

1.
Name: Lubna Qaz

Test 9: Current Affairs

3- Jan - 2026

Q4 CPEC.

Introduction.

China Pakistan economic corridor has recently entered its Phase II with multitude benefits and opportunities for Pakistan. It is envisioned with job creation, industrialization, technological growth, green sustainability and human capital development. However, frequent change in government policies with unstable government, rise of militancy, weak local participation, this phase face challenges. Nevertheless, Pakistan needs strategic policies to address these issues and ensure diplomacy. Geo-Strategic and economic rivalry of US and China also needs to be tackled with non-aligned diplomatic measure.

Economic and Development Prospects of CPEC Phase II.

Phase II was formally launched at the 14th Joint Cooperation Committee (JCC) meeting in late 2025 to deepen economic and development cooperation between Pakistan and China.

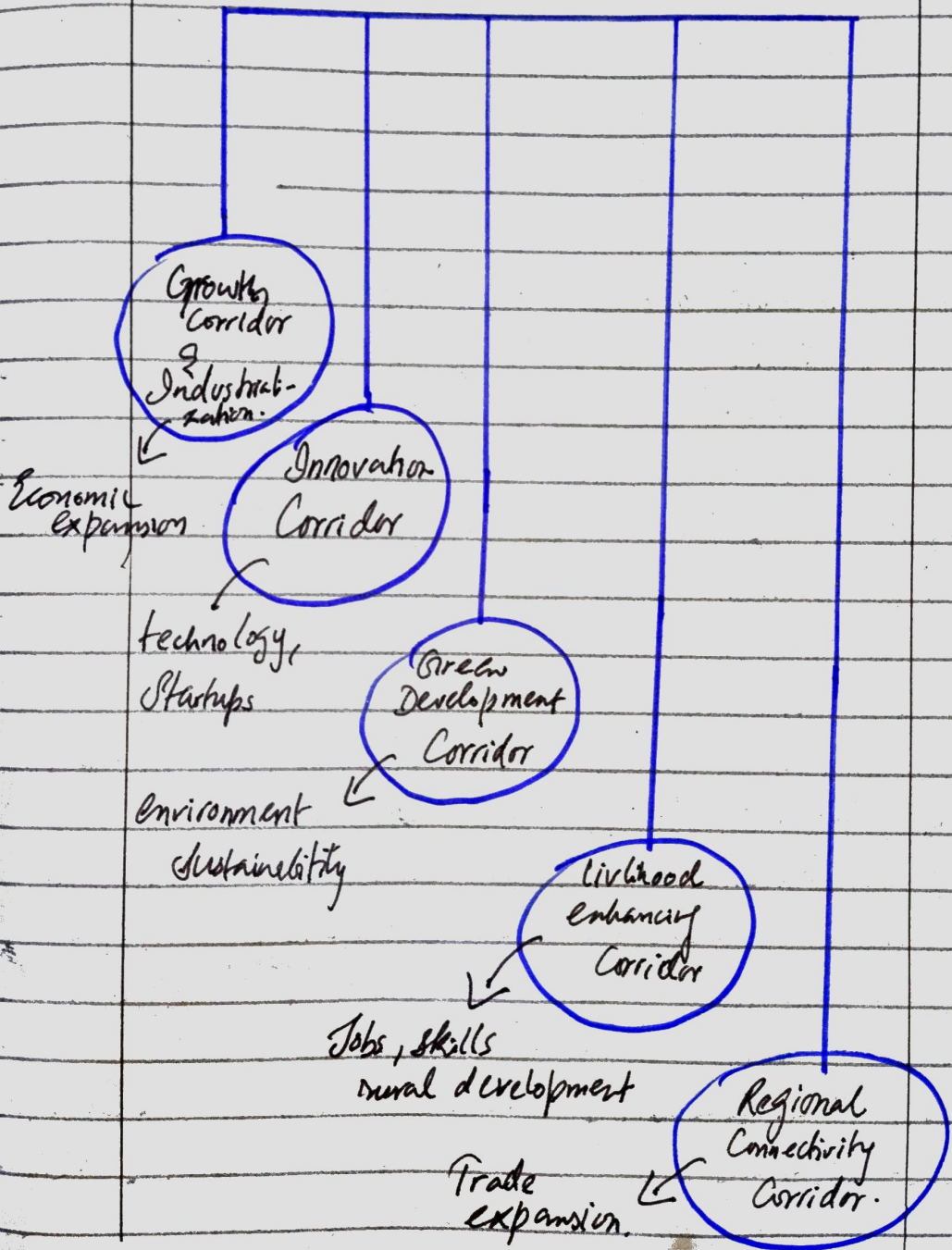
This phase shifts focus from basic infrastructure (roads, power) to industrialization, technology, exports, inclusivity and sustainability. Pakistan has aligned with five new development corridors.

Phase I accomplishments include

- ↳ Around 8,900 MW in power generation capacity installed.
- ↳ Approximately 888 km of highways constructed.
- ↳ Gwadar Port development and 200,000 jobs generated.

This projects more successful accomplishments in Phase II

5 Corridors that Broaden Scope



- 1- Industrialization and Connectivity can facilitate Pakistan to stabilize and grow its economy.

Special economic zones (SEZs) and industrial parks are being installed to boost manufacturing and exports of Pakistan.

- 2- Mechanization and climate-smart agriculture can expand agriculture sector.

Artificial intelligence training and incorporation in agriculture can produce ^{climate}-resilient crops.

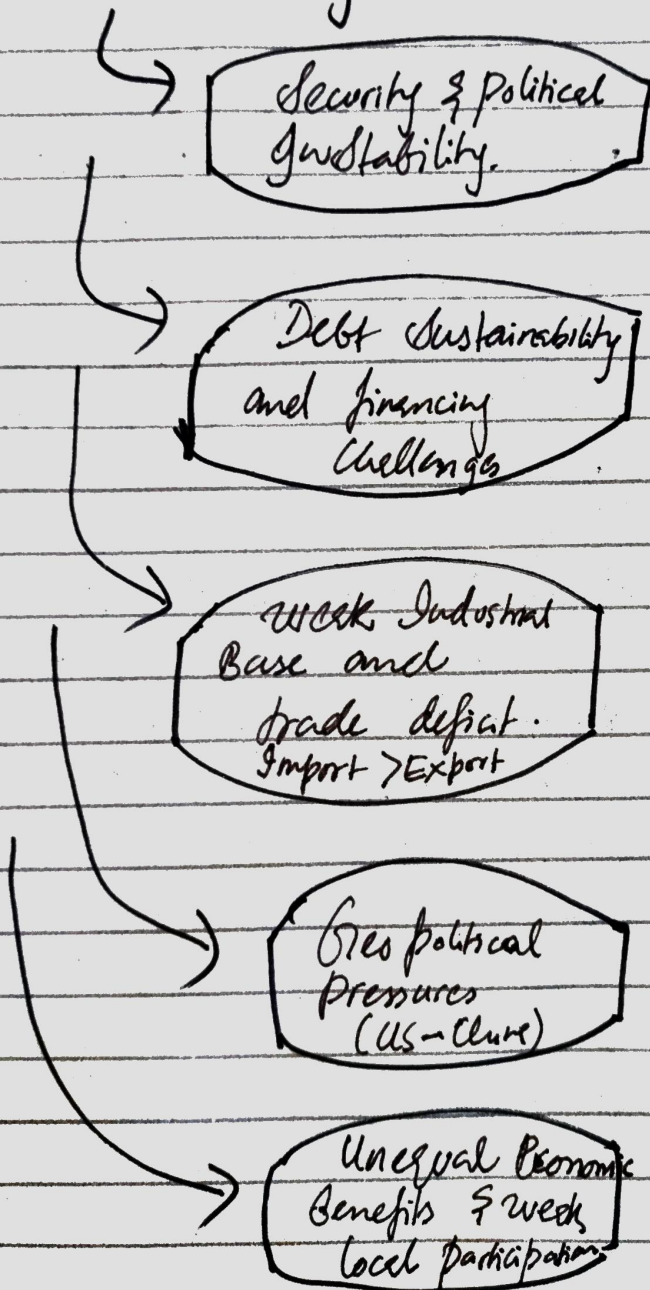
This could prevent droughts and boost agriculture production.

- 3- Regional trade, logistic hubs and human capital can ensure horizontal and vertical development.

New Gawadar Airport and East Bay Expressway expansion are initiated for sake of extensive connectivity, jobs production and

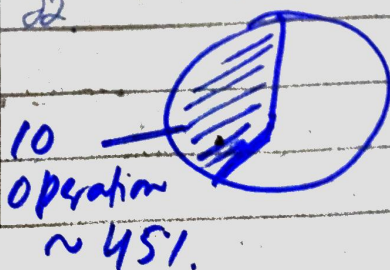
human development.

Multi dimensional Challenges



- 1- Security threats and political instability pose great threat to smooth continuation of CPEC Phase II. Frequent domestic political transitions and rise of internal militants hinder the CPEC Phase II execution plan.
- 2- Pakistan faces debt sustainability and financial criticisms that challenges CPEC Phase II investments. Delays in payment to Chinese investors e.g. TPPs have created friction and slowed process.
3. Pakistan imports outweigh its export. Weak export base with few operational zones is a challenge to CPEC Phase II.

SEZ has lagged only 10 are operational out of 22



Geopolitical Pressures and Pakistan's
dilemma need to balance the
relation with US and China.

CPEC sits at the heart of
US-China strategic rivalry which
can hinder CPEC projects and
tense the regional peace.

Policy measures for Pakistan—
China.

- 1) Strengthen Pakistan's industrial base.
Pakistan needs to strengthen
its industrial base and export base.
It needs to prioritize SEZ and expand
trade to regional countries.
- 2) Revist the financial structure and
governance loopholes.
Pakistan needs multilateral partners
(ADB) to reduce dependency on
IMF or single source.

Diplomatic balancing strategy.

Pakistan needs to establish cooperation areas with USA beyond security to broaden ties and reduce reliance.

Pakistan needs to clearly state the economic-centric strategic relationship with both. It should not keep any favoritism or choose any Bloc. Non-alignment with multilayered cooperation can ensure smooth relations with both global powers.

Conclusion:

CPEC Phase II conceals development and economic benefits with vast sphere. However, weak governance, political instability, terrorism, threatening narratives from locals put this phase into challenge. Moreover, US-China rivalry further tense the situation. Hence, Pakistan should balance the both powers with non-alignment policies.

Q1:

Introduction.

Donald Trump policies have targeted only America's benefits. It has minimized role in global governance. Trump policies have promoted Nationalism and protectionism. It has not played role in ongoing world wars. Trump has supported Israel despite his atrocities on Palestinian. Trump has strained relation with European union and global organization. Policies of Trump were also aimed for containing growth of China in technology. However, sanctions resulted in alternative options to emerge. This has divided the world into two main blocs; China and USA. However, this is facilitating middle powers to grow. Consequently, it is shifting world order from unipolar to bipolar and now multipolar.

Donald Trump's presidency
has strategic doctrine of
'America First'.

This doctrine has reduced commitment
to multilateralism; preference for
bilateral diplomacy.

This policy has lowered US
engagement with United Nations
bodies, WTO dispute mechanism and
Climate

The presidency has witnessed
no major interstate wars.

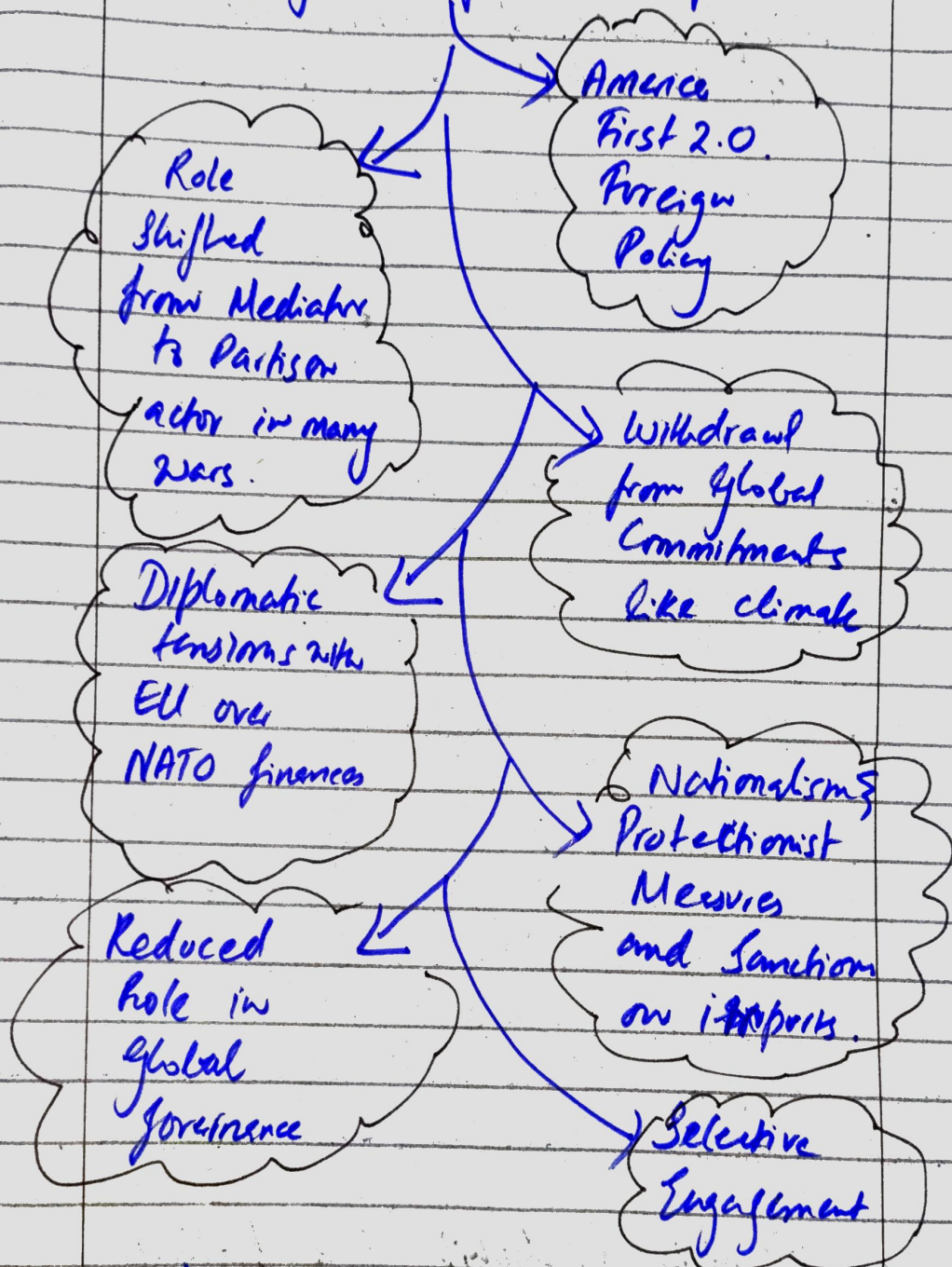
However, existing conflicts
intensified and persisted. US
role shifted from mediator to
partisan actor in several conflicts.

Polarization between US
allies and adversaries widened.

Diplomatic tensions with EU over
NATO burden-sharing and trade.

The allies have increased defense
spending due to uncertainty over
US guarantees.

Analyzing Trump's Leadership



Declined Global Perception of U.S.

- 1- Trump's leadership policies have not facilitated global peace.

The role of Trump has been undermined in resolving global conflicts.

US no imperative role in Ukraine.

- 2- US supported Israel in Hamas-Israel conflict despite atrocities faced by Palestine. Red Sea conflict faced global shipment tension. However, its role remained questionable.

Recent, deployment of ships in Venezuela and allegations of drug trafficking highlights US / Trump's own benefits rather than problem existence.

- 2- Trump's leadership has pushed nations to multilateralism and regionalism. It has deepened the divide.

The African countries and ASEAN has facilitated their good terms with China and stopped reliance on US.

USA - China Rivalry
Shifting world order.

Economic divide between
both has perpetuated
the multilateral approach
in many nation.

Technological divide between
China and USA has clearly
announced the tensions
with sanctions on
import and export.

World Order Shifting from
Unipolar to Multipolar.

1- USA - China - Economic / Trade war and changing global Order

Economic / Trade benefits and competitive strategies have made the connectivity and routes the target.

USA trades encountered with BRI, CPEC and Silk route. China has exceeded its connectivity with railways, ports and roads to Asia, Africa and many more.

USA sanctioned China on its export, China redirected its products to ASEAN. This 2025, Year has mentioned ASEAN as the biggest trade partner of China, worth \$800 Billion.

China developed CIP3 as an alternate to SWIFT.

2 Technological divide shifting global order and facilitating middle powers.

US banned export of advanced AI chips to China, removed Huawei from US. This resulted in China's new strategies

↳ Chip manufacturing split
US: TSMC, Intel fabs
China → SMIC

↳ Two AI Ecosystem

US AI: Open AI
China AI: Baidu

↳ Digital Yuan (e-cny)
has been launched

↳ US AI Banned China from NASA → China builds its own space station.

↳ Technology separate standards.

US and China Rivalry



Shifted world to
Bipolarity



Leading to multipolar
world with rise
of middle powers.

Conclusion.

USA president policies have not facilitated peace in global arena. It has only promoted protectionism and nationalism. It has aimed to contain China development growth. However, it has resulted in two bloc order with strengthening of middle powers. Ultimately, it is shifting world to multipolar order.