Current Affairs Test #02

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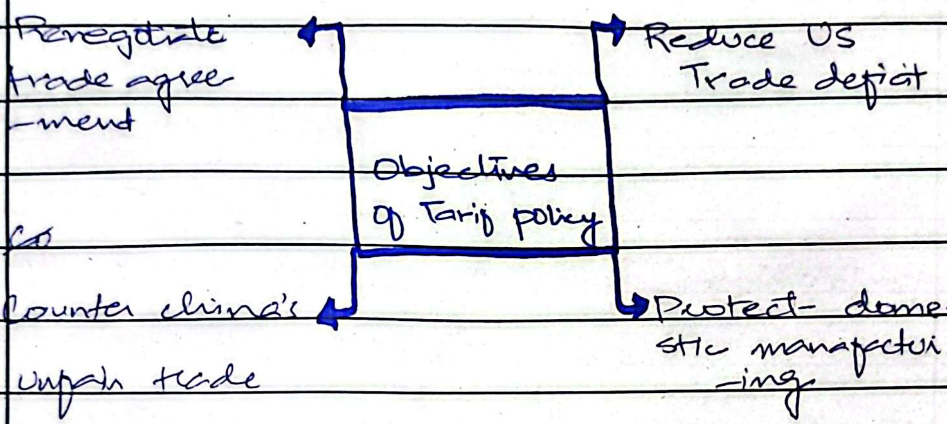
Q Examine Global fallout of Trump's Tarrif policies

Introduction

Donald Trump's tarrif policies represented a fundamental departure from the post World War II, reflecting the "American first" doctrine and revival of nationalism. By imposing tarif on china, EU and other major trade partners US aimed to protect trade deficit and protect domestic industries. However these triggered retaliatory tarif and disrupted global supply chains in international market. This tarrif war espically between US and China, weakened multilateral trade institution such as WTO. consequently this tarrif regime reshaped global economic alignments.

Trump's Tarrif Policies - Global Economic Fallout

Trump being nationalist leader made all policies that concise with the fundamental concept of Make the America Great Again Tariff policy is also among them



1. USA – China Trade War

In order to keep the stance of Trump He has to do all the measures that will make America the great country again to compete this the most high competant against Them was China so this tariff policy was to effect Them the most

- Tariff on ~370 $bn Chineese goods
- Chineese retaliatory tariff on US Agriculture
- Resulted in partial decoup-ling of supply chains

2. Impact on Allies

- Tariff on EU steel, alum-inum strained trans-atlantic ties
- North American free Trade Agreement renegotiated into USMCA, increasing US leverage

3. Globall Markets

This tariff policy impacted global market in a way The most effected victim becam-e the consumer or product

~~buyer~~ Because

- Increase Market Volatility
- Rising production costs
- Slow down in global trade growth

Reshaped Major Power Dynamics

This contributed in reshaping major power dynamics as

- China accelated self-reliance strategy
- EU Union sought strategic Autonomy
- Emerging economic caught in crossfire

Long term Consequences

Trump's tariff polices influenced

and impacted so deeply that last long term impacts.

· **Fragmentation of Global Trade System**

This diversion in US china and EU or other major World market contributors due to high tariffs resulted in fragmentation of Global trade System

· **Decline of WTO Effectiveness**

Before this tariff polices World Trade Organization has an influential market place with binding agreements but not this diversion resulted in decline of World trade Organization effectiveness.

· **Shift from Globalization to regionalization**

This shifting of World market and limiting to region china in Asia and EU in Europe made this world trade from globalization to regionalize.

· **Persistent Inflationary Pressure**

In the end its consumer who pays the price to compensate this tariff amount. the cost price of product is increased upto several times resulting in a persistent pressure for inflation.

Conclusion

Trump's tariff polices weakened the rule-based economic order replacing cooperation with coercion. While politically appealing domestically they produced systemic inefficiencies and long term instability in global trade.

Q. Evaluate CPEC-II. Policy measure taken by Pakistan

Introduction

CPEC, the flagship project of China's belt and road iniative, entered its second phase with the objective of shifting from infrastructure-led growth to industrialization, economic diversification and people-centric development. Phase 1 focused on energy and transport

Phase II - focus on economic agriculture, technology transfer. However raising geopolitical domestic governance challanges and US-china rivalaries pose complexity for Pakistan. Thus it success hinges not only project execution but Pakistan's ability to persue balanced pragmatic foreign policy.

Multi-Dimensional Challanges of CPEC - Phase II

1. Security Challanges

Persistent millitancy in KP and Balouchistan threatens chineese personnel and project. Attack on CPEC's installation under-mine investor's confidence. Regional instability especially

Afghanistan adds to security vulnerability.

2. Governance and Institutional Weakness

Delay in decision making due to bureaucratic inertia. Lack of coordination between federal and provincial govern-ment. And also the inconsi-stent policy frameworks affect-ing economic development.

3. Economic Financial Constraints

Pakistan's balance of payment crisis limits fiscal space. Debt sustainability concerns raised by International financial institutions. Slow industrial reloc-ation from china due to inadequ-ate infrastructure readiness.

4. Local Industriyal and Human Capital Deficit

Pakistan has limited skilled work force to support industiyal growth. Weak linkages between SEZ's and local industries. And fear of chineese firm's dominating markets at the expense of local buisness.

5. Geopolitical Pressure

US concerns over CPEC's strategic implementations. India's opposition, particulary regarding projects in gilgit baltistan
Narrative of debt-trap diplomacy affecting Pakistan's global image.

Prospects and Opportunities of CPEC Phase II

1. Industrialization through SEZ's

Development of SEZ's like Rashakai, Allama Iqbal and Dhabeji. Also built potential for export-oriented manufacturing, technology transfer and industriyal upgrading

2. Employment Generation And Skill Development

Opportunities of large scale job creation for youth. And for vocational training and technical education. Also the option of reduction in Regional economic disparities.

3. Agricultural Modernaization

Introduction of modern farming techniques, Improvement in value chains, storage and agricultural exports, Will also improve food security.

4. Regional Connectivity And Trade

Integration with Central Asia Middle East and Africa. Gwadar port as hub for transhipment and energy trade. Strengthening Pakistan geoeconomic relevence.

5. Strategic Partnership With China

Long term economic and diplomatic cooperation with china that will enhance resilliance against external economic shocks. Shared the vision of development and connectivity

Policy Measure to Streng-then ties with China via CPEC – I

Improve Governance And Transparency

- Establish a single empowered CPEC Authority
- Ensure transparency in contracts and project financing

Enhance Security Architecture

- Integrated Civil-Military security frame work

- Community Engagment in CPEC Areas
- Intelligence led Counter terrorism measures

Focus on local Capacity Building

- Mandatory local employment Quotes
- Joint ventures with Pakistani firm

Balancing Relation With USA

Adopt Strategic Neutrality

- Avoid Alignment with single power bloc
- Emphasie Pakistan's role as Bridge.

Diversify Economic Partnership

- Encourage US trade, IT climate finance and health sector
- Encourage American investment in non CPEC sector

Conclusion

CPEC phase II holds transformative potential for Pakistan's economic revival through industrialization employment generation. However its success depends on overcoming governance bottleneck, security concerns ensuring transparency and persing a balanced foreign policy.