DATE: 04/01/2026.

LMS : 38411
NAME : AHMED KHAN.
BATCH : 393
PAPER : CURRENT AFFAIRS

QUESTION NO 2.

INTRODUCTION.

Free capital and open market trade requires the state to ~~su~~ pave a clean and easy path for businesses and not take existing businesses into state control. State-controlled business can benefit a state majorly. However, for that to be effective a state must have political and economic stability. Pakistan

DATE: ___/___/_____

simply cannot afford to fund main business currently. Hence, a privatization policy will bring a respite on its budgetary economy. Privatization is inevitable as state owned enterprises have been a huge ~~budgatery~~ burden for the budgetary economy of Pakistan.

TRADE STRUCTURE OF PAKISTAN.

Pakistan has a mixed trade structure. It has many strate owned enterprises (SOE), small scale businesses, and large ~~scale~~ scale private business.

TRADE IN PAKISTAN.

- State-Owned.
  - eg; Steel Mill
  - Train services
- Privately owned
  - Small scale
    - Sports industries
    - Textile business
  - Large scale.
    - Banks (HBL etc)

DATE: __/__/____

A small semi-private pool of business are also present in Pakistan, e.g; PIA etc.

NATIONALIZATION OF 1970s AND ITS EFFECTS.

The government of Zulfiqar Ali Bhutto tried to bring many large businesses under the state's umbrella. For this purpose the government launched a large scale nationalization process. This had several negative effects:

i- Scaring-off foreign investors.

ii- Extreme strain on state's economy.

iii- Lack of human resources lead to large scale mismanagement of these newly state owned business.

DATE: __/__/____

~~PRIVATIONZATION~~ PRIVATIZATION OF 90s AND EARLY 2000s.

Pakistan's economy could not carry the burden of under-managed SOEs. Hence, from 90s a privatization process started. NBP, being a large SOE, was privatized. ~~the~~ This process of privatization helped in respite for the strained economy of Pakistan.

RECENT PRIVATIZATION.

To help Pakistan's economy breath more, more large scale SOEs ~~were~~ are privatized recently. PIA, a state-owned airline, sold its 75% share to become a semi-private enterprise.

DATE: __/__/____

PRIVATIZATION: THE ONLY SOLUTION.

Pakistan's economy is too strained by SOEs. Also, the management of these SOEs has also been a big issue for the state. Budgetary constraints and mismanagment have only been a burden on both the state and these SOEs. Hence, only a comprehensive and large scale privatization can save these SOEs and bring a respite for pakistan's economy as well.

HURDLES IN PRIVATIZATION.

Although benfetary, privatization has several hurdles in its way that must first be crossed before the start

DATE: __/__/____

of actual process of privatization. These hurdles are as followes.

i- Political instability.

Pakistan has never seen complete political stability for a long period that could provide a ground for privitization.

ii- Varrying stances of Stake holders.

whenever a large scale SOEs ~~is~~ is put forward for sale, many stake holders bring objections, state pillars also, some times, go against the process of privatization. for instance, when ~~Pa~~ karachi Steel Mills were tried to be privatized, the judiciary opposed it and stoped the process of privatization for this enterprise.

DATE: ___/___/_____

iii - NO-incentives for Foreign investors.

For an economy to grow it must attract foreign investors as well. This will boost foreign exchange reserve. However, Pakistan has failed to attract such investments. It has failed to provide ample grounds for foreign investors to take interest in owning a business in Pakistan.

CONCLUSION.

For Pakistan's economy to survive and grow it must privatize at least some of its SOEs. Nationalization drive of the 70s brought many businesses under state and scared-off many investors. To counter this, in 90s and

DATE: __/__/____

2000s, several SOEs were privatized. For further privatization and to occur and for economy to grow Pakistan ~~is~~ must first clear the hurdles of instability, and policy makings.

x——x——x——x

QUESTION NO 7.

INTRODUCTION.

Traditional warfare is getting extinct. Today armies don't face each other. The first step in modern warfare is trade war. We live in a global village where every

DATE: __/__/____

person is dependant on other. same is the case with states. A country is never absolutely self-sufficient. For a country to complete its needs it must trade with others. modern warfare targets this soft point. ~~Chi~~

China and USA have growing agitations against each other. The world might even be in second cold war. However, today's cold war does not employ armies and ~~wea~~ conventional weapons, it uses trade, terrifs, and sanctions to achieve goals.

US-CHINA RIVACRY : A HISTORY.

USA and china have opposing ~~rivalri~~ ideologies ; Capitalism and socialism. It is only

DATE: __/__/____

natural that each of these two opposing ideologies fears the growth of the other.

Taiwan ~~was~~ is another bone of contention between the two beasts.

The two countries faced each other in korean war and Taiwan. Later on in the begining of Trump's second term as US presidant started a tarrif war between the two states. Preceding this, a chip-ban for chinese manufacturer also added to the causes of the on-going trade war.

CHIP-BAN AND RARE EARTH METALS.

Many of modern electronics especially mobile phones use

DATE: __/__/____

US manufactured chips. The USA blocked supply of such chips to china in late 2010s. Later on, in retaliation china (being the largest reservoir of rare-earth metals) stopped the ~~supt~~ supply of rare-earth metals such as lithium and nickel. This ~~th~~ created hurdles for US manufactures as most electronic including chips use these rare-earth metals.

THE TARIFF WAR.

Trump, in the beginning of his second presdential term, imposed heavy tariffs on the imported goods of china. China retaliated ~~wit~~ by ~~apr~~ imposing tariffs on US ~~pro~~ products.

DATE: __/__/____

The tariffs on both sides raised to a whooping 245% at one stage.

TRADE WAR AND GLOBAL FUTURE.

Trade wars cripple states' economies. The recent territ war between USA and China resulted in heavy surges in prices of imported goods effecting, at the end, the common people of both these states. These two giants are opposites of each other however they cannot survive ~~with~~ in full without ~~the~~ each other. As we have seen during the Tariff war and chip blockage, both these countries eventually drew back for their

DATE: __/__/____

people to enjoy better life.

CONCLUSION.

Today is the age of modern trade wars, where instead of guns chips, and metals, and imports are used to cripple the opposing nation. However, whatever the mode of war be, the people will always suffer.