

QUESTION NO.1

Global Dynamics and US-China :-

Introduction :-

Global dynamics and world order is changing rapidly. Global and regional hegemon's play an essential role in this shift. After Trump took over the presidential office, policies tend to change abruptly. This sudden change has created inconsistency in global strategies, and economic uncertainty. Moreover, USA-China rivalry has led to political and economic shift in world order. In short, Trump's policies have created a void between policy and its implications, together with trade war between USA and China.

Global Dynamics Under Trump

Trump's Protectionist Trade Policy :-

After taking over the Presidency in 2016, Trump has imposed high tariffs on its allies and trade partners, particularly China. In recent times, Trump imposed 250% tariff on Chinese goods. The decision was

led by \$300 billion trade deficit from china alone. Trump's another motive was 'America First', which is to promote local American goods in the market. Moreover, Trump imposed tariffs on India → geo-strategic partner of America. 50% tariffs were imposed on Indian goods in 2025. As a result, protectionist policies created uncertainty and lack of trust among nations.

Trump's Gaza Peace Plan :-

Following 3 years of genocide in Gaza, Trump proposed a 20-point Gaza Peace Plan to Muslim Leaders. The initial plan included conditions in favor of Gazans and Palestinians. Later, the conditions were modified by suggestions of Israel. The plan was exclusive of guarantee for protection of Palestinians. Moreover, the reconstruction of Gaza should have contribution from Israel. The plan did not include conditions for sustainable reconstruction and future development

of Gaza. As proposed by Egyptian leader, reconstruction plan should include the construction of sea-ports and airports.

This translates that, Gaza Fence Plan is not sustainable for long-term protection and growth of Palestine.

Trump's Weapon supply to Israel :-

Although, Israel has committed serious war crimes, USA - under Trump's policies - continues to supply weapons to Israel. This has created threats for rival regional and international nations. From October 2023 to late 2024, Israel has dropped ^{more than} 45,000 bombs on Gaza. From late 2025 to early 2026, 100,000 tons of explosives were dropped. Israeli Air force claimed dropping 6000 bombs on Palestinians weekly. This war crime was continued in a consistent manner with the help of USA and Trump's policies.

Trump's Response on Doha Attack :-

In late 2025, Israel attacked

to target Hamas leadership, attacking the sovereignty of Qatar. Trump did not act to stop Israel over the attack. In response, America's trade partners: Saudi Arabia signed a Defense Agreement with Pakistan. This interprets the uncertainty created by Israel with help of USA in middle east.

Trump's Role in India - Pakistan Conflict :-

After India attacked the civilians in Pakistan during May 2019 conflict, Trump announced ceasefire. Eventually, after the announcement, cross-fire between India and Pakistan stopped. This Upon this mediation, Pakistan praised Trump for ensuring peace in the region. Yet, there are multiple unresolved conflicts between India and Pakistan which are intensified with passage of time. There is no international intervention by Trump for resolution of these ^{long-standing} conflicts.

Implication of US-China Rivalry and Shift in World Order

Adaptation of Protectionist Policies by World:-

After imposition of high tariffs on China and beginning of Trade-war, world has adopted protectionist policies. Although, World Trade Organization (WTO) has been promoting and implementation policies for neo-liberalism; Trump's policy has shifted the world order. Developing countries, who were facing difficulty in implementing neo-liberal trade policy, imposed high tariffs on imported goods. This is primarily to promote local goods and increase exports.

Dedollarization : Result of Weaponizing Dollar and SWIFT:-

Many countries, including Pakistan and Iran, faced sanctions and limited international trade. US-China rivalry led to dedollarization by introducing currency swap. China claimed that dollar and SWIFT is weaponized against countries to limit or isolate a country from rest of the world. This resulted in trade in different currencies like ruble, Indian rupees,

dirham and more. It reduced the reliance on dollar reserves and SWIFT for international trade.

Hegemony of USA Challenged by China :-

In recent decades, China has developed its economy and technology to the extent that America's hegemony on globe is challenged. China has surpassed USA in technology and manufacturing of Electrical vehicles, solar panels and raw materials like steel. The world has shifted its alliance from USA to China or try to maintain diplomatic relations with world's super-powers.

China's Growing Trade Relations in Asia :-

Geo-politically, Asia is one of the most important region in the world. After ~~that~~ reduced presence of USA in Asia, China improved its relations with Asian countries. China increased trade relations with ASEAN and Pakistan. The trade between China and ASEAN countries increased

from \$40 billion to \$950 billion within a decade. China-Pakistan Economic Corridor (CPEC) is one of the most successful economic plan between nations in region. This created an economic shift and reliance over China.

Conclusion:-

Trump's administrative international policies have deepened the division between nations. This can be seen in Gaza peace plan, supply of weapons to Israel, Trump's response on Doha attack and America's protectionist policies. Moreover, the USA-China rivalry has shifted the global trust from USA to China. Trade policies are protectionist instead of neo-liberal. This outcome is because of trade-war between the two hegemons.

QUESTION NO. 4

Introduction :-

Pakistan and China are partners in economic, political and military development.

In late 2025, Pakistan-China have signed the second phase of CPEC. Although, this phase comes with challenges, it also has long-term development benefits for Pakistan. Pakistan has also gained trust from USA and need to balance the diplomatic ties with two rivals through appropriate foreign policy.

Challenges of CPEC Phase-II :-

There are multiple challenges faced by Pakistan ~~while~~ in CPEC Phase-II :-

1) Threat to CPEC by Non-State Actors :-

Pakistan is prone to insurgency which is facilitated by neighbouring countries.

Non-State actors : Tehreek-e-Taliban Pakistan (TTP) and Balochistan Liberation Army (BLA)

are two big threats to the development process of CPEC in Pakistan. In past, these militant groups have attacked Chinese officials working under CPEC. This created challenges for Pakistan as development under CPEC paused. Chinese officials have addressed this issue and requested to reduce and control insurgency within Pakistan.

2) Change in Policy :-

Due to political instability in Pakistan, policies tend to change frequently. This creates distrust between the Chinese investors and Pakistan. Many investors avoid investing in Pakistan due to this.

Prospects of CPEC Phase -II :-

Pakistan and China are neighboring countries and Pakistan has multiple prospects owing to CPEC Phase -II.

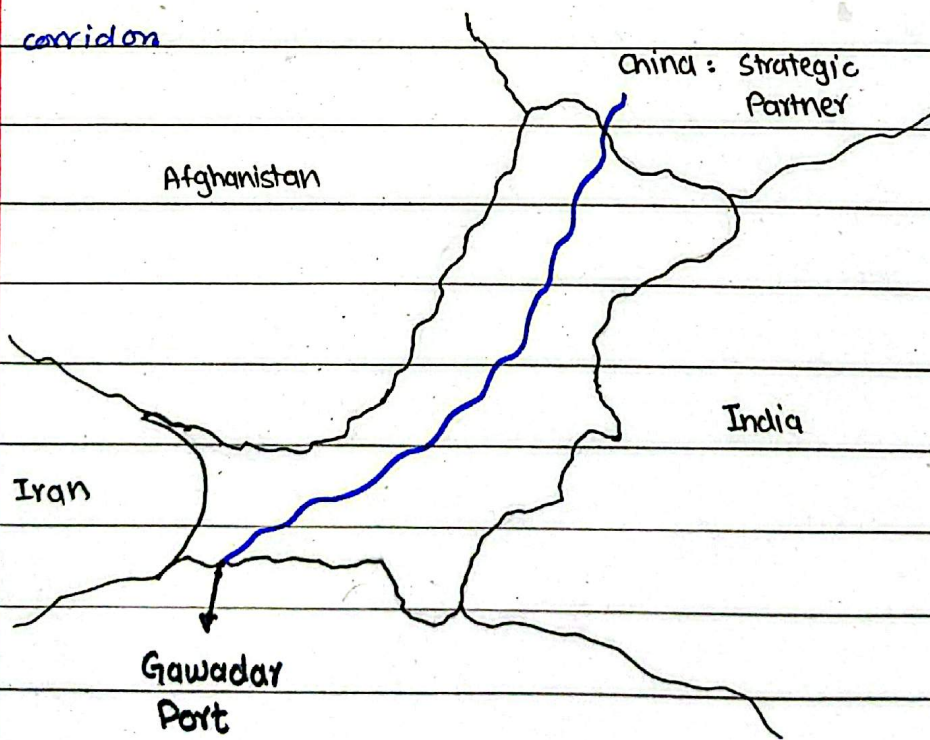
2) Industrialization in Pakistan:-

Under CPEC Phase -II, industries

will be shifted from China to Pakistan. In previous years, China has supplied defense weapons, warships, ~~air~~ planes to Pakistan. In this phase, these weapons will be manufactured in Pakistan.

2) Pakistan : A Natural Corridor:-

Pakistan makes a natural transit corridor for China. This geographical position can be used by Pakistan for exporting goods by building ports in Pakistan. Pakistan will provide economic base to China and work as a transit corridor.



Pakistan : Transit Corridor

3) Agricultural Technology:-

Under CPFC Phase-II ,
there will be agricultural development according
to the new tradition and technology.

Pakistan is an agricultural country , This development
will decrease food insecurity in Pakistan
and increase export of perishable goods
to different countries.