basic need of time. NATO is supporting Ukraine in every manner and Trump is morally supporting Ukraine. So, at the end the solution is that the main stake holder should negotiate and should be end on war

On mutual interests. NATO and Trump should act as ~~medes~~ mediating forces rather than supporting one side.

7) Conclusion.

In conclusion, it is evident that by the contradictory stance of the major stakeholders, this issue has become more complex and now it should be very difficult to solve this dispute. Consequently both the countries are facing economic and humanitarian loss continuously. The major stakeholders should act as mediator rather than supporting one stance.