

# THE FACTBOOK

**FOR CSS, PMS  
and Competitive  
Exams**

**SPECIAL FOR  
CSS 2025**

**REVISED AND  
UPDATED  
4th EDITION**

**COVERING 130 PLUS TOPICS, INCLUDING**

- 60 National
- 30 plus International
- 10 plus Relations
- 10 Organizations
- 7 Case Studies
- Summary of the Economic Survey
- Pakistan's International Rankings
- & much more.....



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## About The Author



**Mudasir Hussain Qureshi** is a mechanical engineer who successfully passed the Combined Competitive Examination (CCE) 2020 with flying colors, securing his position as **Deputy Superintendent of Police** (BPS-17) in the Sindh Police. Over the course of his career, Mudasir has worn many hats, including serving as a Municipal Officer (BPS-17) in the Local Government Department of Sindh. His aptitude for competitive examinations is evident from his qualifications in various high-ranking positions, such as Inspector Customs (thrice), Inspector FIA (twice), Assistant Director in the Ministry of Defence, Sub-Inspector in the Ministry of Defence, Patrol Officer in the Motorway Police, and Inspector ASF. In addition to his professional endeavors, Mudasir has a deep-seated passion for both reading and writing. He dedicates much of his time to helping CSS and PMS aspirants, having authored two well-received books: “Factbook” and “Navigating Current Affairs”. These works serve as valuable resources for those preparing for competitive exams, reflecting his commitment to guiding others on their academic journeys while also exploring topics like International Relations, personal development, crime, and the economy.

# National (Economic)

## General Economy Facts

1. Economic Growth:
  - FY24: 2.4%
  - FY23: -0.2%
  - FY22: 6.2%

(Source: Economic Surveys of Pakistan)
2. In the World Bank report titled 'Pakistan@100: Shaping the Future', = "Pakistan can become a \$2 trillion dollar economy". Pakistan can become an "upper middle-income country where per capita income will be \$5,702".
3. A study by the Institute of Business Administration (IBA) titled "Pakistan's Growth Experience 1947-2007" highlighted that in the first 20 years after independence, Pakistan had the highest growth rate in South Asia.
4. According to a 2002 World Bank report, Pakistan exported more manufactured goods than Indonesia, Malaysia, the Philippines, Thailand, and Turkey combined in 1965.
5. Pakistan's public investment of about 2.5 percent of GDP in education and 0.9 percent on health is much lower than the global average. Pakistan spends about 0.6 percent of the GDP on social safety nets, compared with the global average of 1.5 percent. Pakistan's total investment in health is low in international comparison, at 3.2 percent of GDP in 2018, against the global average of 6.5 percent and the average for lower-middle-income countries of 4.1 percent. (Pakistan Human Capital Review, released by the World Bank)
6. Rupee-Dollar Parity: Devalued from Rs3.30/\$ in 1947 to Rs278/\$ in 2023. (Economist Shahid Hasan Siddiqui)
7. 74% Pakistanis unable to meet expenses, 10% doing two jobs (Report by Pulse consultant).

Economic Growth (Source: Economic Surveys of Pakistan):  
FY24: 2.4%, FY23: -0.2%, FY22: 6.2%

World Bank Report: 'Pakistan@100: Shaping the Future':  
Pakistan can become a 2trillioneconomywithpercapitaincomeof\$5,702

IBA Study: 'Pakistan's Growth Experience 1947-2007':  
Highest growth rate in South Asia in first 20 years after independence

2002 World Bank Report:  
Pakistan exported more manufactured goods than Indonesia, Malaysia, Philippines, Thailand, and Turkey combined in 1965

World Bank Report: Pakistan's public investment:  
2.5% of GDP in education, 0.9% in health (Global avg: 6.5% health)

Rupee-Dollar Parity: Devalued from Rs3.30/in1947toRs278/ in 2023 (Economist Shahid Hasan Siddiqui)

Pulse Consultant Report: 74% Pakistanis unable to meet expenses, 10% doing two jobs

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

## Trade deficit

1. According to the data from State Bank of Pakistan, Pakistan's trade deficit with nine regional countries (Afghanistan, China, Bangladesh, Sri Lanka, India, Iran, Nepal, Bhutan, and the Maldives) surged by 49% to \$9.506 billion in the fiscal year 2023-24 from \$6.382 billion in the previous fiscal, driven primarily by a sharp increase in imports.
2. According to World Bank report titled 'Pakistan Development Update', "it is estimated that Pakistan's potential annual exports are at \$88.1 billion...." Pakistan's politics hasn't let our exports go over \$32 billion.
3. Asian Development Bank's 'Pakistan's Economy and Trade in the Age of Global Value Chains' report says that the country has **one of the lowest trade-to-GDP ratios in the world** at **30%**.
4. Trade Deficit of Pakistan, according to Economic Survey of Pakistan

2022-23, is \$25.8 bn.

5. Pakistan's exports were of USD 25 billion in 2013. These are around USD 30 billion in 2023. Imports were of USD 43 billion in 2013 against USD 70 billion in 2023.

**State Bank of Pakistan:**  
 Trade deficit with nine regional countries  
 Afghanistan, China, Bangladesh, Sri Lanka, India, Iran, Nepal, Bhutan, Maldives  
 Surged by 49% to \$9.506 billion in FY 2023-24  
 (Previously: \$6.382 billion)  
 Main cause: Sharp increase in imports.

**World Bank Report - 'Pakistan Development Update':**  
 Pakistan's estimated potential annual exports: \$88.1 billion  
 Current exports: \$32 billion  
 Politics seen as limiting factor.

**Asian Development Bank Report:**  
 Pakistan's Economy and Trade in the Age of Global Value Chains:  
 Trade-to-GDP ratio: 30% (One of the lowest in the world).

**Economic Survey of Pakistan 2022-23:**  
 Trade Deficit: \$25.8 billion

**Export and Import Trends:**  
 Exports (2013): 25billion – > (2023) : 30 billion  
 Imports (2013): 43billion – > (2023) : 70 billion

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

## **Exports**

1. PAKISTAN's textile exports have been dropping for the last two years, stagnating at \$16.3bn-\$16.6bn, according to Pakistan Bureau of Statistics trade data released in August 2024.
2. Pakistan's exports in FY22 were \$32.5 billion, compared to India's \$680 billion. Pakistan's per capita exports were \$140, compared to India's \$483. Pakistan's level of per capita exports in FY22 was achieved by India in 2006, making Pakistan 17 years behind India in terms of export performance.
3. Current Exports: US\$32.5 billion
4. Potential Exports: US\$88.1 billion
5. Trade Potential with South Asian Region: \$67 billion
6. Actual Trade with South Asian Region: \$23 billion
7. Trade Potential with India: \$37 billion
8. Actual Trade with India: \$2.3 billion
9. Textile Sector's Contribution to Exports: More than 60%
10. Pakistan's share in global trade dropped from 0.15 % in 2005 to 0.12 % in 2021 while China doubled and Vietnam tripled their shares during the same period.
11. Bangladesh exported \$45 billion worth of clothing in 2022 as per "World Trade Statistical Review 2023" released on 31 July. This South Asian country's was around USD 25 billion in 2013. India's annual textile exports stood at USD 44.4 billion in FY 2022. In 2013, they were around USD 24 billion. If we would have followed in the footsteps of our South Asian neighbours our exports would have been around USD 45 billion.
12. Participation of small and medium enterprises in international trading activities is essential. With more than five million such units in Pakistan, representing more than 90% of private enterprises, the lack of their participation is one of the root causes of export stagnation.
13. The recent trade statistics published by the Pakistan Bureau of Statistics (PBS) for November 2023 suggest that exports in the first five months of FY24 are hovering at levels similar to those reported for the first five months in the previous fiscal year. Exports increased slightly from \$11.9 billion in the first five months of the last fiscal year to \$12.2 billion in the current fiscal year, indicating a roughly 2% increase and little change in this regard.

14. Nearly half of Pakistan's goods' export earnings come from five destinations. Currently, Pakistan's next five main export markets following the top five are Spain, Italy, Bangladesh, Belgium, and Afghanistan.

15. Between FY20 and FY23, export earnings from both the US and China have risen faster than from the UK, UAE and Germany.

Pakistan's textile exports (August 2024):  
Stagnating at 16.3bn – 16.6bn  
(Source: Pakistan Bureau of Statistics)

Pakistan's exports in FY22: \$32.5 billion  
India's exports: \$680 billion  
Per capita exports: Pakistan: 140vsIndia : 483  
Pakistan's performance: 17 years behind India

Current Exports: US\$32.5 billion

Potential Exports: US\$88.1 billion

Trade Potential with South Asian Region: \$67 billion

Actual Trade with South Asian Region: \$23 billion

Trade Potential with India: \$37 billion  
Actual Trade with India: \$2.3 billion

Textile Sector's Contribution to Exports: More than 60%

Pakistan's share in global trade dropped from 0.15% in 2005 to 0.12% in 2021

Bangladesh exported \$45 billion worth of clothing in 2022  
India's textile exports FY22: \$44.4 billion

## **Imports**

1. Imports of goods declined by \$19.5 billion, from \$71.5 billion in 2021-22 to \$52 billion in 2022-23, a drop of almost 27%.
2. The annual bill for fuel amounts to around 60% of the country's foreign exchange earnings and must be funded either by the incoming remittances, proceeds from exports or foreign debt.
3. During the last decade, the 20 fastest-growing export economies have reduced import tariffs, but in Pakistan, the trend has been the opposite, with an increase of 11 per cent in import tariffs.

Imports of goods declined by \$19.5 billion:  
From 71.5 billion (2021 – 22) to 52 billion (2022-23)  
Drop of almost 27%.

Annual bill for fuel:  
60% of foreign exchange earnings  
Funded by remittances, exports, or foreign debt.

20 fastest-growing export economies reduced import tariffs in last decade.  
Pakistan increased import tariffs by 11%.

## **Fiscal deficit**

1. The latest fiscal deficit of Pakistan, according to the Pakistan Economic Survey 2023-24, is estimated at 6.5% of GDP. This marks a reduction from the previous year's fiscal deficit, which was 7.8%.

### **2. Fiscal Mismanagement**

- a. Pakistan has one of the lowest government revenue-to-GDP ratios in the world.
- b. Indirect taxes account for 40-50% of annual general government revenue since FY15, while direct taxes and non-tax revenue

account for 25-30% each.

### 3. Government Expenditures

- a. Defense accounts for 12-14% of annual general government expenditures and 2-3% of GDP since FY15.

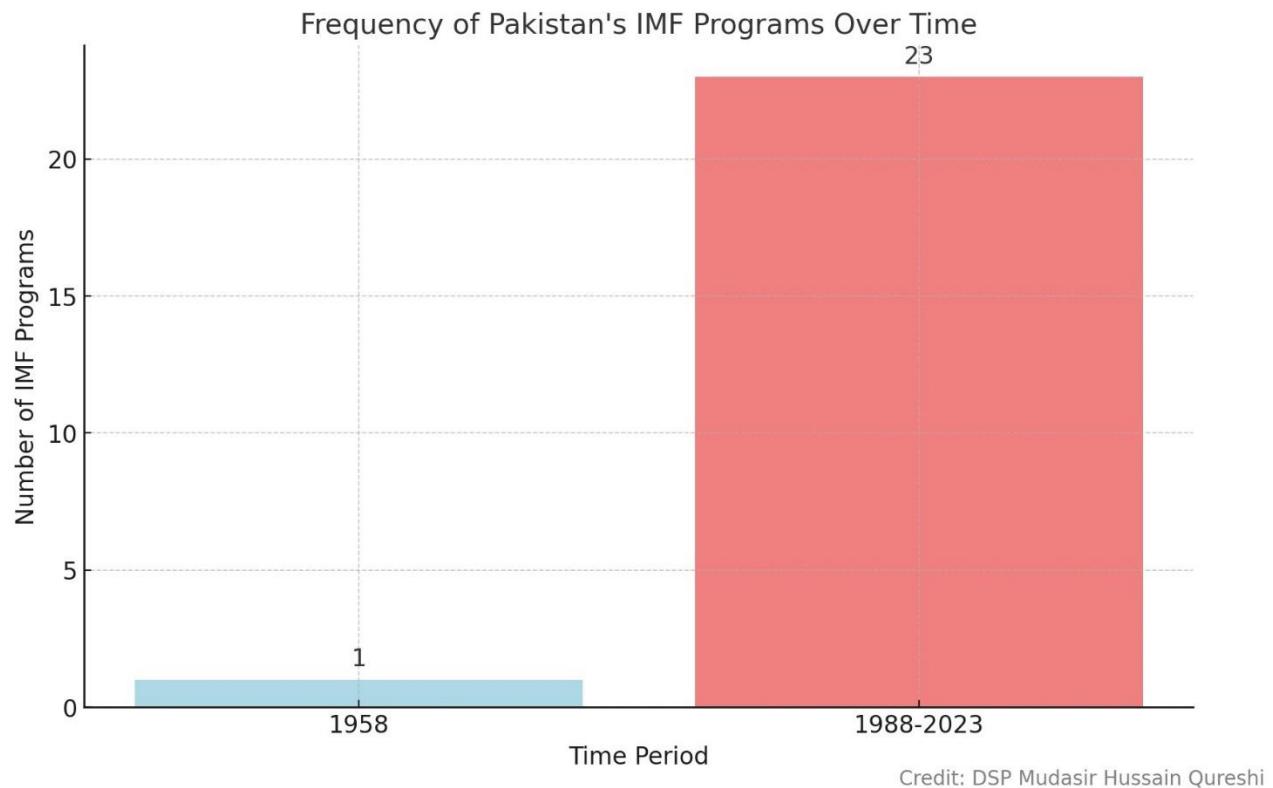
Latest Fiscal Deficit (2023-24):  
6.5% of GDP  
(Previous Year: 7.8%)

Fiscal Mismanagement:  
One of the lowest revenue-to-GDP ratios in the world.  
Indirect taxes: 40-50% of revenue  
Direct taxes: 25-30% of revenue

Government Expenditures:  
Defense accounts for 12-14% of general expenditures  
2-3% of GDP since FY15.

## Balance of payments

- 1) Pakistan is experiencing its 13th balance-of-payments crisis since 1988, and is going for its 24<sup>th</sup> Fund programme since 1958.



## Public debt

1. Pakistan Economic Survey 2023-24
  - a. Total Public Debt: Rs 67.5 trillion as of March 2024.
  - b. Domestic Debt: Rs 43.43 trillion.
  - c. External Debt: Rs 24.07 trillion (approximately \$86.7 billion).
  - d. Interest Payments: Rs 5.5 trillion for the first nine months of FY24, with Rs 4.8 trillion on domestic debt and Rs 710 billion on external debt.
  - e. Debt Servicing: Over 60% of total budget revenues.
2. Debt-to-GDP Ratio: Exceeds 100%, a critical level impacting fiscal sustainability.
3. **Multilateral Debt: (breakdown analysis of debt from Economic**

## **Survey 2023-24)**

- a. **Total Multilateral Debt:** Roughly \$45 billion
  - i. World Bank: \$18 billion
  - ii. Asian Development Bank: \$15 billion
  - iii. IMF: \$7.6 billion
- 4. **Short- and Medium-Term Debt Repayment:**
  - a. **Debt to be Repaid from April 2023 to June 2026:** \$77.5 billion
  - b. **Debt Servicing for 2024-25:** Around \$24.6 billion
  - c. **Debt Servicing for 2025-26:** At least \$23 billion
- 5. **Per Citizen Debt:** A citizen of Pakistan carries a debt burden of almost Rs 240,000. A decade ago, it was almost half at Rs 129,000.

Pakistan Economic Survey 2023-24:  
 Total Public Debt: Rs 67.5 trillion (March 2024)  
 Domestic Debt: Rs 43.43 trillion  
 External Debt: Rs 24.07 trillion (\$86.7 billion)  
 Interest Payments: Rs 5.5 trillion for first nine months of FY24

Debt Servicing: Over 60% of total budget revenues.  
 Debt-to-GDP Ratio: Exceeds 100%

Multilateral Debt (2023-24):  
 Total: \$45 billion  
 World Bank: \$18 billion  
 ADB: \$15 billion  
 IMF: \$7.6 billion

Short- and Medium-Term Debt Repayment:  
 From April 2023 to June 2026: \$77.5 billion  
 Debt Servicing (2024-25): \$24.6 billion  
 Debt Servicing (2025-26): At least \$23 billion

Per Citizen Debt:  
 Current: Rs 240,000  
 Ten years ago: Rs 129,000

## **Tax collection**

### **1. Agriculture Tax Collection and Sector Contribution**

- a. **Agriculture Sector Contribution:** The agriculture sector contributes over PKR 12 trillion to Pakistan's GDP annually.
- b. **Agriculture Income Tax Collection:** In FY2023-24, the total agriculture income tax collected was less than Rs 3 billion, despite efforts to reform and increase taxation in this sector.
- c. **Land Ownership:** Only 1% of farmers own 22% of the agricultural land, highlighting the significant inequality in land distribution.
- d. **General Tax Collection:** The Federal Board of Revenue (FBR) collected over PKR 6 trillion from other sectors, with manufacturing and services being the largest contributors.

### **2. Tax-to-GDP Ratio**

- a. **Tax-to-GDP Ratio:** From FY1976 to FY2024, Pakistan's tax-to-GDP ratio has fluctuated between 9.1% and 14.5%. The current tax-to-GDP ratio remains around 9.2%, reflecting challenges in broadening the tax base.

### **3. Economic Management**

- a. **Annual Tax Collection:** The latest annual tax collection stands at approximately PKR 7 trillion.
- b. **Debt Repayment:** Out of the total tax revenue, about PKR 5.5 trillion is used to service debt, indicating that debt repayment consumes a significant portion of the government's revenue.

Agriculture Sector Contribution:  
Contributes over PKR 12 trillion to Pakistan's GDP annually  
Agriculture Income Tax Collection: Less than Rs 3 billion in FY2023-24

Land Ownership: 1% of farmers own 22% of the agricultural land  
Significant inequality in land distribution  
FBR General Tax Collection: Over PKR 6 trillion

Tax-to-GDP Ratio: Has fluctuated between 9.1% and 14.5%  
Current Tax-to-GDP Ratio: 9.2% (FY2024)

Annual Tax Collection:  
PKR 7 trillion  
Debt Repayment: PKR 5.5 trillion used for debt servicing

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

## **Inflation**

### **1. Misery Index**

- The Misery Index, which combines inflation and unemployment rates, has reached unprecedented levels in Pakistan. As of mid-2024, the Misery Index has soared to 42.5, up from 36.8 in 2023, marking the highest level in the country's history.

### **2. IMF's First Review Report: Economic and Inflation Outlook for FY24 and FY25**

- Inflation Forecasts: The IMF has adjusted its inflation forecasts, projecting that the Consumer Price Index (CPI) will average 26% for FY24, slightly higher than earlier projections. By the end of FY24, inflation is expected to be around 19.5%, with a significant drop to 10% projected for FY25.

Misery Index:  
As of mid-2024: 42.5 (Up from 36.8 in 2023)  
The highest level in Pakistan's history

IMF Inflation Forecasts:  
CPI Inflation (FY24): Avg 26%, End: 19.5%  
CPI Inflation (FY25): Projected at 10%

Youth Unemployment:  
32% of youth unemployed (many with professional degrees)  
Graduate Unemployment: 17.5%

Labor Market Statistics (2023-24):  
Total Labor Force: 75.8 million  
Total Employment: 69.7 million  
Unemployment Rate: 8%

Migration Stats (2023-24):  
13.53 million Pakistanis migrated to work abroad by April 2024  
Pakistan ranks 7th among migrant-origin countries

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

## **Unemployment**

1. **Youth Unemployment:** The Pakistan Institute of Development Economics (PIDE) reports that over 32% of Pakistan's youth are unemployed, with many holding professional degrees.
2. **Current Unemployment Rate:**
  - Overall Unemployment Rate: 8% (up from 6.3% in FY21).
  - Graduate Unemployment Rate: 17.5%.
  - Gap Between Overall and Graduate Unemployment: Nearly 9.5 percentage points.
  - Women: Constitute 52% of the total unemployed population.
3. **Labor Market Statistics:**
  - Total National Labor Force (2023-24): 75.8 million.
  - Total Employment (2023-24): 69.7 million.
  - Unemployment (2023-24): 6.1 million, with an unemployment rate of 8%
4. According to the latest Pakistan Economic Survey for 2023-24, over **13.53 million Pakistanis** have officially **migrated** to work in **more than 50 countries by April 2024**. This places Pakistan in the seventh position among the leading countries of migrant origin, according to the International Migration Report of 2022.

Youth Unemployment:  
32% of youth are unemployed, many with professional degrees.

Current Unemployment Rate:  
Overall Unemployment Rate: 8%  
Graduate Unemployment: 17.5%  
Women: 52% of total unemployed population.

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13.53 million Pakistanis have migrated to work abroad  
Pakistan ranks 7th among migrant-origin countries

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

## Energy crisis

### **1. Energy Demand and Supply:**

- a. Projected Energy Demand: Pakistan's energy demand is expected to increase by 75% by 2030, while the supply is only anticipated to grow by 50% over the same period. (World Bank Report)

### **2. Power Subsidies:**

- a. Annual Expenditure on Power Subsidies: Pakistan spent approximately PKR 0.58 trillion on power subsidies in the fiscal year 2024. This significant subsidy burden continues to strain the national budget

### **3. Hydropower Potential:**

- a. Hydropower Potential: Pakistan has an estimated hydropower potential of 60,000 MW, but only about 10,000 MW has been developed, primarily due to bureaucratic delays and policy inconsistencies

### **4. Transmission and Distribution (T&D) Losses:**

- a. T&D Losses: Pakistan's transmission and distribution losses are approximately 22%, which is nearly double that of neighboring Bangladesh. These losses contribute significantly to the financial woes of the power sector

### **5. Fiscal and Economic Indicators:**

- a. Tax Collection: Remains around 10.5% of GDP.
- b. Energy Circular Debt: The energy sector's circular debt has escalated to 6.5% of GDP, with total circular debt projected to reach PKR 3 trillion by the end of 2024

## 6. Circular Debt:

- a. Current Circular Debt: The circular debt in Pakistan's energy sector has reached PKR 2.7 trillion, with projections suggesting it could climb to PKR 4 trillion by 2025 if substantial reforms are not implemented

## 7. Collection Rate and Line Losses:

- a. Collection Rate: Currently stands at about 88%, leaving 12% of billed amounts unrecovered.
- b. Line Losses: Remain high at 22%, exceeding the 16% threshold set by the National Electric Power Regulatory Authority (NEPRA)

## 8. Annual Power Sector Deficit:

- a. Annual Deficit: Pakistan's power sector adds an annual deficit of PKR 600 billion to the already unsustainable circular debt

## 9. Coal Reserves and Wind Energy:

- a. Coal Reserves: Pakistan holds 186 billion tonnes of coal reserves, with domestic production around 4.5 million tonnes annually.
- b. Wind Energy: There are 26 operational wind power projects with a cumulative capacity of 1,350 MW, and an additional 10 projects under construction, expected to add another 550 MW

## 10. Capacity Charges:

- a. Capacity Charges: Constitute 70% of the total power purchase price, further exacerbating the financial burden on the energy sector

## 11. Global Rankings:

- a. Green Future Index: Pakistan dropped to 69th position among 76 countries in 2024, reflecting a decline in its commitment to sustainable energy practices.
- b. Energy Transition Index (ETI): Pakistan ranks 108th out of 120 countries in the World Economic Forum's ETI for 2024, indicating significant challenges in transitioning to a more sustainable energy system

**Energy Demand and Supply:**  
Energy demand to increase by 75% by 2030.  
Supply growth expected to be 50% (World Bank)

**Power Subsidies:**  
Annual Expenditure (2024): PKR 0.58 trillion on power subsidies  
Straining the national budget

**Hydropower Potential:**  
Estimated potential: 60,000 MW  
Only 10,000 MW developed (due to policy delays)

**T&D Losses:**  
Transmission and Distribution losses: 22%  
Nearly double that of Bangladesh

**Circular Debt:**  
Current Circular Debt: PKR 2.7 trillion (projected to reach PKR 4 trillion by 2025)

**Coal Reserves and Wind Energy:**  
Coal reserves: 186 billion tonnes  
26 wind projects producing 1,350 MW, 10 more projects adding 550 MW

**Global Rankings:**  
Green Future Index: 69th among 76 countries  
Energy Transition Index: 108th among 120 countries

**Capacity Charges:**  
70% of total power purchase price, adding to financial burdens on the energy sector

## **Water crisis**

### **1. Water Security Status:**

- a. The latest UN report, "Global Water Security 2023 Assessment," places Pakistan in the "critically water-insecure" category.

### **2. Per Capita Water Availability:**

- a. Pakistan's per capita water availability has declined by more than 80% over the last 70 years, now standing at 860 cubic meters per person, down from 2,150 cubic meters in 1980. Projections indicate that this will decrease further to 730 cubic meters by 2025, reflecting the rapid depletion of water resources.

### **3. Water Scarcity Ranking:**

- a. Pakistan ranks 14th among 17 countries classified under "extremely high water risk." The nation wastes approximately one-third of its available water, a significant concern highlighted by a report from the Pakistan Institute of Development Economics (PIDE).

### **4. Water Shortage Statistics:**

- a. According to the IMF, Pakistan is ranked third among countries facing acute water shortages. Approximately 80% of the population in 24 major cities lacks access to clean drinking water. In Karachi alone, 16 million people, especially in slum areas, do not have access to safe drinking water.

### **5. Water Resources and Storage Capacity:**

- a. Total Water Resources: Pakistan's total renewable water resources are estimated at 178 billion cubic meters. However, the country's water storage capacity is alarmingly low, with storage sufficient for only a 30-day supply, far below the recommended 1,000-day capacity for countries with similar climatic conditions.

### **6. Impact of Climate Change:**

- a. A 1°C increase in global temperature is projected to reduce Pakistan's renewable water resources by 20%. The country's heavy reliance on the Indus River system, which constitutes over 95% of its total water resources, makes it particularly

vulnerable to the impacts of climate change.

## 7. Global and Regional Rankings:

- a. UNDP Ranking: Pakistan ranks 80th out of 81 countries in terms of access to safe drinking water and sanitation.

**Water Security Status:**  
Pakistan is in the 'critically water-insecure' category (UN, 2023).

**Per Capita Water Availability:**  
Current: 860 cubic meters per person (down from 2,150 in 1980)  
Projected: 730 cubic meters by 2025.

**Water Scarcity Ranking:**  
Pakistan ranks 14th in 'extremely high water risk'  
1/3 of available water is wasted (PIDE).

**Water Shortage Statistics:**  
Ranked 3rd in acute water shortages (IMF)  
80% of population in 24 major cities lacks clean drinking water.

**Water Resources and Storage:**  
Total water resources: 178 billion cubic meters.  
Water storage capacity: Only for 30 days (recommended: 1,000 days).

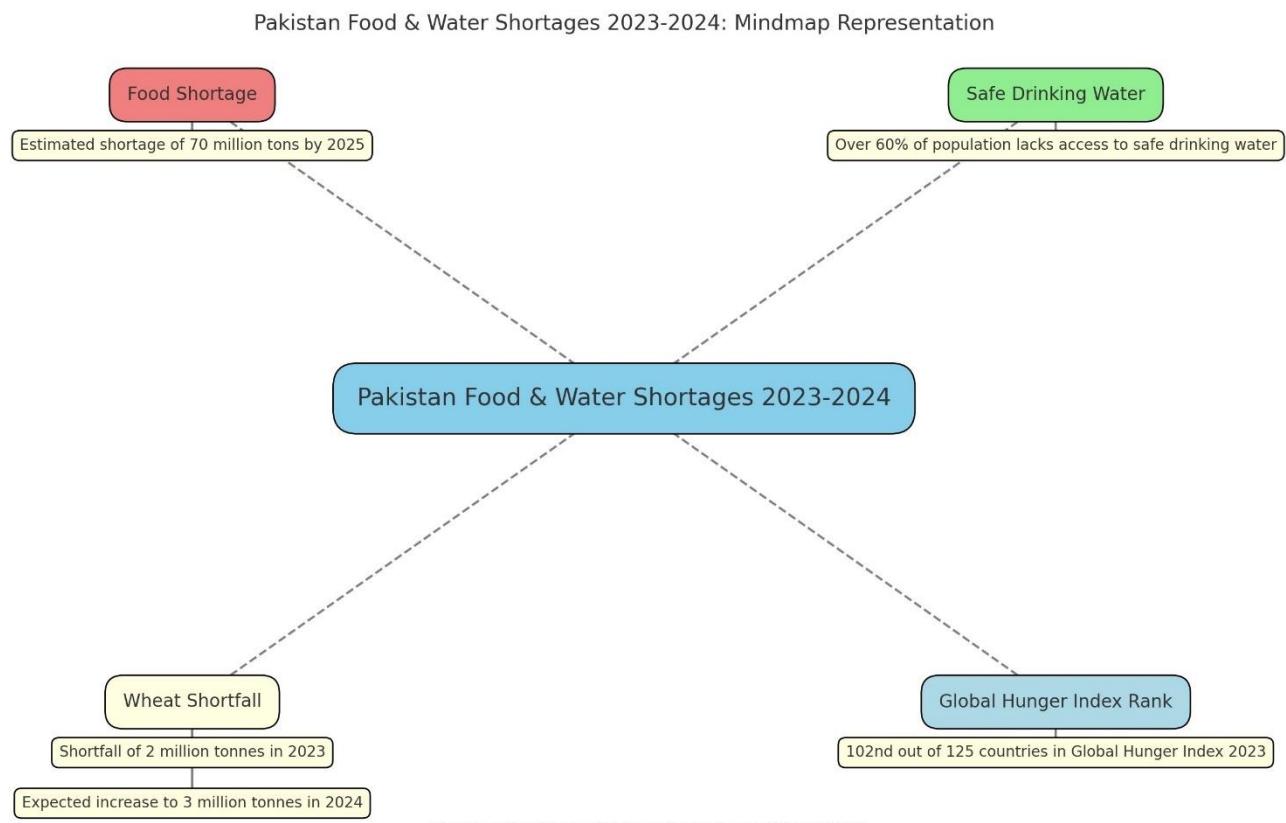
**Impact of Climate Change:**  
1°C rise in global temperature could reduce water resources by 20%.  
95% of water from Indus River system.

**Global and Regional Rankings:**  
Pakistan ranks 80th out of 81 countries in access to safe drinking water and sanitation (UNDP).

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

## Food insecurity

1. An estimated shortage of around 70 million tons of food is expected by 2025.
2. According to a report by the UNDP, over 60 per cent of Pakistan's population lacks access to safe drinking water.
3. Pakistan faced a shortfall of more than two million tonnes of wheat during 2023, expected to increase to around three million tonnes in 2024.
4. Pakistan ranks 102nd out of 125 countries in the Global Hunger Index 2023.



## GDP and GDP per capita

### 1. Threshold for Democracy:

- a. According to Paul Collier in “5 Myths about the Beauty of the Ballot Box,” a per capita income of \$2,700 is considered the threshold for sustaining a democracy.

### 2. GDP Growth Comparison:

- a. Between 1993 and 2020, Pakistan achieved over 6% GDP growth only twice (2004 and 2005). In contrast, India exceeded 6% GDP growth 19 times during the same period.

### 3. GDP per Capita:

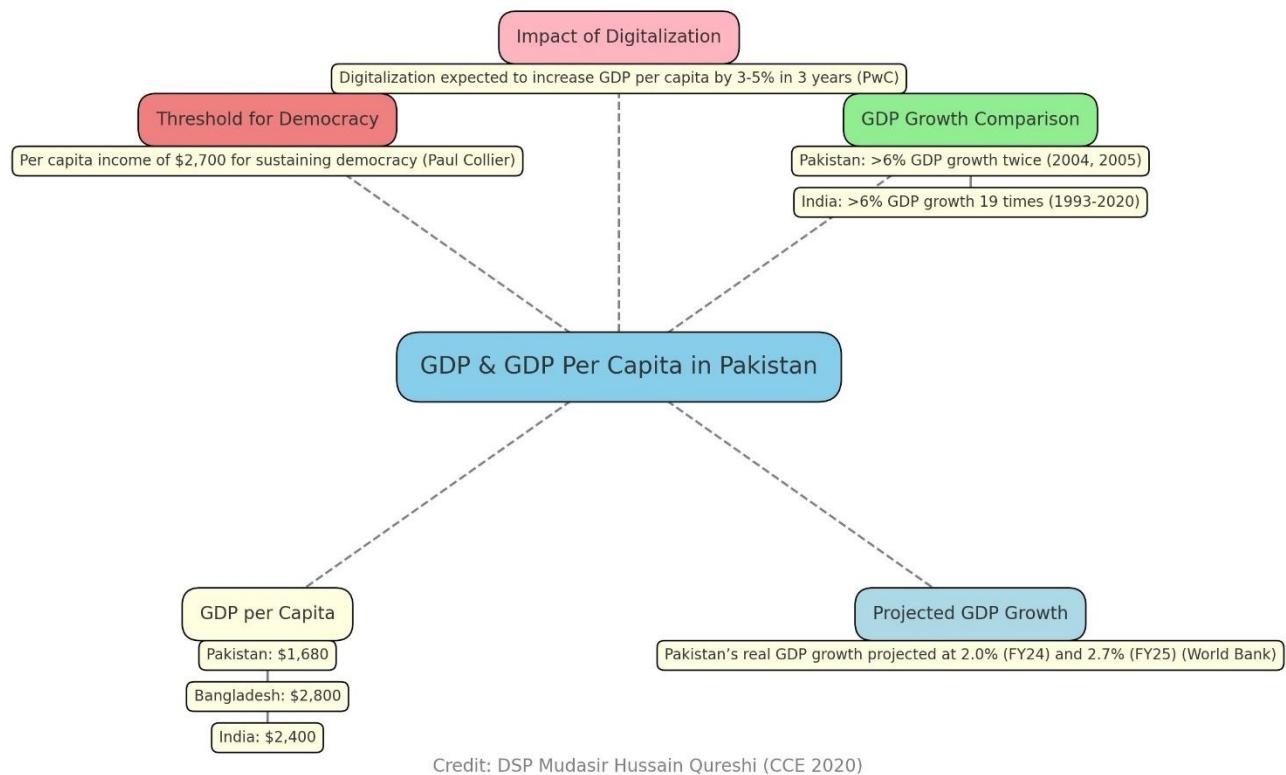
- a. Pakistan's GDP per capita is now approximately \$1,680, compared to Bangladesh's \$2,800 and India's \$2,400

### 4. Projected GDP Growth:

- a. Pakistan's real GDP growth is projected to recover to 2.0% in FY24 and 2.7% in FY25 (Source: World Bank report 'Pakistan Development Update: Restoring Fiscal Sustainability.')

### 5. Impact of Digitalization:

- a. Digitalization is projected to help increase Pakistan's GDP per capita by 3-5% over the next three years (Source: PwC report.)



## Foreign direct investment

### 1. FDI in FY24:

- a. Foreign Direct Investment (FDI) in Pakistan increased by 17% year-on-year, reaching \$1.9 billion in FY24. This marks a slight

improvement from the previous year, where FDI stood at \$1.63 billion. (Pakistan Economic Survey 2023-24)

## 2. Investment and GDP:

- a. Investment as a Percentage of GDP in Pakistan: 15.1%
- b. South Asian Average of Investment-to-GDP: 30.1%
- c. Investment-to-GDP Ratio in Lower-Middle-Income Countries: 28.5%

## 3. Sectoral Investment:

- a. The power sector attracted the largest share of FDI, receiving \$800 million, though this was an 11% decrease from the previous year.
- b. Oil and gas exploration saw an increase in FDI, jumping to \$303.6 million.
- c. China remained the largest investor, contributing \$568 million, which accounted for 30% of total FDI, despite a decrease from \$693 million the previous year.

## 4. Consumption and Savings:

- a. Total Consumption as a Percentage of GDP: 96.2%
- b. Investment as a Percentage of GDP: 14% to 15% for the past three years
- c. Investment-to-GDP Ratio in 2006-07: 22.5%

FDI in FY24  
FDI increased by 17% to \$1.9 billion (Pakistan Economic Survey 2023-24)

Investment and GDP  
Investment as a Percentage of GDP: 15.1%  
South Asian Avg: 30.1%  
Lower-Middle-Income Avg: 28.5%

Sectoral Investment  
Power Sector: \$800 million (11% decrease)  
Oil & Gas: \$303.6 million  
China: \$568 million (30% of total FDI)

Consumption and Savings  
Total Consumption as a Percentage of GDP: 96.2%  
Investment: 14%-15%  
Investment-to-GDP (2006-07): 22.5%

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

## **Informal economy**

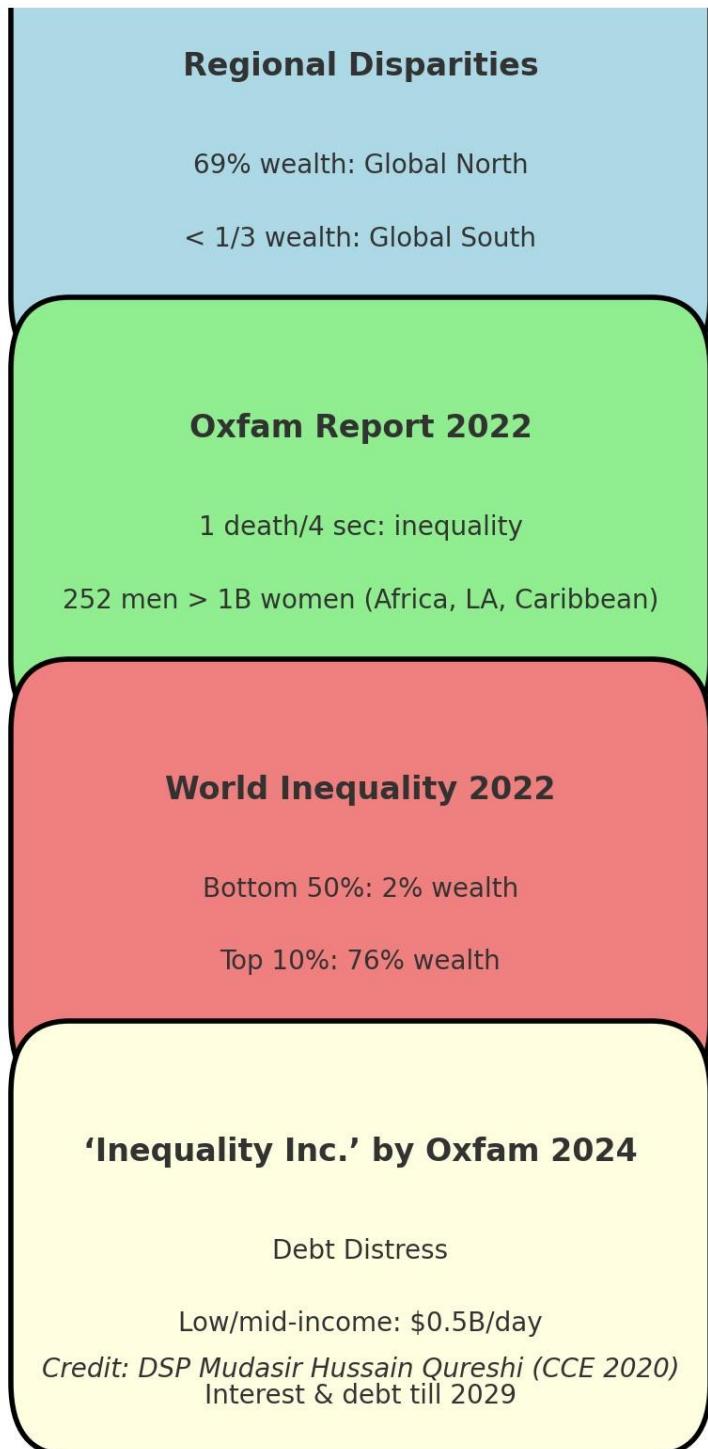
1. According to global economics reports for 2023-24, the size of Pakistan's informal economy is estimated to be 35.6%, representing approximately \$661 billion at GDP-PPP levels.
2. According to the International Labour Organisation, this sector employs 75% of the rural workforce and 68% of the urban workforce.
3. The State Bank of Pakistan (SBP) reported that more than 60% of business is conducted in cash in the economy of Pakistan.
4. 9th largest labour force in the world which is increasing every year (government's annual plan 2020-21)

| Aspect                   | Metric                        | Key Data                              | Source                             |
|--------------------------|-------------------------------|---------------------------------------|------------------------------------|
| Size of Informal Economy | Percentage of total economy   | 35.60%                                | Global Economic Reports (2023-24)  |
| Size of Informal Economy | GDP-PPP                       | \$661 billion                         | Global Economic Reports (2023-24)  |
| Workforce                | Rural Workforce               | 75% employed in informal sector       | International Labour Organisation  |
| Workforce                | Urban Workforce               | 68% employed in informal sector       | International Labour Organisation  |
| Business Practices       | Cash transactions in business | More than 60%                         | State Bank of Pakistan             |
| Labour Force             | Global rank                   | 9th largest labour force in the world | Government's Annual Plan (2020-21) |

## **Income inequality**

1. **Regional Disparities:**
  - a. 69% of global wealth is held by developed nations in the Global North, leaving less than a third for developing countries in the Global South.
2. **Oxfam Report Inequality Kills 2022**
  - a. At least one person dies as a result of inequality every four seconds.
  - b. 252 men have more wealth than all 1 billion women and girls in Africa, Latin America and the Caribbean, combined.
3. **World Inequality Report 2022**
  - a. The share of the bottom 50% of the world in total global wealth is 2% by their estimates, while the share of the top 10% is 76%
4. **'Inequality Inc.' by Oxfam 2024**
  - a. Global Debt Distress: Developing countries face rising global

inequality due to debt distress, with low- and lower-middle-income countries set to pay nearly half a billion US dollars a day in interest and debt payments between now and 2029.



## **Agriculture**

### **1. Tax Revenues and Agriculture's Contribution:**

a. From 1950 to 2023, Pakistan's tax revenues rose from Rs0.31 billion to Rs6,126.1 billion. However, agriculture, which accounted for 59.9% of the total GDP in 1949-50, now contributes about 19.5% of the GDP. Despite its significant role in the economy, the agricultural sector remains under-taxed, contributing disproportionately small amounts to the national revenue.

### **2. Productivity of Major Crops: Less than half as productive as other countries**

#### **a. Wheat**

- Pakistan: Average yield is approximately 3.2 tons per hectare.
- France: Average yield is over 7.0 tons per hectare.

#### **b. Rice**

- Pakistan: Average yield is approximately 2.7 tons per hectare.
- India: Average yield is around 3.9 tons per hectare.

#### **c. Cotton**

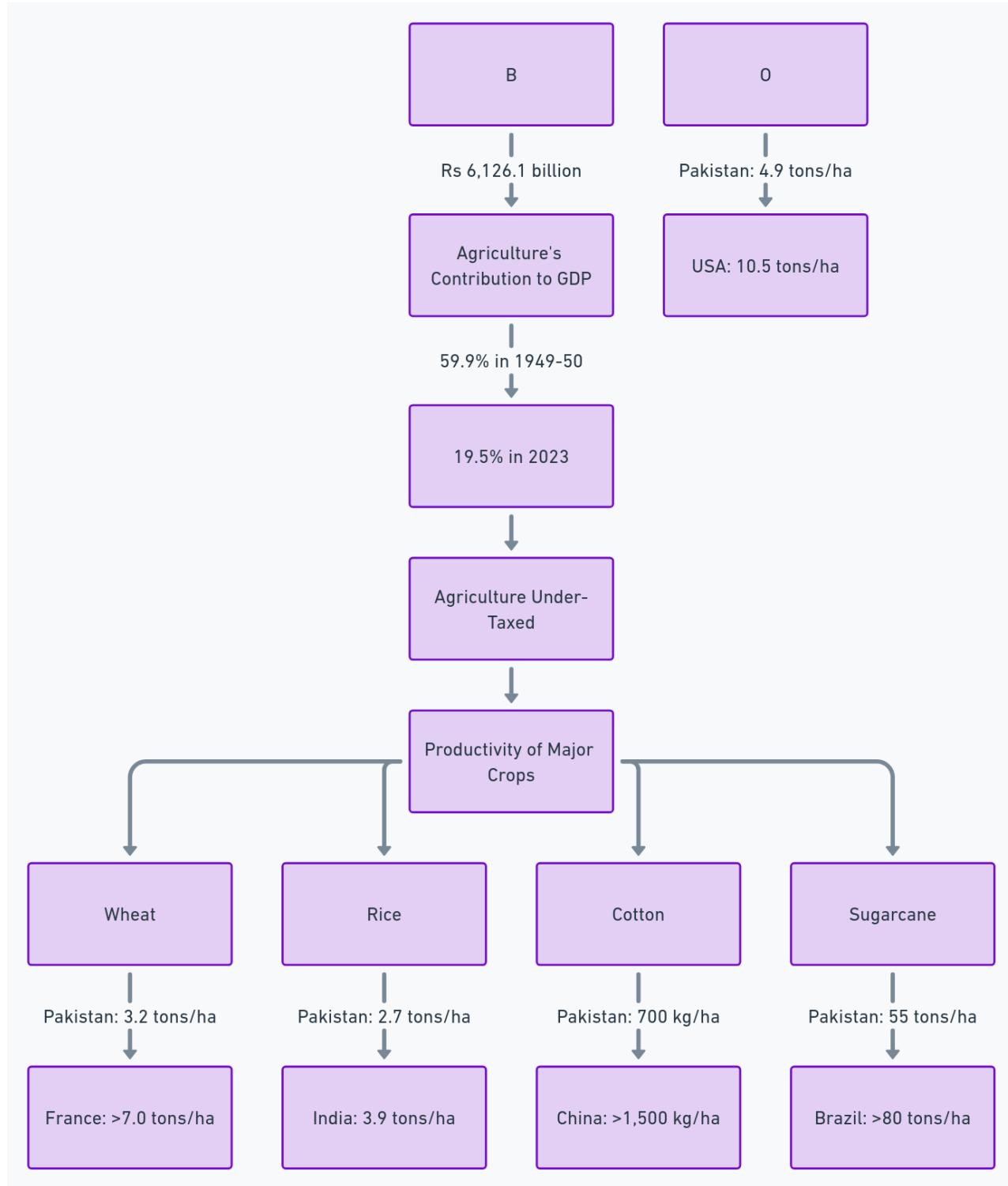
- Pakistan: Average yield is about 700 kg per hectare.
- China: Average yield exceeds 1,500 kg per hectare.

#### **d. Sugarcane**

- Pakistan: Average yield is approximately 55 tons per hectare.
- Brazil: Average yield is over 80 tons per hectare.

#### **e. Maize (Corn)**

- Pakistan: Average yield is approximately 4.9 tons per hectare.
- United States: Average yield is about 10.5 tons per hectare.



## Industry

1. Pakistan has 47 different types of taxes, whereas India has only 13, and Hong Kong has only one (Hera et al., 2017).

2. **Industrial Sector Contribution:**

- Pakistan: The industrial sector contributes 12.4% to Pakistan's

GDP. (Pakistan Economic Survey)

- Vietnam: Manufacturing accounts for over 20% of Vietnam's GDP.

### 3. Textile Industry:

- Pakistan: Textiles account for 60% of exports, with significant labor involvement.

### 4. Exports:

- Pakistan: Approximately \$30 billion in FY2023-24.
- India: Exports stand at \$322 billion; Indonesia at \$183 billion.

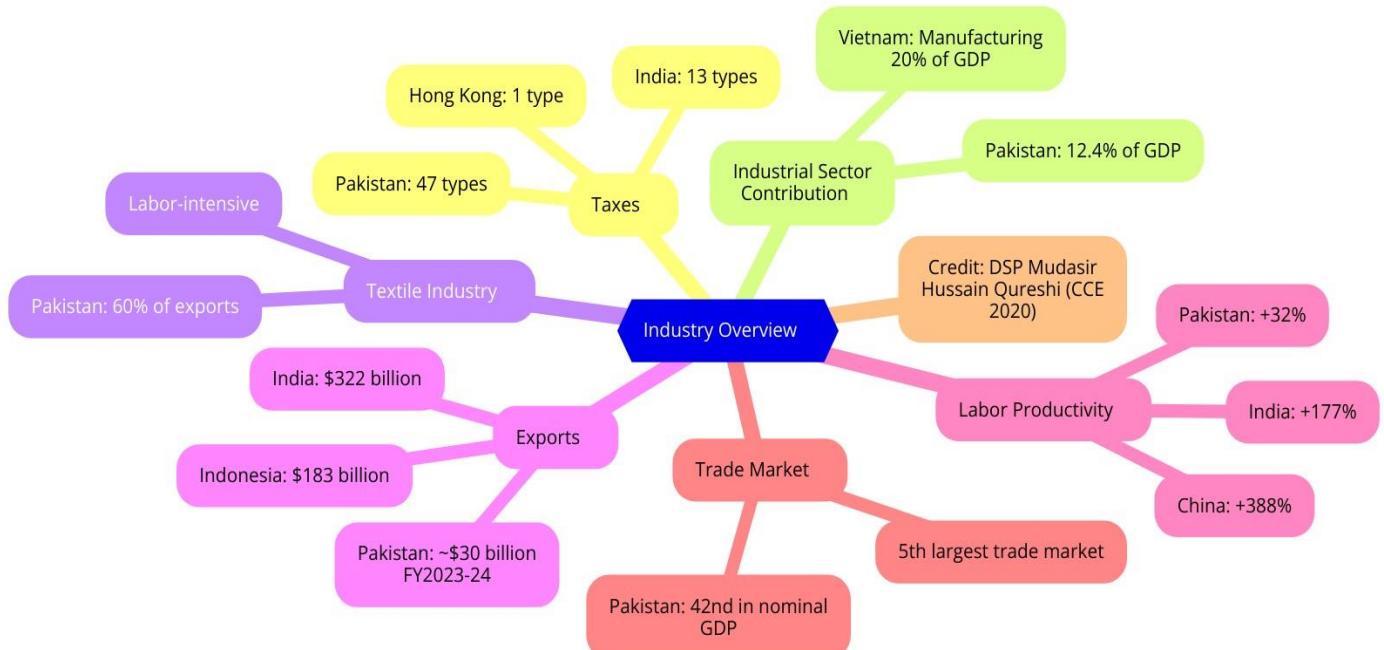
### 5. Labor Productivity:

- Pakistan: Labor productivity increased by 32%.
- China: Increased by 388%; India by 177%

**Source: International Labour Organization (ILO)**

### 6. Trade Market:

- Pakistan: Ranked 42nd in nominal GDP globally, despite being the 5th largest trade market.



## **CPEC**

1. Pakistan achieved only few concrete gains related to CPEC during PM Shahbaz visit to Beijing in June 2024, reported by Nikkei Asia. Claims by Pakistani officials that an upgraded version of the CPEC agreement would be formally launched in Beijing did not materialise, added the report. Pakistan did manage to secure some modest gains, shows the joint statement. However, Beijing has only agreed to the project's first phase.

### **2. Infrastructure and development**

- a. CPEC has led to the construction of over 851 km of new motorways and significant expansions in rail infrastructure, such as the 930 km ML-1 project from Karachi to Peshawar.
- b. Ongoing projects include the development of Special Economic Zones (SEZs) which are expected to foster industrial growth and generate 2.3 million jobs by 2030

### **3. Job Creation**

- a. The initiative has already created 236,000 jobs in various sectors, with significant job creation expected as CPEC transitions to its second phase

### **4. Report titled “Perceptions on CPEC in Pakistan” was launched at the 8th CPEC Media in Dec 2023**

#### **1. Perceived Friendship with China:**

- 65% of respondents view Chinese professionals as friends of Pakistan who will contribute to reviving the country's economy and socio-economic well-being.

#### **2. Beneficial Impact of CPEC:**

- 93.5% of respondents see CPEC as a project significantly benefiting Pakistan through investments in various sectors and opening avenues for businessmen.

#### **3. Infrastructure Development:**

- 72.7% of respondents believe that CPEC has helped develop state-of-the-art infrastructure in Pakistan.

### **5. CPEC Statistics (Embassy of China in Pakistan, 2022):**

- By the end of 2022, CPEC brought direct investment of \$25.4 billion to Pakistan.
- Created 236,000 jobs.
- Built 510 kilometers of expressways and 886 kilometers of the national grid.
- Added 8,000 MW of electricity.

## CPEC Achievements (2024)

## Few Concrete Gains

Few concrete gains secured during PM Shahbaz visit to Beijing in June 2024 (Nikkei Asia).  
No upgraded version of CPEC agreement was formally launched.

## Infrastructure and Development

## Motorways

851 km of new motorways constructed

## Rail Infrastructure

930 km ML-1 rail project (Karachi to Peshawar)

## Special Economic Zones

Expected to generate 2.3 million jobs by 2030

## Job Creation

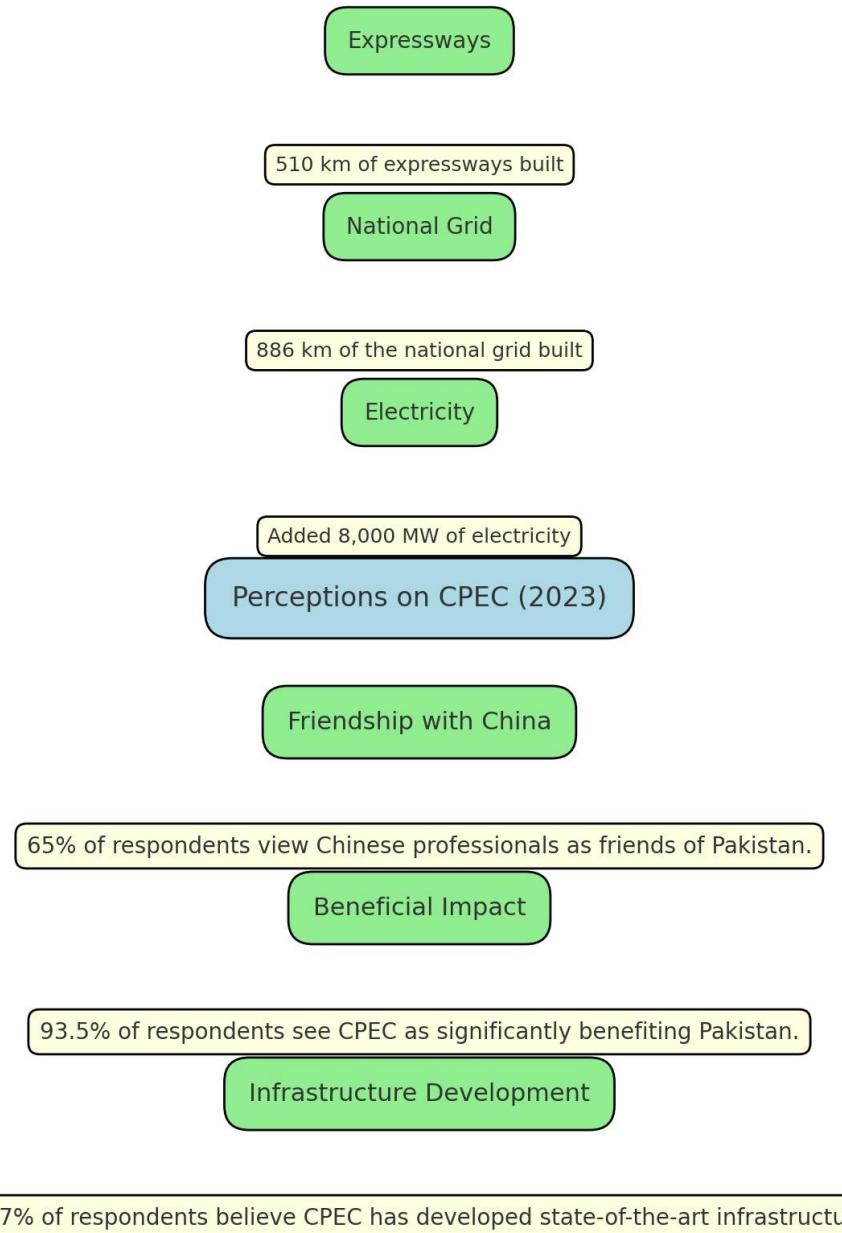
236,000 jobs created with more expected in the second phase.

## CPEC Statistics (2022)

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

## Investment

\$25.4 billion direct investment



## **Tourism**

### **1. Global Tourism Statistics:**

- ✓ The World Tourism Organization (WTO) estimates that international travelers now number over 1.4 billion annually, with global receipts from tourism activities exceeding \$1.7 trillion.

### **2. Tourism's Contribution to Pakistan's Economy:**

- ✓ According to the World Bank, Pakistan generated \$16 billion in tourist spending in 2022, with projections suggesting this

could rise to \$30 billion by 2033. The sector currently contributes around 5.9% to the country's GDP, supporting approximately 4.2 million jobs.

3. Some 80 countries, including Tanzania, Thailand, and Turkey, rely on tourism for a tenth or more of their exports.

#### 4. Travel and Tourism Competitiveness:

- ✓ Pakistan has improved its global ranking on the Travel and Tourism Development Index (TTDI), moving up 20 spots to 101st position out of 117 countries in 2024.

#### 5. Natural and Cultural Assets:

- ✓ Pakistan remains home to more than 5,000 glaciers and several mountain peaks over 7,000 meters, including K-2 and Nanga Parbat. The country also boasts important cultural heritage sites such as the Buddhist ruins at Takht-e-Bahi and Sahr-e-Bahlol, both UNESCO World Heritage Sites.

### Global Tourism & Pakistan's Contribution

#### Global Tourism Statistics

1.4 billion travelers

\$1.7 trillion receipts

#### Tourism's Contribution to Pakistan

\$16 billion (2022)

\$30 billion by 2033

5.9% GDP, 4.2 million jobs

#### Global Reliance on Tourism

80 countries, 10% of exports

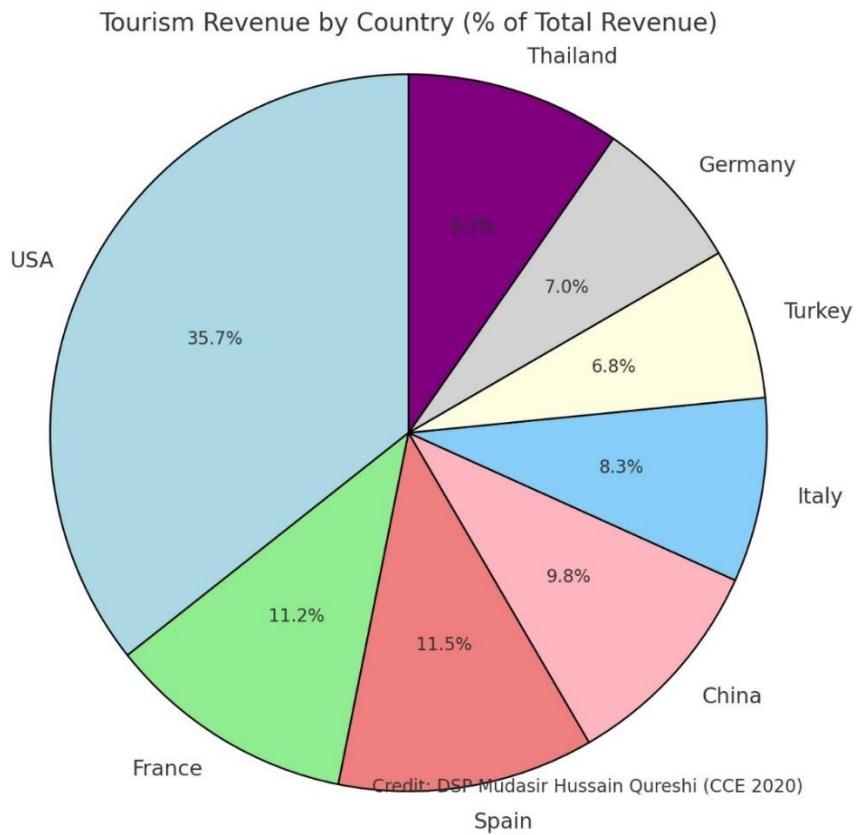
#### Travel & Tourism Competitiveness

Pakistan's TTDI ranking: 101st

#### Natural & Cultural Assets

5000+ glaciers, UNESCO sites

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)



## **TAPI**

### **1. Total Cost:**

- The TAPI gas pipeline project is estimated to be a \$10 billion project.

### **2. Initial Budget:**

- The Investment Agreement allocates over \$200 million for the next phase of the TAPI (Turkmenistan-Afghanistan-Pakistan-India) natural gas pipeline.

### **3. Pipeline Length and Capacity:**

- The TAPI pipeline is designed to span approximately 1,800 kilometers and will have the capacity to transport up to 33 billion cubic meters (bcm) of natural gas annually.

### **4. Gas Distribution:**

- Pakistan and India are each set to receive 42% of the gas

transported through the pipeline, with Afghanistan receiving the remaining 16%.

### 5. Project Status:

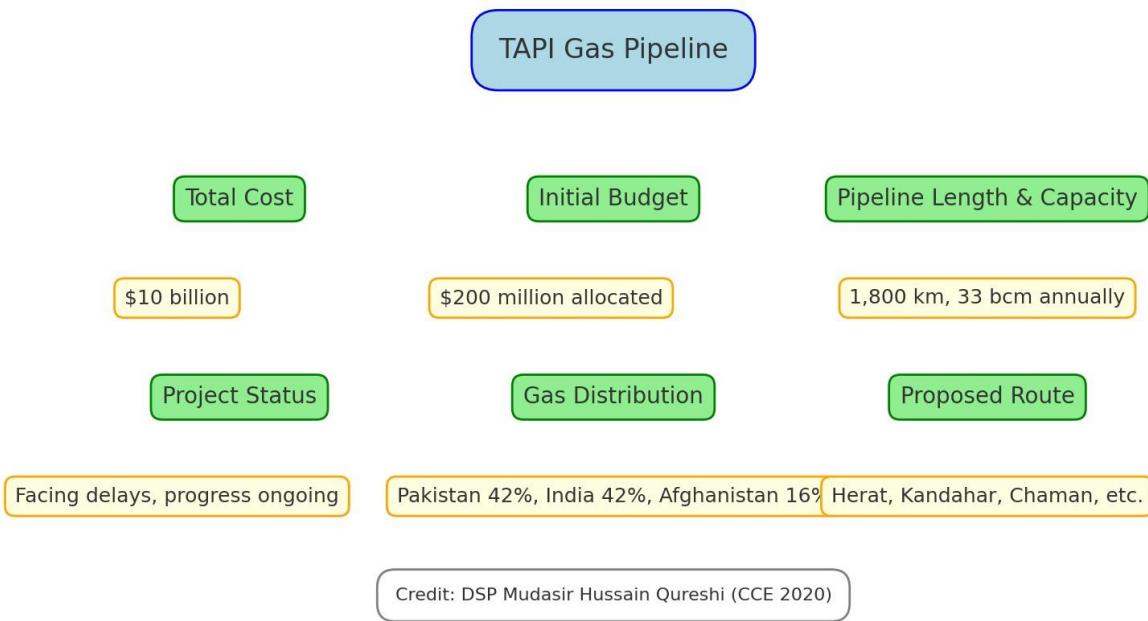
- Although the TAPI project has faced delays due to technical, financial, and geopolitical challenges, recent agreements between Pakistan and Turkmenistan have accelerated efforts to move the project forward. These agreements include the commitment to resolve outstanding issues and expedite the construction phase.

### 6. Destination:

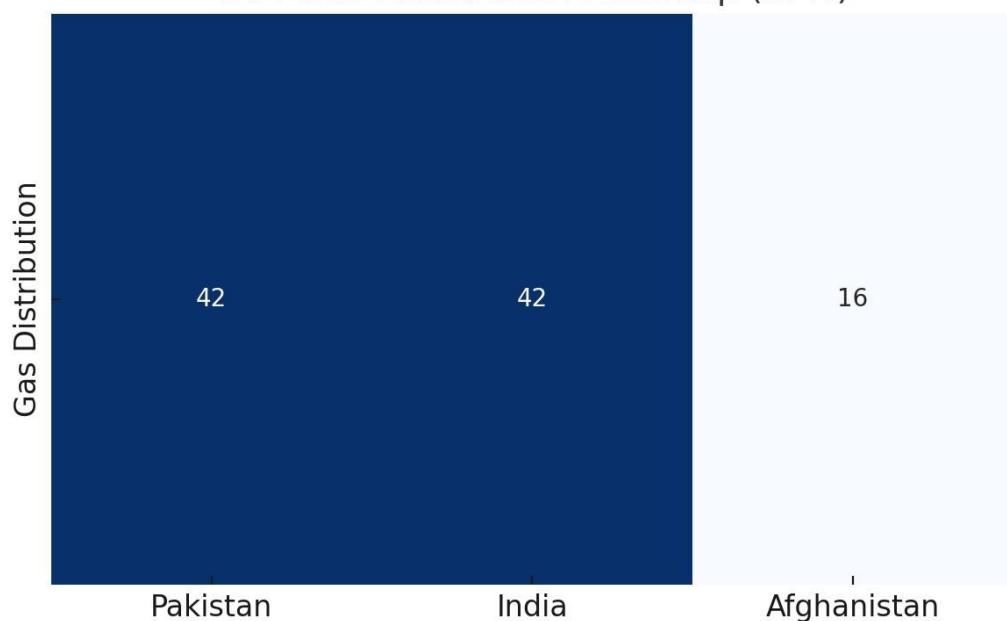
- The project aims to transport natural gas from Turkmenistan's Galkynysh gas field to Pakistan through Afghanistan.

### 7. Proposed route:

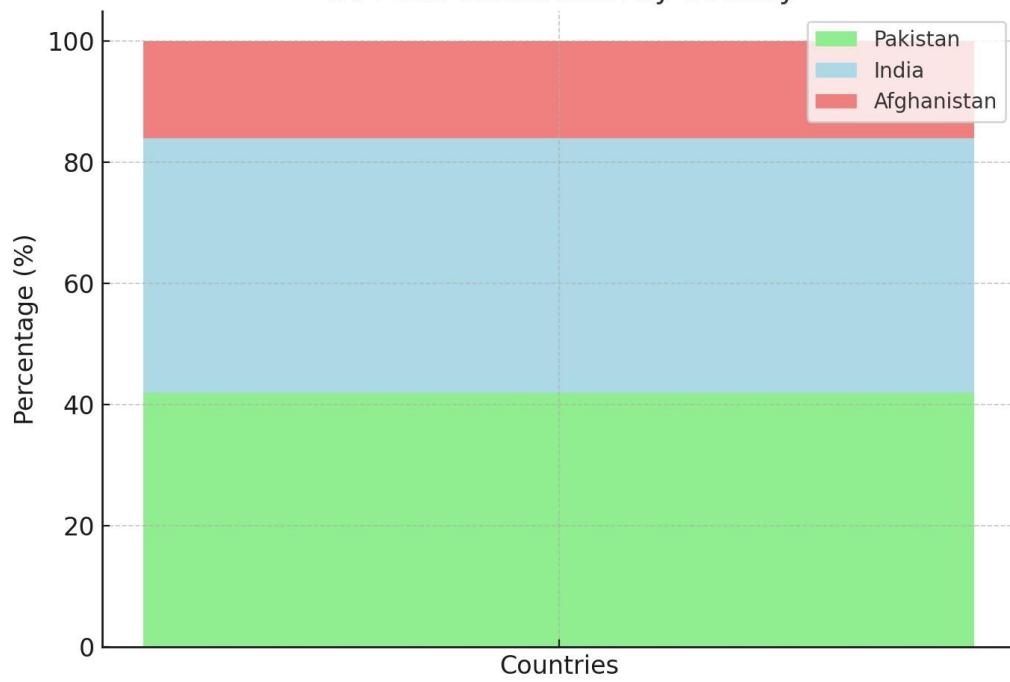
- From Herat to Kandahar, Chaman, Zhob, DG Khan, Multan, and Fazilika, with an annual capacity of up to 33 billion cubic meters over a 30-year period.

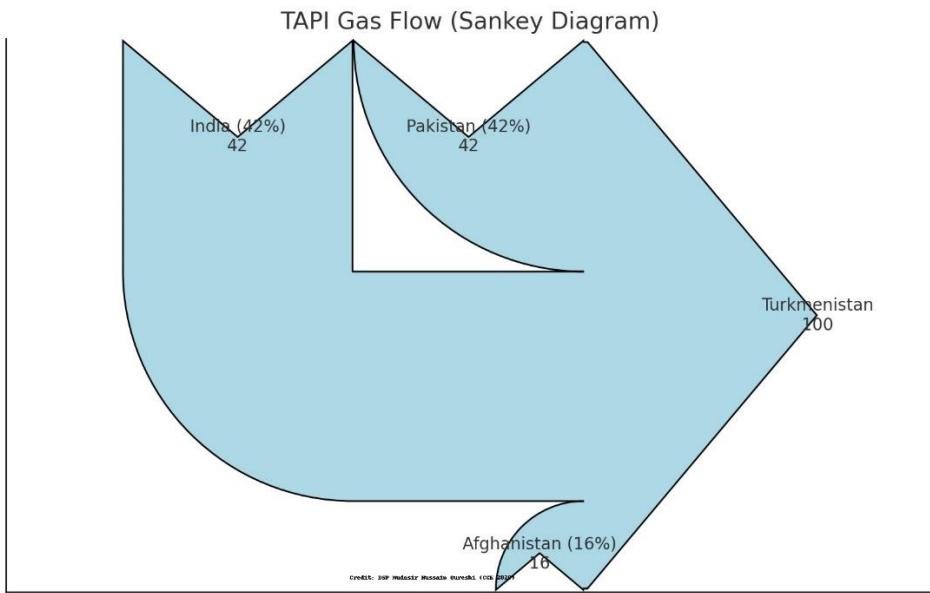


TAPI Gas Distribution Heatmap (in %)



TAPI Gas Distribution by Country





## **IP Pipeline**

### **1. Pipeline Length and Capacity:**

- The proposed IP pipeline spans over 2,775 kilometers, with 1,100 kilometers within Iranian territory.
- The pipeline has a capacity to transport up to 150 million cubic meters of natural gas annually, which could significantly alleviate Pakistan's energy crisis

### **2. Progress on Iran's Side:**

- Iran has nearly completed the 900-kilometer section of the pipeline leading to the Pakistan border

### **3. Pakistan's Commitment and Progress:**

- Pakistan has recently committed to expediting the completion of its portion of the pipeline to avoid an \$18 billion penalty from Iran. The initial phase involves constructing an 81-kilometer segment from Gwadar to the Iranian border.

### **4. China's Role:**

- China has agreed to fund and construct part of the natural gas pipeline, providing critical support to ensure the project's completion

### **5. Deadline and Penalties:**

- Iran granted Pakistan a 180-day extension until September 2024 to complete its section of the pipeline, thereby preventing litigation and penalties

## IP Gas Pipeline Overview

## Pipeline Length &amp; Capacity

2,775 km, 150 million cubic meters/year

## Progress on Iran's Side

900 km completed by Iran to Pakistan's border

## Pakistan's Commitment

81 km from Gwadar to Iran, \$18 billion penalty

## China's Role

China to fund and construct part of the pipeline

## Deadline &amp; Penalties

180-day extension, deadline September 2024

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

## IMF and Pakistan

### 1. IMF Membership and History:

- a. **Member Since:** 1950
- b. **IMF Programs:** Pakistan has sought assistance from the IMF **24 times** in 73 years, entering into **22 different IMF programs** during this period.
- c. **Largest Debtors:** Pakistan is the **fourth-largest debtor** to the IMF, with outstanding debt totaling approximately **\$8.5 billion**.

### 2. Recent IMF Agreements:

- a. **July 2023:** The IMF approved a **9-month Stand-By Arrangement (SBA)** for Pakistan, valued at **\$3 billion**, to support economic stabilization efforts.
- b. **July 2024:** A **staff-level agreement** was reached on a new **37-month Extended Fund Facility (EFF)** worth **\$7 billion**. This agreement is pending approval by the IMF's Executive Board.

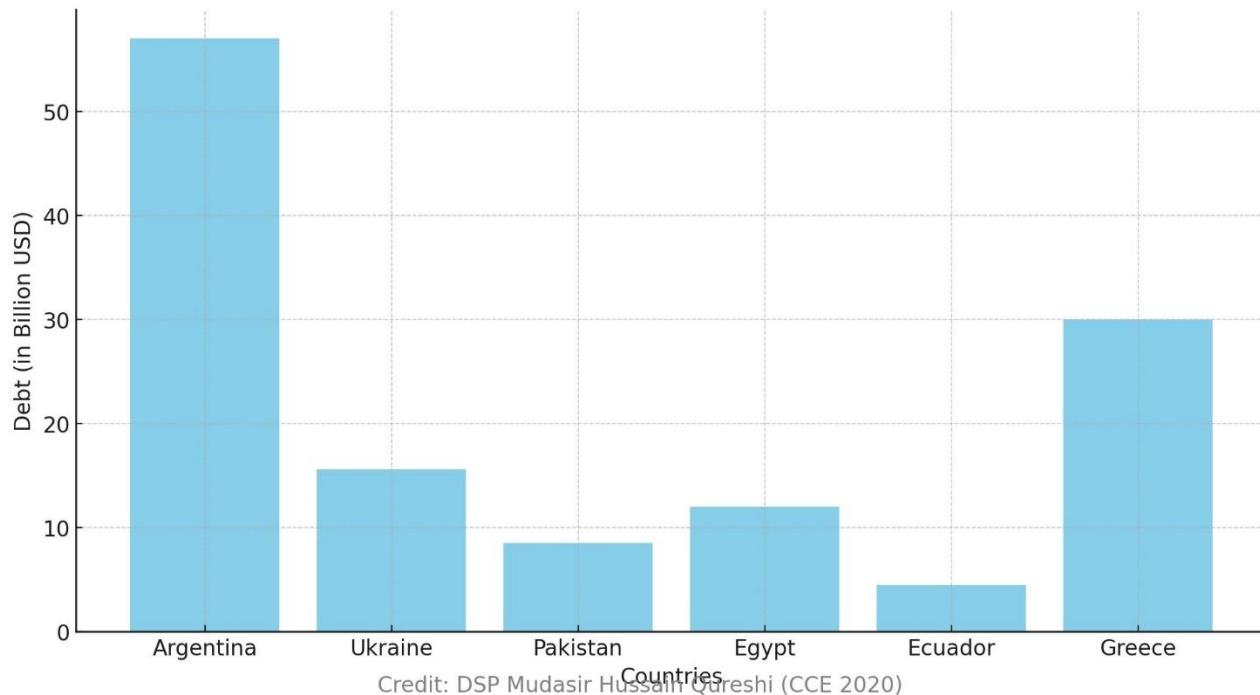
### 3. Disbursements:

- a. **January 2024:** Following the first review under the SBA, Pakistan received an immediate disbursement of **\$700 million**.
- b. **March 2024:** The second and final review of the SBA was completed, allowing access to an additional **\$1.1 billion** once approved.

### 4. Program Goals and Reforms:

- a. **Tax Revenue Increase:** The new EFF program aims to increase tax revenue by **1.5% of GDP** in FY25, with a target of **3% of GDP** over the program's duration.
- b. **Primary Surplus:** The program sets a goal of achieving a **1% primary surplus** by FY25.
- 5. With a total of 22 IMF programmes, Pakistan has stayed under the multilateral lender's shadow most of its independent life. In contrast, India and Bangladesh have reached out to the only on seven and 10 occasions, respectively.

Top IMF Debtors and their Outstanding Debt



# National (Political)

## Corruption

1. The NCPS 2022 survey showed no confidence in anti-corruption entities including National Accountability Bureau (NAB).
2. According to estimates by international agencies the total loss to the national exchequer is over Rs 200 billion per annum.
3. According to Transparency International (TI) Pakistan National Corruption Perception Survey (NCPS) 2023, Police is perceived as the most corrupt sector nationally (30%). Tendering and Contracting is considered the second most corrupt sector (16%). Judiciary is perceived as the third most corrupt sector (13%).

NCPS 2022 survey showed no confidence in anti-corruption entities including NAB.

Total loss to the national exchequer is over Rs 200 billion per annum.

According to Transparency International (TI) Pakistan National Corruption Perception Survey (NCPS) 2023, Police is perceived as the most corrupt sector nationally (30%).

Tendering and Contracting is considered the second most corrupt sector (16%).

Judiciary is perceived as the third most corrupt sector (13%).

## **Accountability**

### **1. Accountability Laws and Institutions:**

- a. Over the past 70 years, Pakistan has enacted around **a dozen accountability laws** and established about **six different institutions** at both federal and provincial levels. These include prominent laws such as the Public and Representative Office (Disqualification) Act (PRODA) of 1949 and the National Accountability Ordinance (NAO) of 1999. However, many of these laws and institutions were later dissolved or replaced, reflecting the ongoing challenges in establishing a stable and effective accountability framework.

### **2. Public Perception of Accountability Institutions:**

- a. According to the **National Corruption Perception Survey (NCPS) 2023** by Transparency International Pakistan, **68%** of Pakistanis believe that accountability institutions like the National Accountability Bureau (NAB), Federal Investigation Agency (FIA), and Anti-Corruption Establishments are used primarily for **political victimization** rather than genuine accountability.

## **Democracy**

### **1. Electoral Integrity:**

- a. The 2024 General Elections in Pakistan recorded a historic low in terms of electoral integrity, with a fairness score of 49%. This score reflects significant concerns regarding transparency, voter suppression, and irregularities. Compared to previous elections, the decline in fairness is notable, with the 2013 elections scoring 57% and the 2018 elections 52%

### **2. International Rankings:**

- a) In the Economist Intelligence Unit's (EIU) Democracy Index, Pakistan's position has declined further, placing it among countries classified as "authoritarian regimes."
- 3. In PILDAT's 'Quality of Democracy' Report (2023), Democracy in Pakistan is described as stuck in a deepening rut, with state institutions not meeting expected constitutional standards.
- 4. Democracies die when institutions encroach into each other's domains, and when there is socio-economic inequality, and intolerance of each other's political rights. (How Democracies Die by Levitsky and Ziblatt)

5. The military and the bureaucracy have dominated the political scene for such a long time that democracy could not be really practiced (Safdar Mahmood, Pakistan: Political Roots and Development, 1947-1999)

## **Media and freedom of expression**

1. **Deadliest Country for Journalists:**
  - a. Pakistan remains one of the world's most dangerous countries for journalists. In 2024, four journalists were killed in Pakistan, with numerous others facing threats, attacks, and legal harassment. The country was ranked the 11th most at-risk place for journalists globally as per Reporters Without Borders.
2. **Content Filtering:**
  - a. The government continues to implement strict content filtering. Content that is considered blasphemous, anti-state, or anti-military remains heavily targeted. New laws, such as the **E-Safety Bill and Personal Data Protection Bill**, have been introduced, giving the government broad powers to control online content and penalize those who post or host "anti-state" material.
3. **World Press Freedom Index:**
  - a. According to the **2024 World Press Freedom Index** by Reporters Without Borders, Pakistan's ranking dropped to **152nd out of 180 countries**, down from 150th in 2023. The report highlights increasing political pressure and restrictions on media, which have contributed to this decline in press freedom.

## **Civil-military relations**

1. Praetorianism = Huntington contends that praetorianism is a key component in a weak civil society-strong military relationship. He defines praetorianism as the military's interference in their country's political system
2. No PM has completed his tenure in Pakistan
3. 4 martial laws (35 years- almost half of the country's life)
  - ✓ Origin = British Generals didn't prevent Indian invasion to Kashmir on the advice of M. Ali Jinnah (Abdul Sattar: Foreign Policy)
4. **Military Expenditure:**
  - ✓ Pakistan's defense budget for FY 2024 was approximately **Rs 1.8 trillion** (\$6.5 billion), representing about **18%** of the total national budget. This allocation continues to

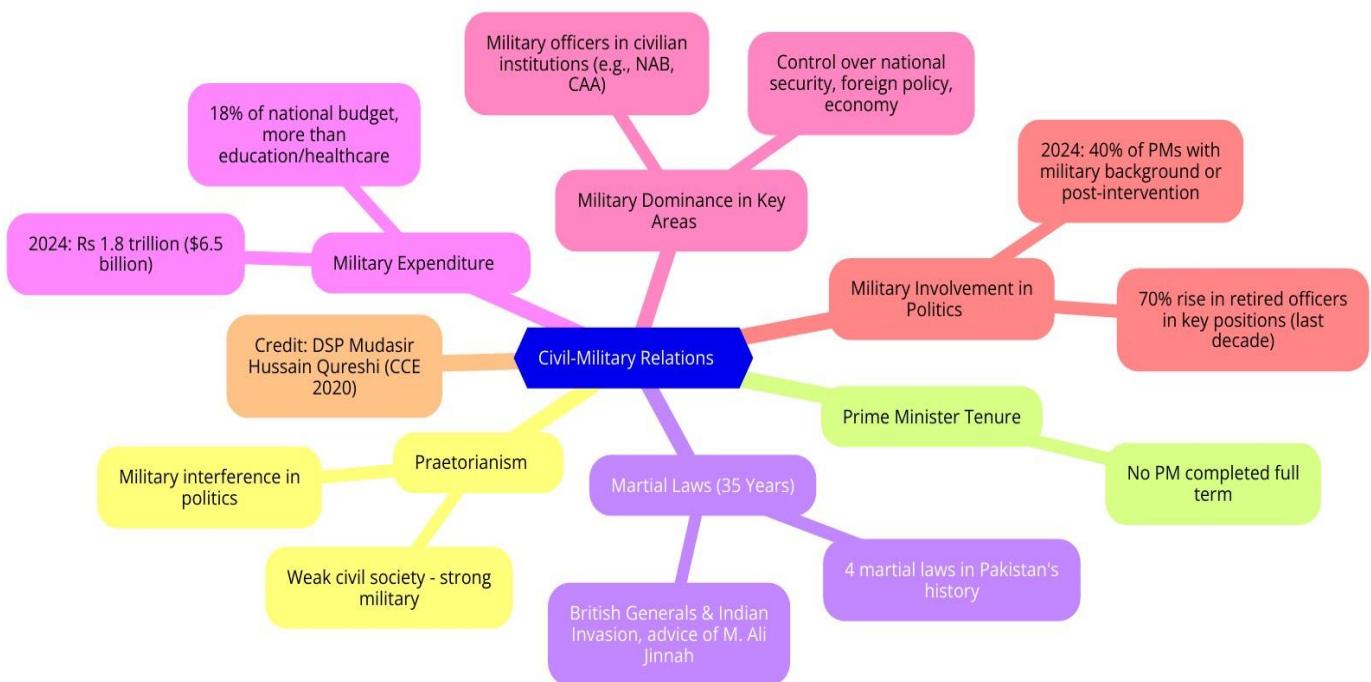
outpace spending on critical sectors such as education and healthcare, with defense consistently receiving priority.

## 5. Military Dominance in Key Areas:

- ✓ The military maintains significant control over national security, foreign policy, and key economic areas, with military officers occupying top positions in various civilian institutions. This includes the appointment of retired and serving military officers in strategic sectors such as the National Accountability Bureau (NAB), the Civil Aviation Authority (CAA), and various public sector enterprises

## 6. Military Involvement in Politics:

- ✓ As of 2024, **40%** of Pakistan's prime ministers have had military backgrounds or have been appointed following military interventions. The military's involvement in politics is further reflected in the **70%** increase in the number of retired military officers holding key governmental positions over the last decade.



## **Balochistan**

### **1. Population Growth:**

- The population of Balochistan has doubled according to the **2023 census**, leading to an increase of **14 seats** in the provincial and national assemblies.

### **2. Natural Resources:**

- **Sui, Balochistan:** Home to the largest reserve of Pakistan's natural gas.
- **Reko Diq and Saindak:** These sites contain some of the world's largest gold and copper reserves. Reko Diq alone is estimated to produce **3 million tons** of copper and **8.1 million ounces** of gold annually.
- **Dudder:** The largest reserves of copper, zinc, and lead in Pakistan are located here, contributing significantly to the province's mineral wealth.

### **3. Economic Potential:**

- The estimated value of unexplored mineral reserves in Balochistan exceeds **\$1 trillion**. Reko Diq and Saindak together have the potential to produce billions of dollars in gold and copper, which could significantly boost the local and national economy.

### **4. Geographical Significance:**

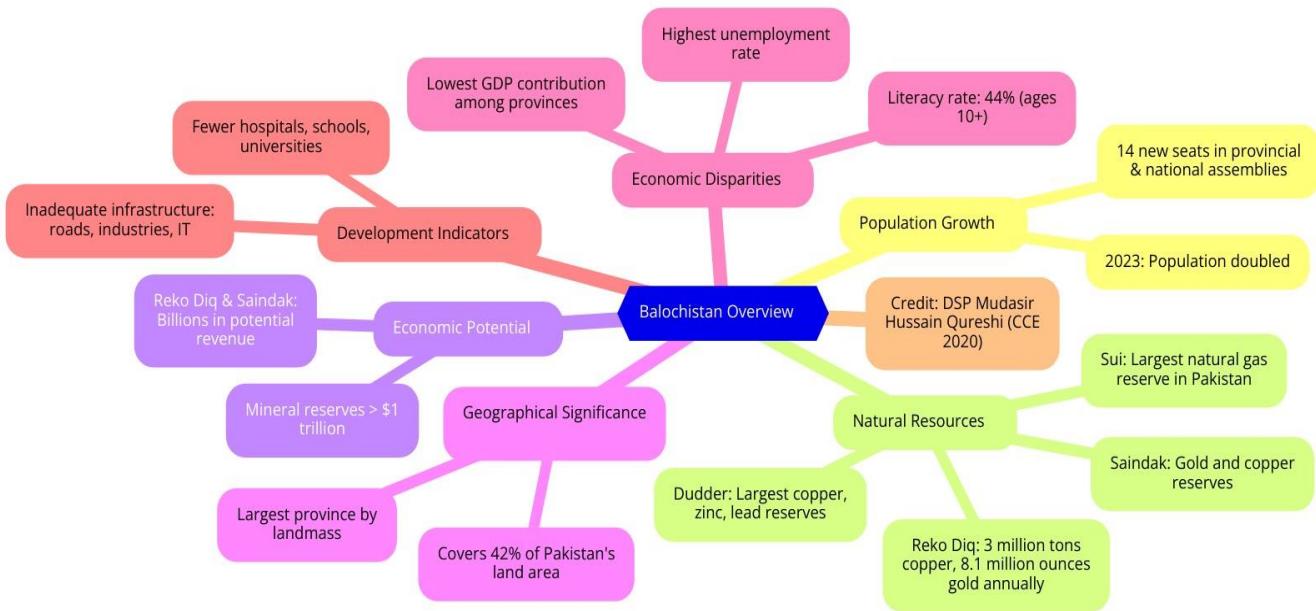
- Balochistan covers **42%** of Pakistan's total land area, making it the largest province by landmass.

### **5. Economic Disparities:**

- Despite its wealth in natural resources, Balochistan has the **lowest GDP** contribution among Pakistan's provinces, the highest unemployment rate, and the lowest literacy rate, which remains at approximately **44%** for those aged 10 and above.

### **6. Development Indicators:**

- Balochistan lags behind other provinces in key development indicators. It has fewer hospitals, schools, universities, and vocational training institutes relative to its population size. The province also suffers from inadequate infrastructure, with limited road networks and a small number of industries and IT-based businesses.



## 18<sup>th</sup> Amendment

### 1. Devolution of Powers

#### a. Devolved Subjects:

- i. 26 subjects, including education, health, and sanitation, were devolved to local bodies.

### 2. Constitutional Amendments

#### a. Addition of Articles:

- i. **Article 6:** High Treason
- ii. **Article 25A:** Right to Education
- iii. **Article 10A:** Right to Fair Trial
- iv. **Article 19A:** Right to Information

### 3. Compensation to Deprived Classes and Provinces

#### a. Council of Common Interest (CCI):

- i. Permanent secretariat established.
- ii. Must meet at least once every 30 days.
- iii. Prime Minister can convene a CCI meeting on a province's request for urgent conflicts.

#### b. National Economic Council (NEC):

- i. Ensures balanced development and regional equity.
- ii. Required to meet at least twice a year.
- iii. Both CCI and NEC are obligated to submit annual reports to Parliament.

### 4. Provincial and Senate Representation

- a. **Correction of Provincial Names:**
  - i. Spellings of two provinces corrected in Article 1.
  - ii. North West Frontier Province renamed to Khyber Pakhtunkhwa.
- b. **Representation for Non-Muslims:**
  - i. Increased Senate seats by four for reserved non-Muslim seats.

**5. Legislative Processes and Parliamentary Procedures**

- a. **Time Limits for Presidential Consideration:**
  - i. Reduced from 30 days to 10 days for consideration of bills passed by Parliament.
- b. **Council of Common Interest Accountability:**
  - i. CCI now also submits its annual report for consideration by both houses of Parliament.
- c. **National Economic Council Accountability:**
  - i. NEC is also obligated to submit its annual report to Parliament.
- d. **Senate Working Days:**
  - i. Increased from 90 to 110 working days.
  - ii. President must lay a report on the observance and implementation of the Principles of Policy before both the National Assembly and Senate.
- e. **Senate Consideration of Budget:**
  - i. Time increased from 7 days to 14 days to enhance the quality of debate.

**6. Presidential Powers**

- a. **Discretionary Power to Dissolve National Assembly:**
  - i. The discretionary power of the President under Article 58(2)(b) to dissolve the National Assembly has been abolished.
  - ii. The President must now follow the advice of the Prime Minister or Cabinet for the dissolution of the Assembly.

**7. Abolition of Concurrent List**

- a. **Concurrent List Abolished:**
  - i. Powers previously shared between federal and provincial governments were fully devolved to provinces.

**Devolution of Powers:**  
26 subjects (education, health, sanitation) devolved to local bodies.

**Constitutional Amendments:**  
New Articles:  
Article 6 (High Treason)  
Article 25A (Right to Education)  
Article 10A (Right to Fair Trial)  
Article 19A (Right to Information)

**Compensation to Deprived Classes:**  
CCI and NEC established for regional equity.  
Both must submit annual reports to Parliament.

**Provincial Representation:**  
Correction of two provincial names.  
NWFP renamed to Khyber Pakhtunkhwa.  
Increased Senate seats for non-Muslims.

**Legislative Processes:**  
Time for Presidential Bill consideration reduced to 10 days.  
Senate working days increased to 110.

**Presidential Powers:**  
President's discretionary power to dissolve National Assembly abolished.  
Now follows advice of PM or Cabinet.

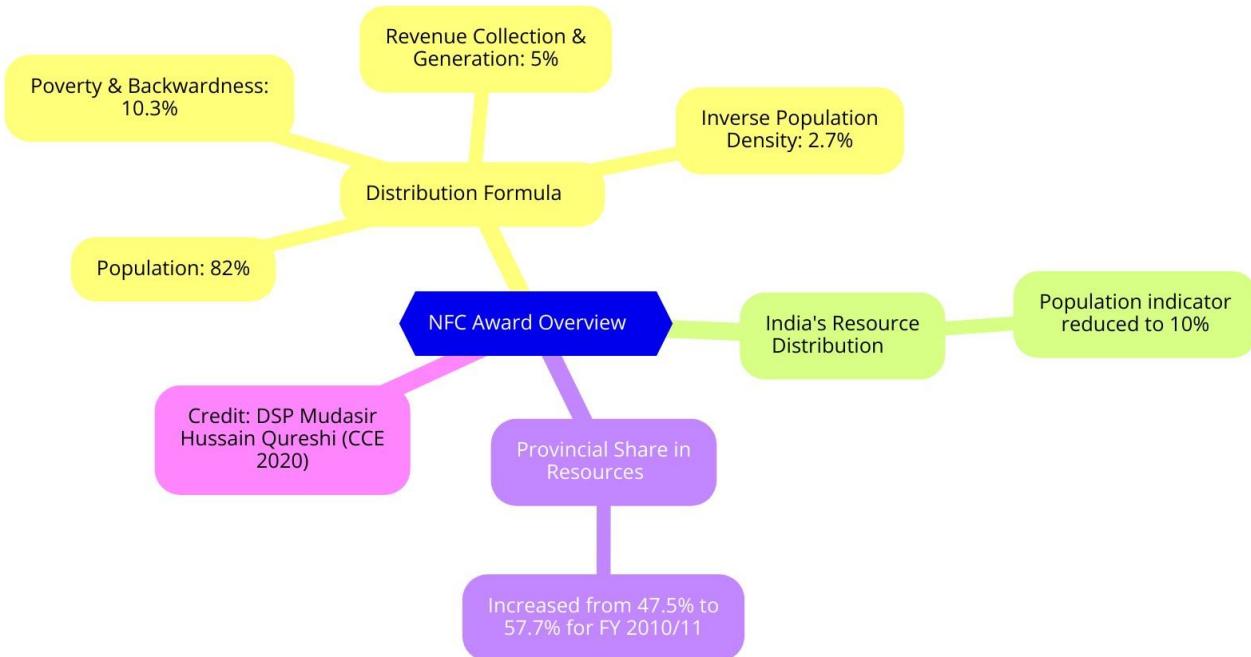
**Abolition of Concurrent List:**  
Powers shared between federal and provincial governments fully devolved to provinces.

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

## **NFC Award**

1. NFC Distribution Formula:
  - a. Population: 82%
  - b. Poverty and Backwardness: 10.3%
  - c. Revenue Collection and Generation: 5%

- d. Inverse Population Density: 2.7%
- 2. Population Indicator for Resource Distribution in India: Reduced to 10%
- 3. The provincial share in divisible pool of resources, increased from 47.5 percent to 57.7 percent for fiscal year (FY) 2010/11



## Local Government

### 1. Historical Context and Constitutional Development

#### A. Pre-18th Amendment:

- ✓ Local Government (LG) was not explicitly mentioned or emphasized in the 1973 Constitution before the 18th Amendment.

#### B. Post-18th Amendment:

- ✓ **Article 140-A** was introduced, mandating that "Each Province shall, by law, establish a local government system and devolve political, administrative, and financial responsibility and authority to the elected representatives of the local governments."

### 2. Implementation Challenges and Delays

#### A. Delays in Local Government Elections:

- ✓ **Khyber Pakhtunkhwa (K-P):** Experienced a delay of 2.5

years in organizing local government elections.

- ✓ **Sindh:** Faced a **2-year delay** in holding local elections.
- ✓ **Punjab:** The local government's term ended a year ago, with delays in elections being a significant issue.
- ✓ **Balochistan:** The province has faced intermittent delays and suspensions in the conduct of local government elections.

### 3. Urban Management and Infrastructure

#### A. Sanitary Landfill Sites:

- ✓ **Karachi:** Operates **three sanitary landfill sites**.
- ✓ **Lahore:** Has **two sanitary landfill sites**, which are critical for managing urban waste effectively.



## Colonial History

1. The share of the region that accounted for 25-35% of global GDP till 17th century, when the colonisation began, had dwindled to a meagerly 2% of GDP by 1947.

# National (Social)

## Education

### **1. Out-of-School Children**

- a. **Total Number:** The number of out-of-school children in Pakistan has reached approximately 26 million, representing one of the highest figures globally. This marks an alarming increase from previous years, where the figure was around 22 million
- b. **Percentage:** Currently, 39% of children in the school-going age group are not attending school.

### **2. Gender disparities in education (Economic Survey)**

- a. Male Literacy Rate: 73.4%
- b. Female Literacy Rate: 51.9%
- c. According to the Pakistan Demographic and Health Survey 2017-18, almost half of women in the age group 15-25 are uneducated. 61pc of rural women are illiterate.

### **3. Literacy rates**

- a. **Overall Literacy Rate:** 62.3%,
- b. **Provincial Literacy Rates:**
  - Punjab: 66.3%
  - Sindh: 61.8%
  - Khyber Pakhtunkhwa: 55.1%
  - Balochistan: 54.5%
- c. **Urban vs Rural Literacy:**
  - Urban Literacy Rate: 77.3%
  - Rural Literacy Rate: 54.0%

### **4. Educational expenditures**

- a. **Government Spending:**
  - Combined education expenditure by federal and provincial

governments was **1.7% of GDP** in FY2022. Pakistan remains one of the lowest spenders on education globally, with only **14 out of 195 countries** spending less.

#### b. Recommended Spending:

- It is estimated that Pakistan needs to spend **5.7% of GDP** on education to meet its needs, but actual spending has consistently remained below **2.5% of GDP**.

### 5. Dropout rates

- a. **National Average: 23%**; third-highest in the region

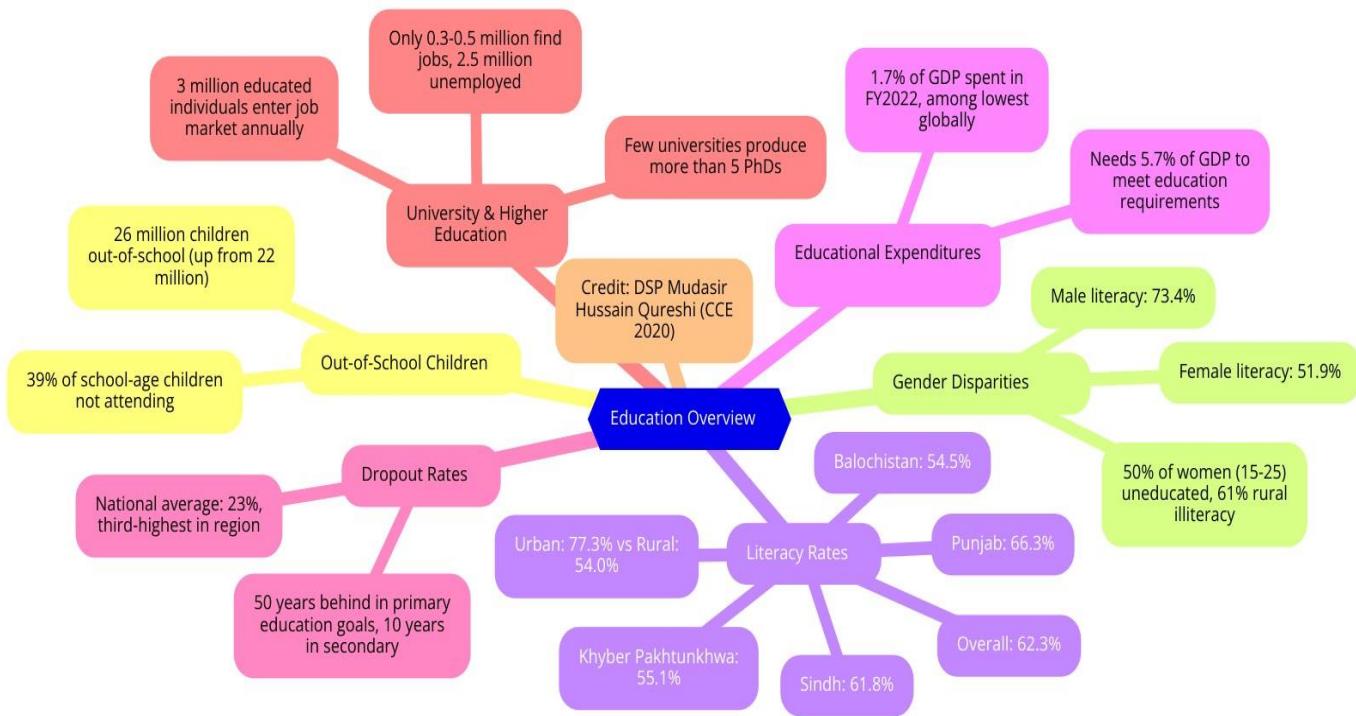
#### b. Global Education Monitoring Report:

- Pakistan is 50 years behind in achieving its primary education goals and 10 years behind in achieving secondary education goals.

Source: (2016 Global Education Monitoring (GEM) Report titled “Education for People and Planet: Creating Sustainable Futures for All”)

### 6. University and higher education

- a. **PhD Production:** Very few universities in Pakistan have produced more than five PhDs.
- b. **Job Market Entry:** Approximately 3 million educated individuals enter the job market annually.
- c. **Employment Rate:** Only 0.3 to 0.5 million of these individuals find employment, leaving nearly 2.5 million jobless



## Health

- Contraceptive Prevalence Rate (CPR):** Pakistan has a CPR of just 34.2%, farbehind other South Asian countries.
- UNICEF Data:** Around 10 million children in Pakistan suffer from stuntedgrowth.
- Maternal mortality is reported to be nearly 11,000 deaths each year, and infant mortality rates result in around 360,000 baby deaths annually. (World Bank's 2023 Human Capital report).
- Public Health Expenditure**
  - Expenditure:** Public health expenditure in FY2023-24 was **1.4% of GDP**, an increase from **1.0%** in the previous year.
- Maternal and Child Health**
  - Maternal Mortality Ratio (MMR):** The maternal mortality ratio decreased to **186 deaths per 100,000 live births**.
  - Infant Mortality Rate:** Infant mortality rates remain high, contributing to nearly **360,000 baby deaths annually**.
- Fertility Rate:** The fertility rate is **3.6 births per woman** (based on PDHS 2017-18 data).
- Nutrition and Disease**
  - Anemia:** **41.3%** of women of reproductive age (15-49 years) suffer from anemia.

- b. **Diabetes Prevalence Rate:** Pakistan has a **30.8%** prevalence rate for diabetes, making it one of the highest globally.
- c. **Hepatitis C:** Pakistan continues to have the world's largest hepatitis C burden, with approximately **10 million** people infected.
- d. **Tuberculosis (TB):** Pakistan ranks fifth globally in TB burden, with an estimated **510,000** new cases annually.

## 8. Nutrition and Stunting

- a. **Stunting in Children:** **40.2%** of children under five suffer from stunted growth.
- b. **Wasting:** **17.7%** of children suffer from wasting, exceeding the emergency threshold of 15%.

## 9. Healthcare Access

- a. **Health Workforce:** There is a shortage of healthcare professionals, with a doctor-to-patient ratio of approximately 1:1,300, far below the WHO recommended ratio.

## 10. Life Expectancy

- a. **Life Expectancy at Birth:** The average life expectancy in Pakistan is 67.6 years for males and 69.1 years for females. This is lower than the global average of 73 years.

## 11. Water and Sanitation

- a. **Access to Clean Drinking Water:** Approximately 68% of Pakistan's population has access to clean drinking water.
- b. **Sanitation Facilities:** 70% of the population has access to improved sanitation facilities, but open defecation remains a problem in certain rural and underdeveloped regions.

## 12. Healthcare Infrastructure

- a. **Hospital Beds:** Pakistan has about 0.6 hospital beds per 1,000 people, which is below the WHO recommended minimum of 3 beds per 1,000 people.



## Malnutrition

### 1. Iron Deficiency in Children

- **49.1%** of children in Pakistan under five years old are iron-deficient, according to UNICEF.

### 2. Stunted Children

- 3. Pakistan has the highest number of stunted children in South Asia, with **12 million** children affected (Source: UNOCHA)

### 4. Nutrition Statistics

- According to the latest updates from the **Pakistan Maternal Nutrition Strategy Report** and the **National Nutrition Survey 2018**:
  - **14.4%** of women of reproductive age are underweight.
  - **24%** of women are overweight.
  - **13.8%** of women are obese.
  - **41.7%** of women are anemic.
  - **22.4%** of women have a vitamin A deficiency.

### 5. Stunting Among Children

- Around **40%** of Pakistani children under five years are stunted, as reported in the **Pakistan Human Capital Review Report 2023** by the World Bank.

## **Gender inequality**

### **1. Global and Regional Rankings**

- **Global Gender Gap Index 2024 (World Economic Forum):**
  - Pakistan ranks 145th out of 146 countries, indicating one of the worst performances globally in terms of gender parity
- **SDG Gender Index 2024:**
  - No country out of the 144 assessed has achieved gender equality. Pakistan remains significantly behind in meeting gender-related Sustainable Development Goals.

### **2. Economic and Legal Barriers**

- **World Bank Report 2022:**
  - Globally, around 2.5 billion working-age women do not have equal opportunities, and 178 countries still have legal barriers preventing full socio-economic and political participation. This includes Pakistan, where legal and cultural barriers persist
- **Women in Legislation:**
  - Only 20% of legislative seats in Pakistan are held by women, making them more vulnerable to discriminatory practices in various spheres of life.

### **3. Employment and Income Disparities**

- **PEW Research Report:**
  - Women in Pakistan are paid 25% less than men for the same work, reflecting a significant gender pay gap.
- **Female Workforce Participation:**
  - Women constitute 49% of Pakistan's population but have a low workforce participation rate of 21%. Only 25% of women with a university degree are employed.
- **Pakistan Human Capital Review 2023 (World Bank):**
  - The female labor force participation rate is just 23%, with three out of four women not engaged in the labor market. Only 20% of women have completed secondary education, underscoring the challenges in both education and employment.

### **4. Social and Cultural Challenges**

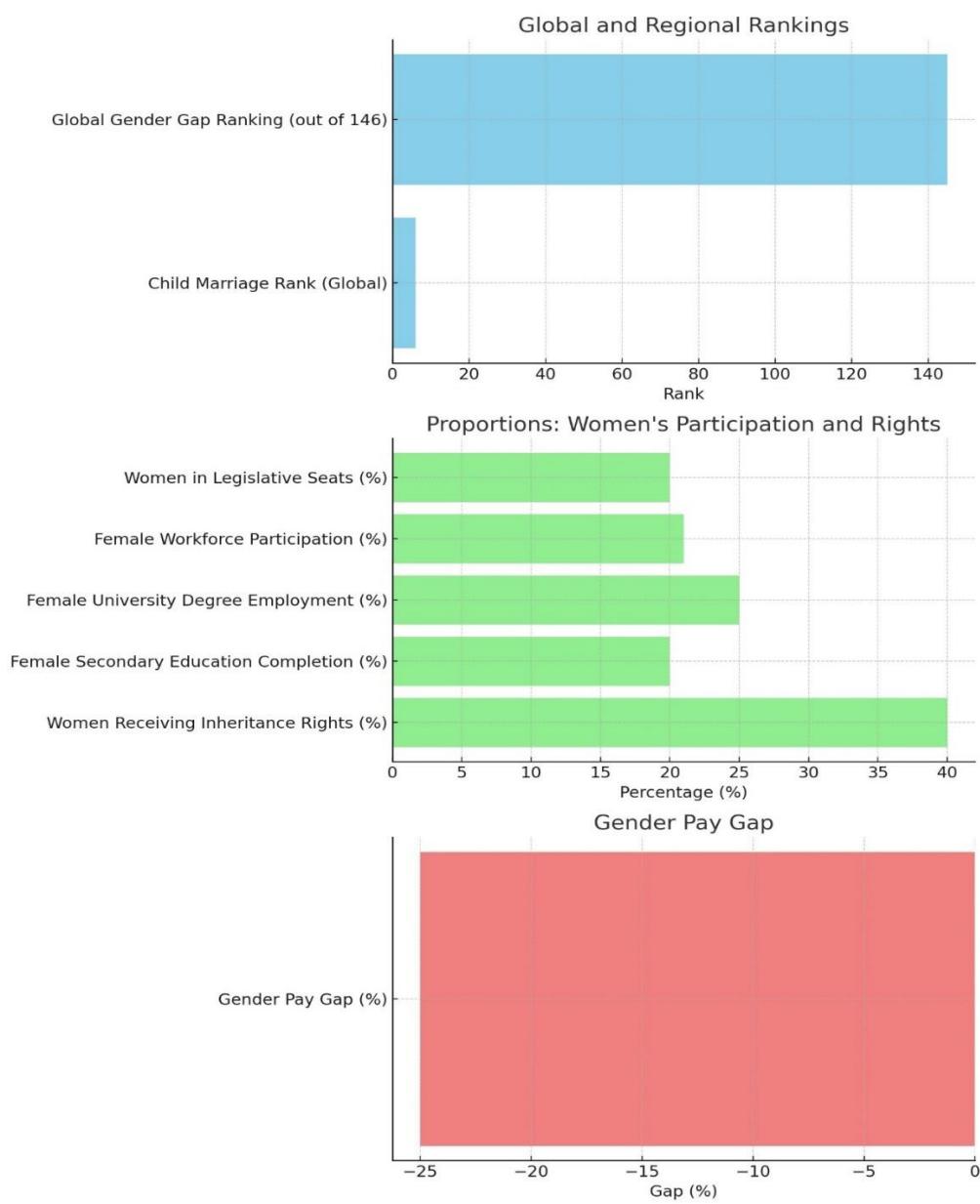
- **Inheritance Rights:**
  - According to the Institute of Policy Research and

International Affairs (IPRI), only 40% of women in Pakistan receive their rightful share in inheritance

- **Child Marriage:**

- Pakistan ranks as the sixth-highest country globally for the number of girls married before the age of 18, according to UN Women 2020.

Gender Inequality in Pakistan - Key Indicators



Source: DSP Mudasir Hussain Qureshi CCE (2020)

**DSP Mudasir Hussain Qureshi (CCE 2020)**

## **Poverty**

1. According to the World Bank, the poverty rate in Pakistan in 2023 is 37.2 percent (\$3.65/day 2017 ppp).
2. The poverty headcount in Pakistan is estimated to have reached 39.4% in FY23. In FY22, the poverty headcount was 34.2%. (Source: World Bank report 'Pakistan Development Update: Restoring Fiscal Sustainability'.)
3. According to Pakistan Social and Living Standards Measurement Survey 2019-20 (PSLM), 25% of households in Pakistan are one-room dwellings.
4. The level of the misery index (the sum of the rates of inflation and unemployment) has risen from 15.2 to 36.8, the highest ever in Pakistan's history.

### **5. Poverty Rate**

- **2024 Poverty Rate:** The poverty rate in Pakistan has increased to **40.1%** as of FY24, as measured by the lower-middle-income poverty line (\$3.65/day, 2017 PPP). This marks a slight increase from the previous year's rate of 39.4% ([Mettis Global](#), [World Bank](#)).
- **World Bank 2023 Estimate:** The poverty headcount in Pakistan was estimated to be **39.4%** in FY23, up from **34.2%** in FY22.

### **6. Living Standards**

- **Housing Conditions:** According to the Pakistan Social and Living Standards Measurement Survey (PSLM) 2019-20, **25%** of households in Pakistan live in one-room dwellings. This statistic indicates the extent of housing deprivation among poorer households.

### **7. Economic Indicators**

- **Misery Index:** The misery index, which combines the rates of inflation and unemployment, has risen from **15.2** to **36.8**, marking the highest level in Pakistan's history. This increase reflects the severe economic pressures faced by households.

### **8. Impact of Inflation and Growth**

- **Stagnation in Poverty Reduction:** The World Bank projects that

poverty reduction in Pakistan will stall in the medium term, with the poverty rate expected to remain around 40% through FY24-26 due to weak economic growth

#### Poverty and Economic Conditions in Pakistan



Source: DSP Mudasir Hussain Qureshi CCE (2020)

**DSP Mudasir Hussain Qureshi (CCE 2020)**

# **Population**

## **1. Population Growth**

- a. **Population in 2017:** 207.7 million (Census 2017)
- b. **Population in 2023:** 241.49 million (Census 2023)
- c. **Population in 2024:** 245.9 million (August 2024)
- d. **Annual Growth Rate (2017-2023):** 2.55%
- e. **Annual Growth Rate (2023-2024):** 1.93%
- f. **Projected Population by 2043:** Estimated to reach 403 million if the current growth rate persists (Census 2023)

## **2. Comparison with Neighboring Countries**

- a. **India's Population Growth Rate:** 0.9% (UNFPA Pakistan)
- b. **Bangladesh's Population Growth Rate:** 1.1% (UNFPA Pakistan)

## **3. Youth Population**

- a. **Population Aged 15-24 in 2017:** 19.3% of the total population (~40 million) (UNFPA Pakistan)
- b. **Population Aged 15-24 in 2023:** Estimated at around 47 million (UNFPA Pakistan)
- c. **Idle Youth:** Approximately 35% according to World Bank estimates

## **4. Provincial Shares of Population (Census 2023)**

- a. **Punjab:** 53.39%
- b. **Sindh:** 23.29%
- c. **Khyber-Pakhtunkhwa:** 17.10%
- d. **Balochistan:** 6.22%

## **5. National Population Insights**

- a. **Population Growth Rate:** Pakistan's growth rate is more than double the global rate of 0.8% (2022), standing at 1.93% in 2024
- b. **Fertility Rate:** Pakistan's fertility rate is 3.6, significantly higher than the global average

## **6. Global Population Context**

- a. **World Population:** Reached 8 billion on November 15, 2022
- b. **Pakistan's Global Rank:** 5th largest country by population

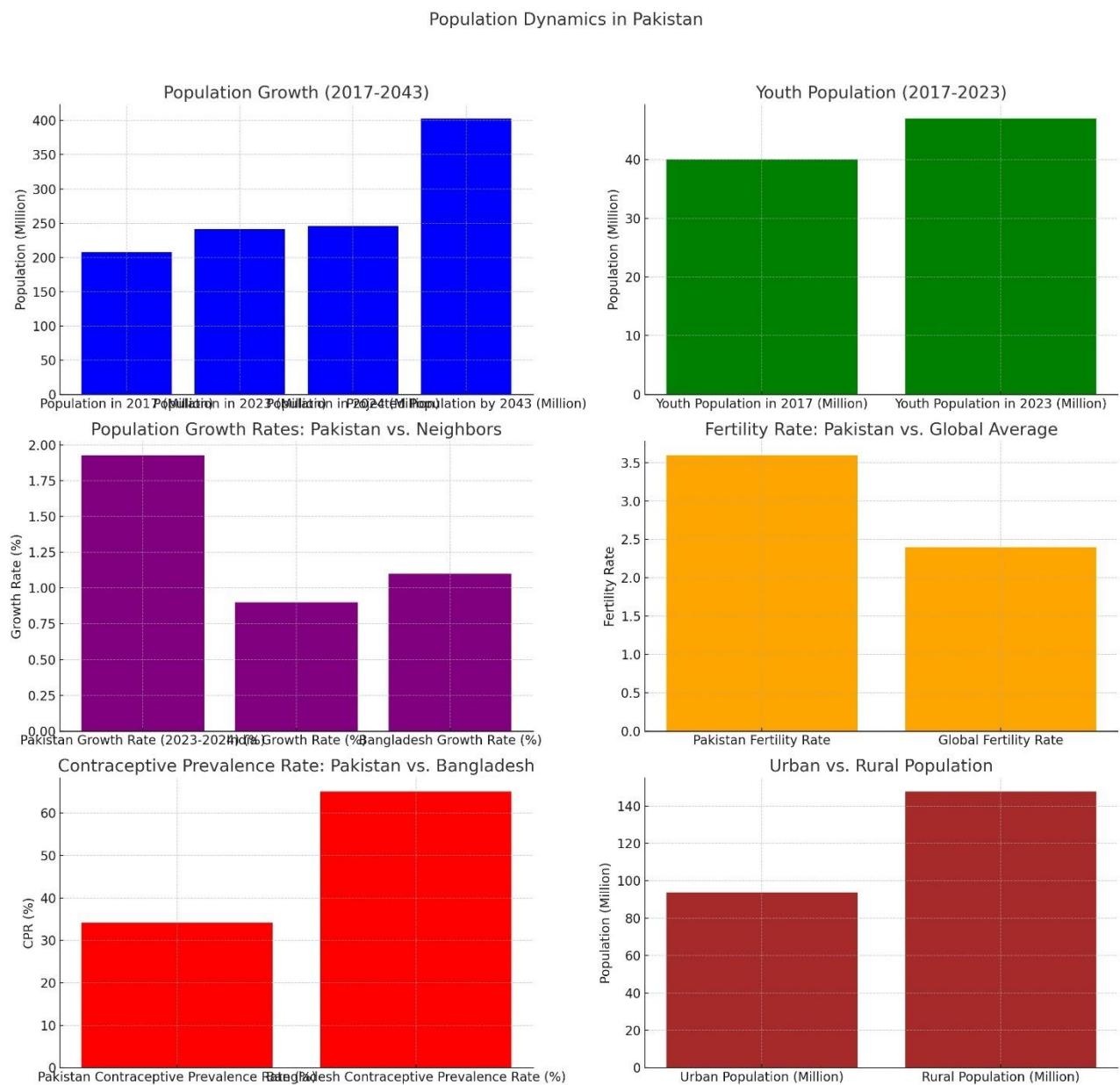
## **7. Family Planning and Reproductive Health**

- a. **Family Planning Spending:** Increased by 82% since 2018

- b. **Unwanted Births:** Approximately 1.4 million annually
- c. **Abortions and Miscarriages:** 2.2 million annually, potentially avoidable with better family planning
- d. **Contraceptive Prevalence Rate (CPR):** Bangladesh's CPR is 65.0%, while Pakistan's is significantly lower at 34.1%

## 8. Urban vs. Rural Distribution

- a. **Urban Population:** 93.7 million (38.82% of total population)
- b. **Rural Population:** 147.6 million (61.18% of total population)



Source: DSP Mudasir Hussain Qureshi CCE (2020)

**DSP Mudasir Hussain Qureshi (CCE 2020)**

## **Urbanization**

1. Urbanization Level in 2023: 38.8%
2. Annual Growth Rate of Urban Population (1998-2017): 2.98%
3. Annual Growth Rate of Urban Population (2017-2023): 3.57%
4. Annual Growth Rate of Rural Population (1998-2017): 2.06%
5. Annual Growth Rate of Rural Population (2017-2023): 1.87%
6. **2023 Quality of Life Index by NUMBEO:** Karachi ranks 183rd out of 193 cities
7. Approximately **55%** of the world's population now lives in urban areas, which is expected to increase to **70% (approximately 7 billion people) by 2050.** –UN Revision of World Urbanization Prospects.
8. Globally, it is estimated that cities generate about 80% of the gross domestic product (GDP). Cumulatively, cities in Pakistan generate 55% of the nation's GDP.
22. Housing Shortage: The current countrywide housing shortage is around 10 million and is expected to shoot up to 13 million housing units by 2025.
23. Urban Housing Demand: The State Bank of Pakistan estimates the urban housing demand is 350,000 units every year, of which the demand is met for only 150,000 units.
24. Housing Prices: Housing prices increased by 134% between 2013 to 2018, and urban plot prices went up by 151% during the same period.
25. **Urban Population Proportion (2023):**
  - **38.8%** of Pakistan's total population lives in urban areas.
  - **Source:** CIA World Factbook.
26. **Annual Growth Rate of Urban Population:**
  - 1998-2017 = 2.98% annually
  - **2017-2023 = 3.57%** annually.
  - **Source:** [Pakistan Bureau of Statistics](#) (Census 2023)
27. **Quality of Life Index 2023:**
  - Karachi ranked **183rd out of 193 cities** globally in the Quality of Life Index.
  - **Source:** NUMBEO Quality of Life Index 2023.
28. **Urban Housing Demand and Shortage:**
  - The **urban housing demand** is estimated at **350,000 units annually**, with only **150,000 units** of this demand being met.

- The current countrywide **housing shortage** is around **10 million units**, expected to rise to 13 million by 2025
  - **Source:** [State Bank of Pakistan Report 2024](#)

### 29. Contribution of Urban Areas to GDP:

- Cities in Pakistan generate approximately **55% of the nation's GDP**.
  - **Source:** [World Bank](#).

### 30. Urbanization Trends Globally:

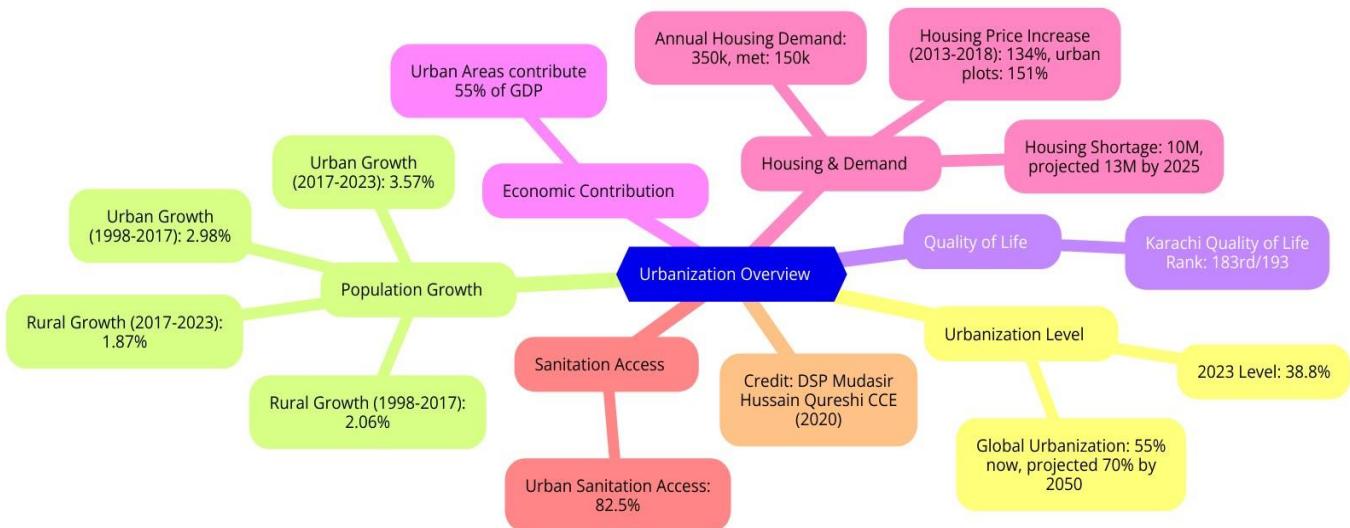
- Globally, **55%** of the world's population now lives in urban areas, projected to increase to **70%** by 2050.
  - **Source:** [United Nations World Urbanization Prospects](#).

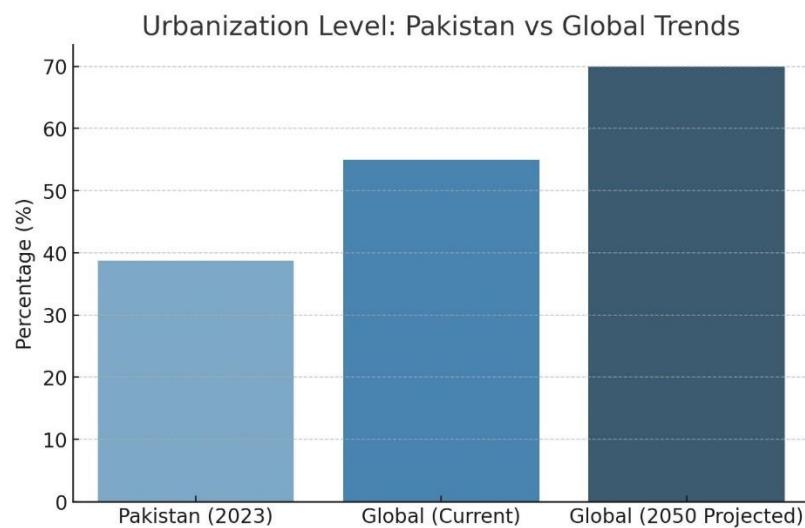
### 31. Housing Prices:

- Housing prices increased by **134%** between 2013 to 2018, with urban plot prices rising by **151%** during the same period.
  - **Source:** [Pakistan Real Estate Market Report](#).

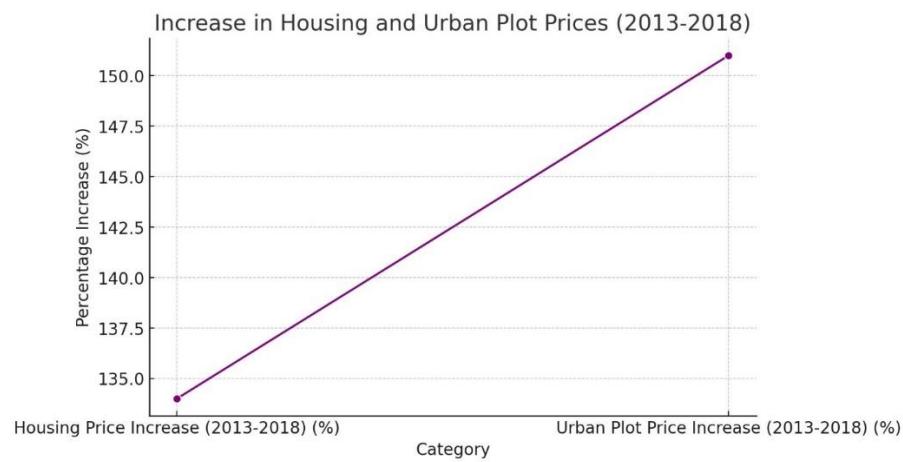
### 32. Sanitation Access in Urban Areas:

- **82.5%** of the urban population in Pakistan has access to improved sanitation facilities.
  - **Source:** CIA World Factbook.



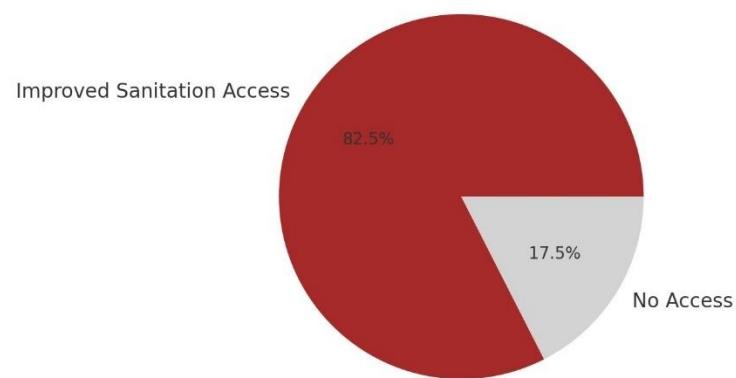


Source: DSP Mudasir Hussain Qureshi CCE (2020)



Source: DSP Mudasir Hussain Qureshi CCE (2020)

### Access to Improved Sanitation in Urban Areas



Source: DSP Mudasir Hussain Qureshi CCE (2020)

## **Sanitation**

### **1. Open Defecation:**

- 25 million people in Pakistan still practice open defecation. Efforts to eliminate this by 2025 continue under programs such as Pakistan's Approach to Total Sanitation (PATS) ( **UNICEF**)

### **2. Water Quality:**

- Contaminated Water: 70% of households still consume bacterially contaminated water, posing significant health risks ( **UNICEF**)

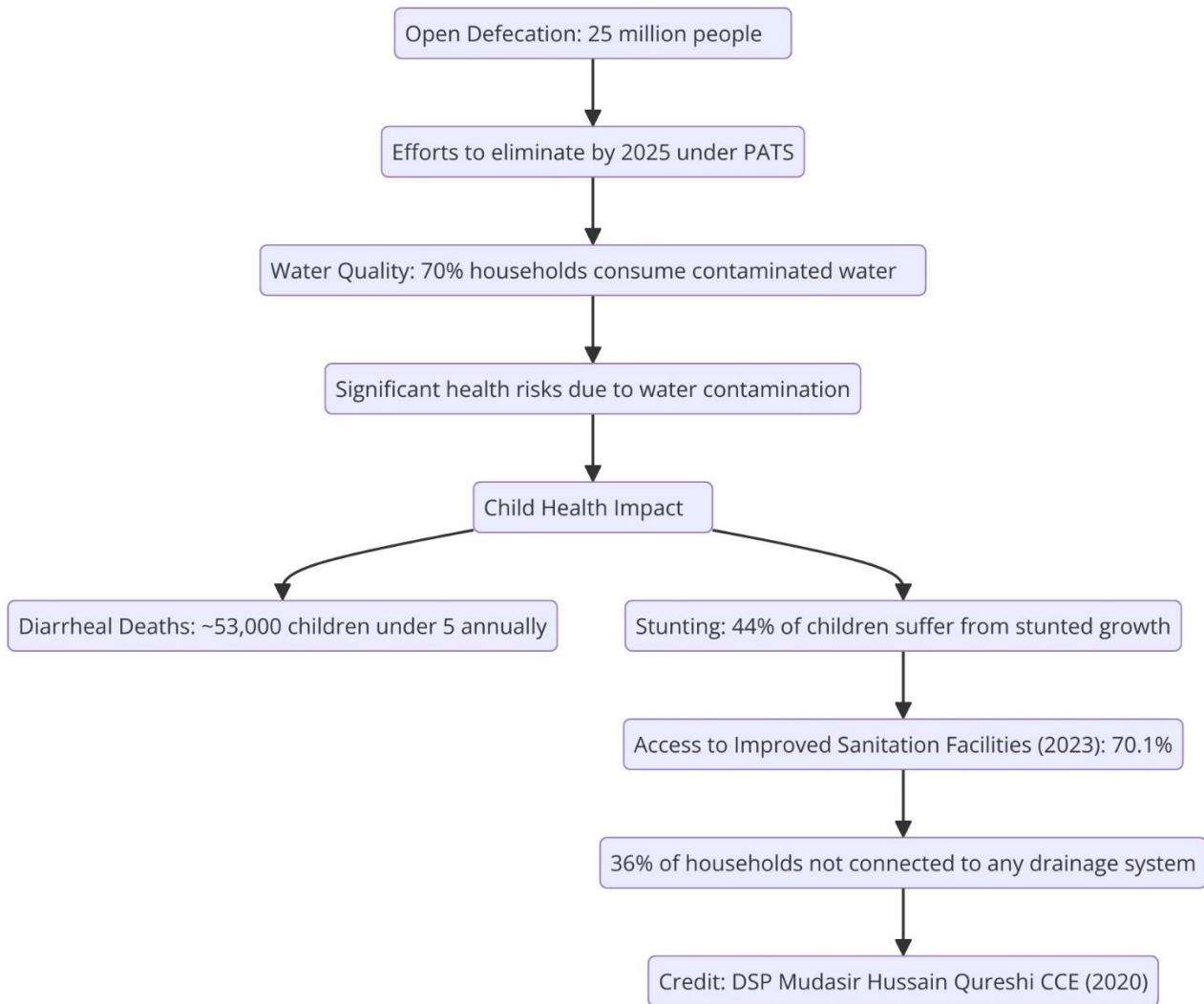
### **3. Child Health Impact:**

- Diarrheal Deaths: Approximately 53,000 children under five die annually due to diarrhea linked to poor water and sanitation conditions ( **UNICEF**)
- Stunting: Nearly 44% of children in Pakistan suffer from stunted growth, often exacerbated by repeated diarrheal infections ( **UNICEF**)

### **4. Access to Improved Sanitation Facilities (2023):**

- Overall: 70.1% of the population has access to improved sanitation facilities.
  - Source: CIA World Factbook.

### **5. 36% of households are not connected to any drainage system (**Pakistan Social and Living Standards Measurement Survey 2019-20**)**



## **Human Development**

- 1. Human Capital Index and Productivity**
- 2. Human Capital Index (HCI):**
- The Human Capital Index for Pakistan in 2024 reflects that the average Pakistani child will perform at only 39% of their full productivity potential given the current level of health and education. This is consistent with previous reports.
- 4. Public Spending on Education and Health**
- 5. Public Spending on Education and Health:**
- As of 2024, Pakistan's public spending on education remains low at approximately 2.0% of GDP, showing a slight increase from previous years. Public spending on health has also seen a minor increase, now accounting for around 1.3% of GDP. Despite these increases, the combined expenditure on education and health still totals less than 3.5% of GDP, far below global

averages.

**7. Human Development Index (HDI)**

**8. Human Development Index (HDI) Ranking:**

9. Pakistan was ranked 160th out of 191 countries on the UN's 2023/24 Human Development Index, showing little improvement from its previous ranking. This positions Pakistan among the lower tier of countries in terms of human development.

**10. Human Capital Crisis**

**11. World Bank's Perspective:**

12. The World Bank continues to refer to Pakistan's situation as a "silent, deep human capital crisis," emphasizing the need for significant reforms in health and education to improve productivity and economic growth.

**13. Provincial Human Capital Index**

**14. Provincial Performance:**

15. According to the Pakistan Human Capital Review Report 2024 by the World Bank, Balochistan remains the worst-performing province with an HCI value of 0.32, comparable to Niger. Sindh's HCI value is 0.36, similar to countries like Nigeria and Sierra Leone, while Khyber Pakhtunkhwa has an HCI value of 0.39, on par with Burundi and Tanzania.

**16. Future Economic Projections**

**17. Impact on GDP Per Capita:**

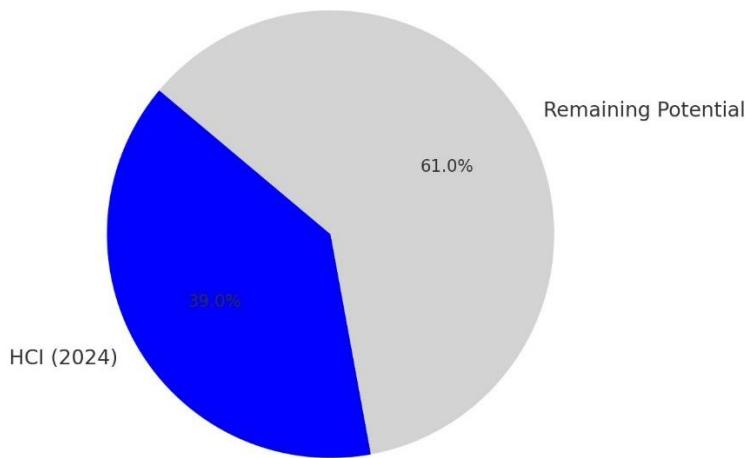
18. The World Bank's 2024 report projects that if Pakistan continues on its current trajectory in human capital development, its GDP per capita will grow by only 18% by 2047, the country's 100th anniversary. However, with significant improvements in human capital investments, GDP per capita could rise by 32%. If Pakistan optimizes both its human capital development and its utilization, GDP per capita could potentially increase by 144%.

**19. Global Productivity Comparison**

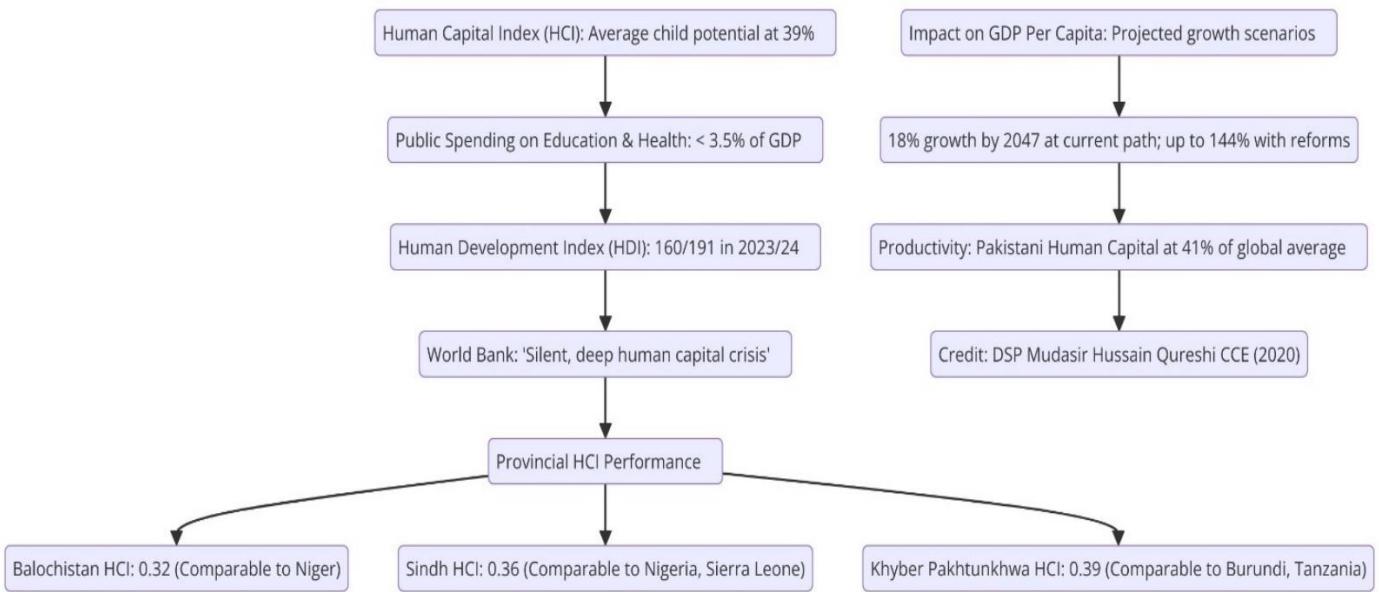
**20. Productivity of Human Capital:**

21. The productivity of Pakistani human capital is estimated at 41% compared to the global average, highlighting the significant gap Pakistan needs to address to improve its economic performance.

## Human Capital Index (HCI) for Pakistan in 2024



Source: DSP Mudasir Hussain Qureshi CCE (2020)



## Child labour

1. **Global Child Labor Statistics**
2. **Global Prevalence:**
3. As of 2024, an estimated 112 million children (approximately 1 in 10 children) worldwide are engaged in child labor. This reflects a slight

increase from the 110 million reported in 2022, likely due to ongoing global economic challenges and the aftermath of the COVID-19 pandemic (Source: UN Department of Economic and Social Affairs Sustainable Development Report 2024).

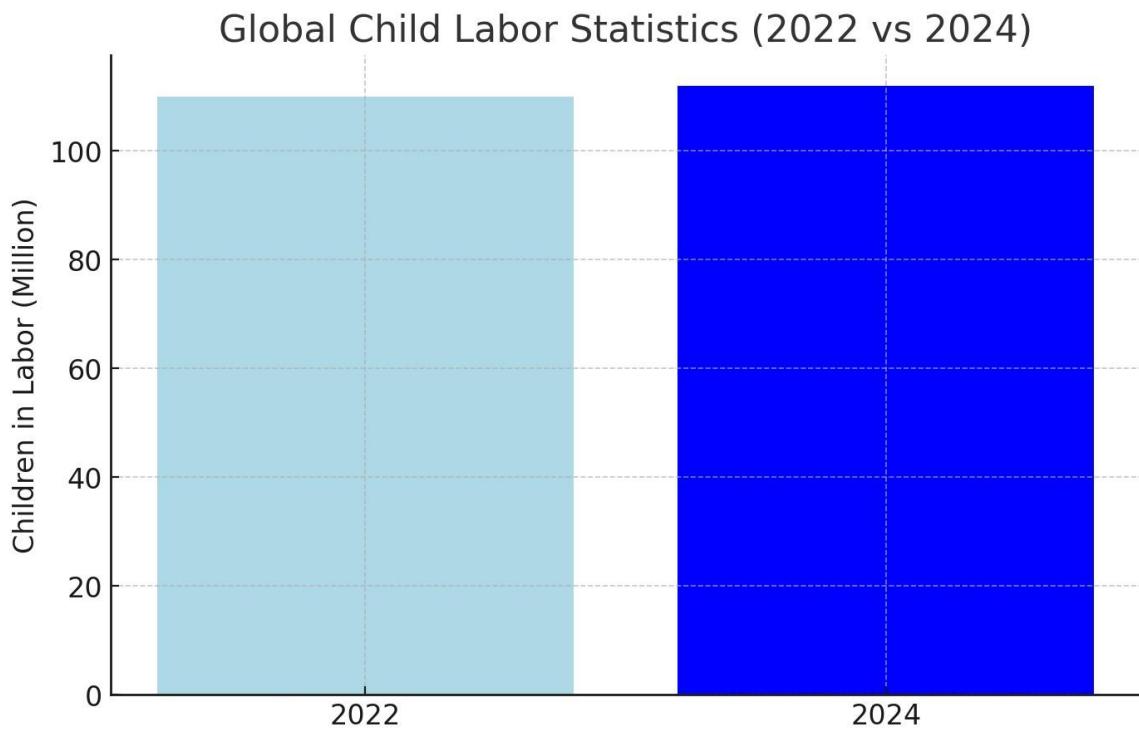
#### **4. Child Labor in Pakistan**

#### **5. Child Labor in Pakistan:**

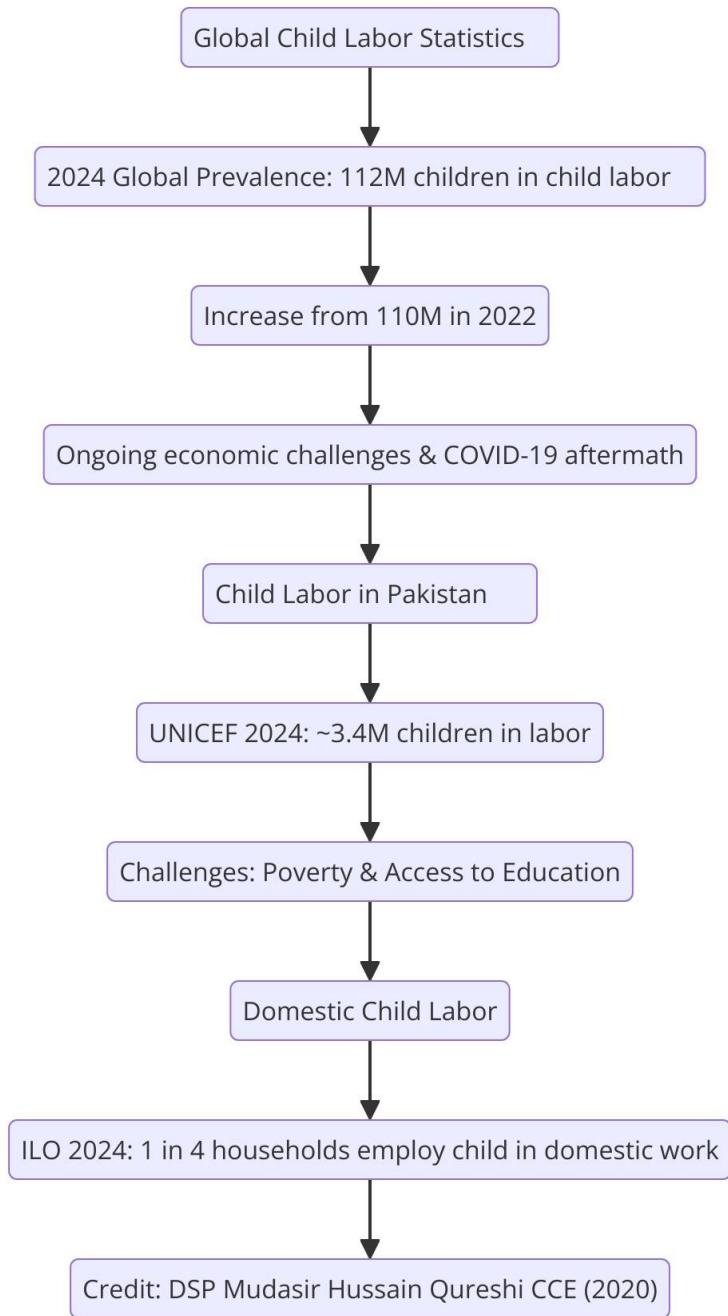
6. According to UNICEF's latest estimates for 2024, approximately 3.4 million children are engaged in child labor in Pakistan. This is a slight increase from previous figures, reflecting ongoing challenges in poverty and access to education.

#### **7. Domestic Child Labor:**

8. A study conducted by the International Labour Organization (ILO) in 2024, under the Asia Regional Child Labour (ARC) Project, revealed that one in every four households in Pakistan continues to employ a child in domestic work.



Source: UN Department of Economic and Social Affairs Sustainable Development Report (2024)



## Human rights

1. The Associated Press estimated that approximately 1,000 Hindu and Christian young girls across Pakistan are stolen from their families and forced to convert to Islam annually.
2. **General Human Rights Overview**
3. **Freedom of Expression:**

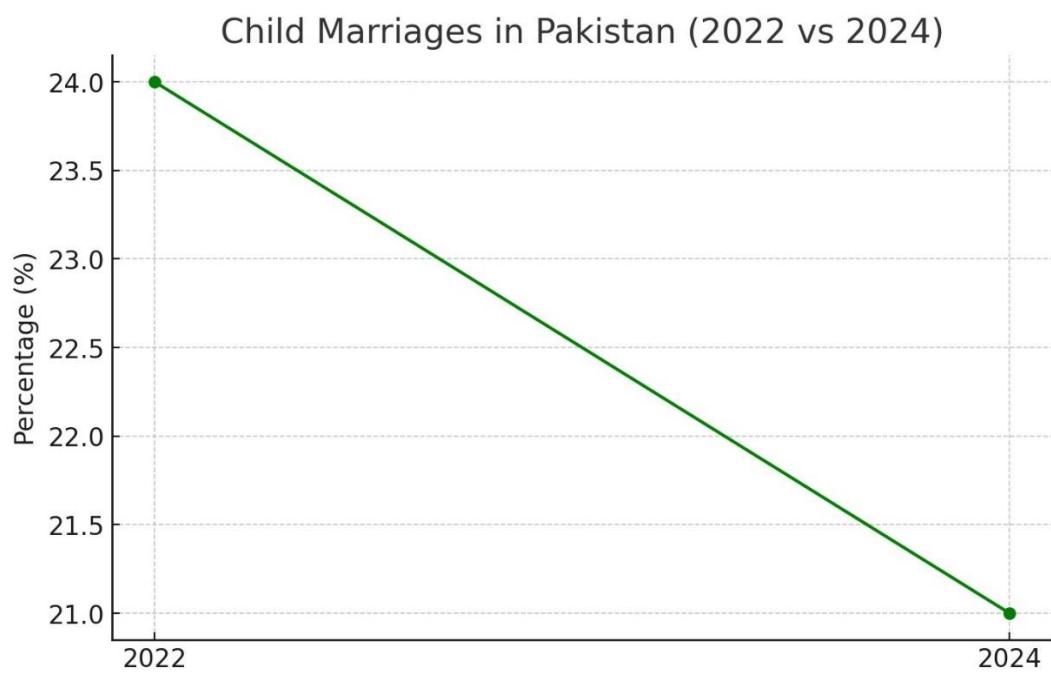
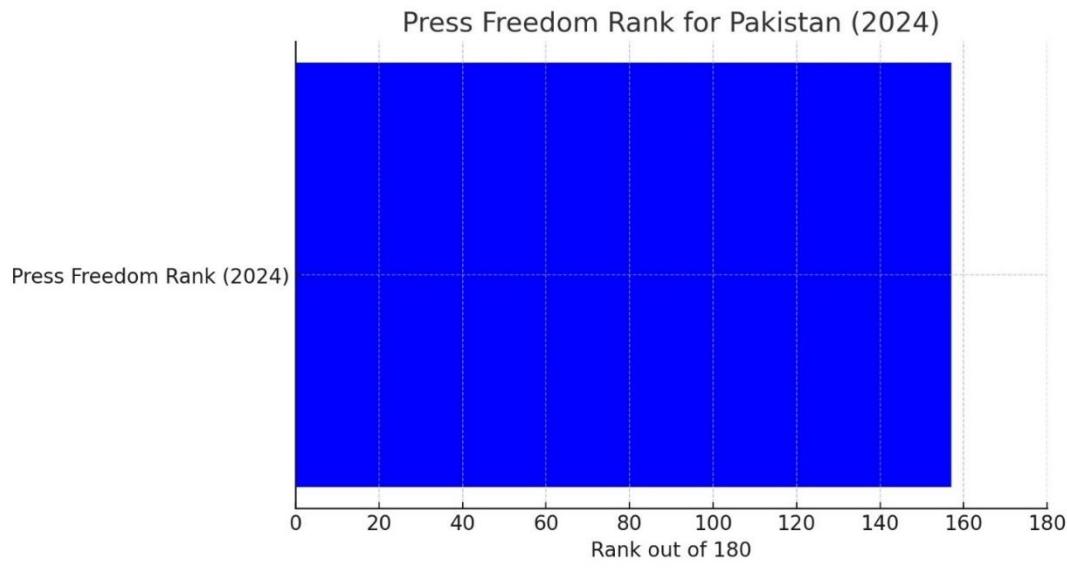
4. **Press Freedom:** Pakistan ranks 157th out of 180 countries on the 2024 World Press Freedom Index, reflecting ongoing challenges for journalists, including harassment, censorship, and attacks. The ranking shows a decline from the previous year, where Pakistan was ranked 145th.
5. **Internet Freedom:** According to the Freedom House 2024 report, Pakistan scored 26 out of 100 in terms of internet freedom, categorizing it as "Not Free." The report highlights increased government surveillance and restrictions on social media platforms.

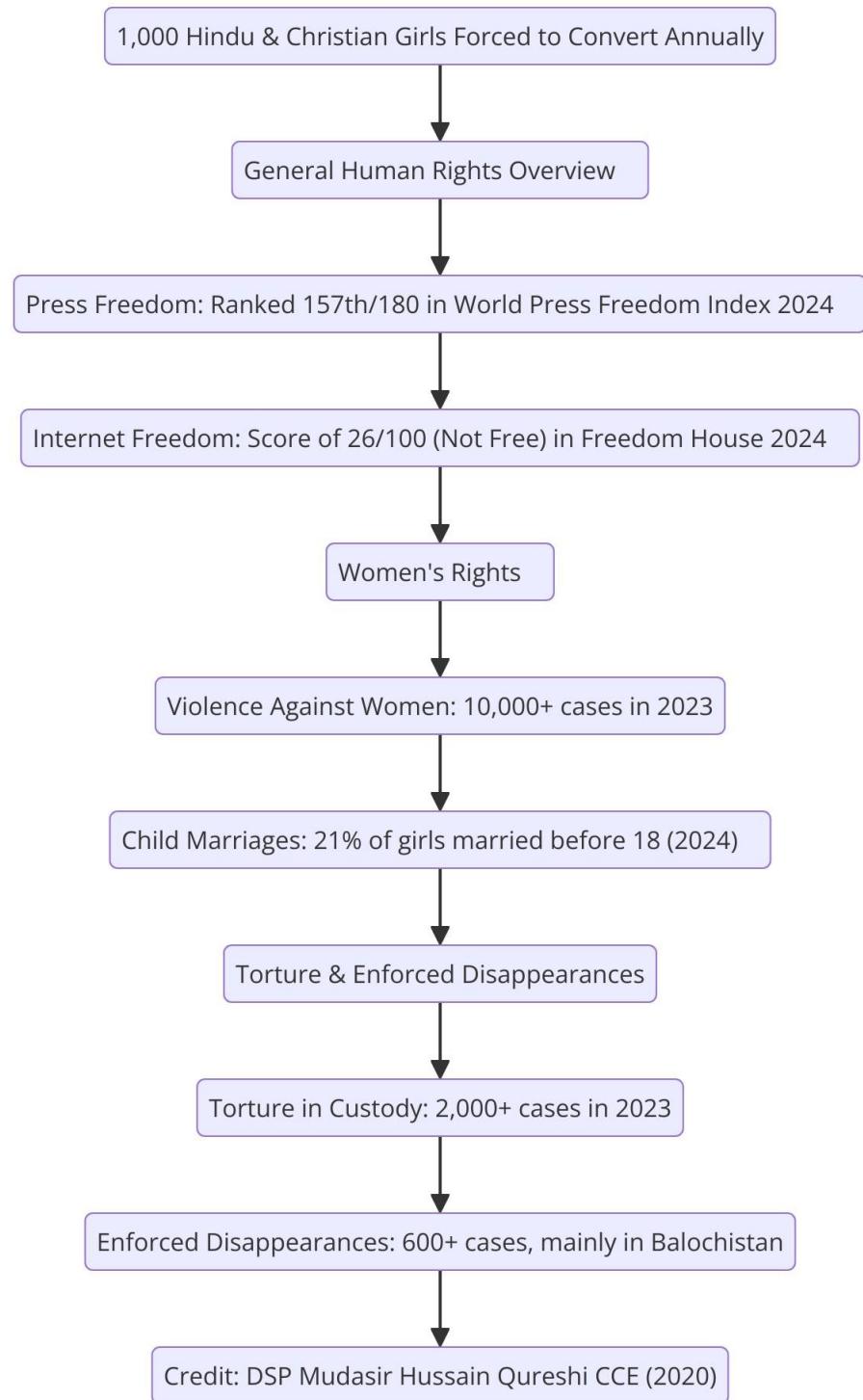
## 6. Women's Rights

7. **Violence Against Women:** There were over 10,000 reported cases of violence against women in Pakistan in 2023, including domestic violence, honor killings, and acid attacks. The actual number is believed to be higher due to underreporting.
8. **Child Marriages:** UNICEF reports that as of 2024, 21% of girls in Pakistan are married before the age of 18, showing a slight decrease from 24% in 2022.

## 9. Torture and Enforced Disappearances

- Torture: Reports from Amnesty International indicate that torture in custody remains a significant issue in Pakistan, with over 2,000 cases reported in 2023. Many of these cases involve political activists and ethnic minorities.
- Enforced Disappearances: The HRCP reported that there were over 600 new cases of enforced disappearances in 2023. Balochistan remains the most affected region, with activists and journalists frequently targeted.





## **Terrorism**

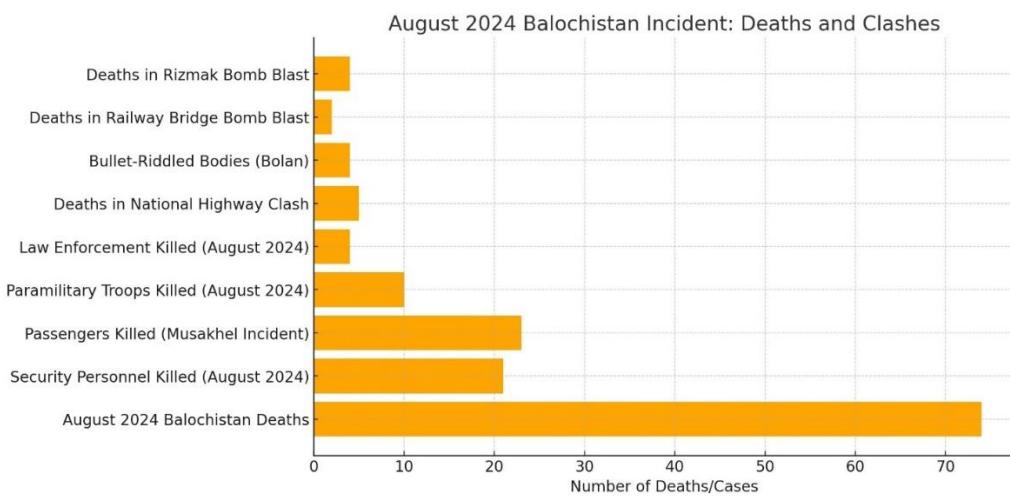
1. In 2023, Pakistan experienced a total of 306 militant attacks, including 23 suicide bombings. (Pak Institute for Peace Studies (PIPS) report)
2. The number of militant attacks in 2023 increased by 17 percent compared to the previous year. (Pak Institute for Peace Studies (PIPS))

report)

3. The casualties in these attacks marked a 65 percent increase from the previous year. (Pak Institute for Peace Studies (PIPS) report)
4. Militant groups like TTP and Daesh (Islamic State) carried out 208 attacks in 2023, resulting in 579 deaths and 938 injuries. (Pak Institute for Peace Studies (PIPS) report)
5. Baloch and Sindhi nationalist insurgent groups conducted 86 attacks in 2023, causing 90 deaths and 151 injuries. (Pak Institute for Peace Studies (PIPS) report).

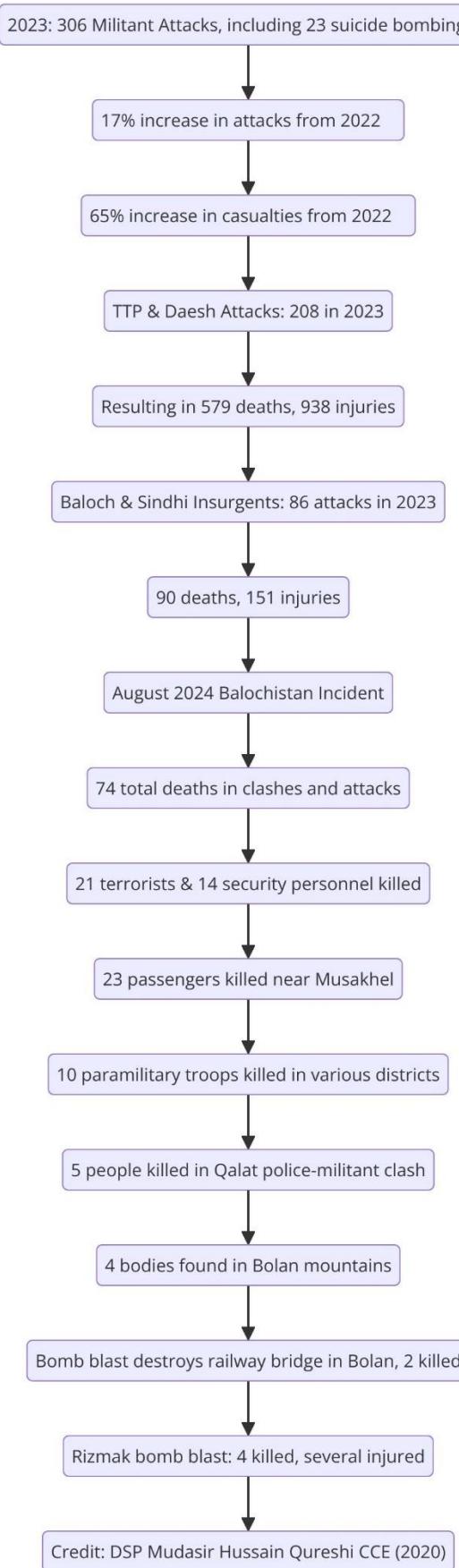
#### 6. **August 2024 Balochistan Incident**

- 74 people were killed in multiple clashes and attacks in southwest and northwest Pakistan.
- 21 terrorists and 14 security personnel were among those killed.
- 23 passengers were killed in an incident near Musakhel district after being forced to disembark from their vehicles.
- 10 paramilitary troops were killed in attacks in Musakhel, Qalat, and Lasbela districts.
- 4 law enforcement personnel were also killed in the clashes.
- 5 people were killed in a night-long clash between militants and police on the National Highway in Qalat district.
- 4 bullet-riddled bodies were found in the mountains of Bolan district.
- A bomb blast in Bolan district destroyed a key railway bridge, killing 2 people.
- 4 people were killed and several injured in a remote-controlled bomb blast in Rizmak town of North Waziristan tribal district.



Source: DSP Mudasir Hussain Qureshi (CCE 2020)

**DSP Mudasir Hussain Qureshi (CCE 2020)**



## **Charity**

1. Pakistan is a generous country, and it contributes more than one per cent of its GDP to charity, the Stanford Social Innovation Review reported. The contributions push it into the ranks of far wealthier countries like the United Kingdom (1.3 per cent GDP to charity) and Canada (1.2 per cent of GDP), and stand around twice what India gives to those in need as a percentage of its GDP.
2. A study conducted by Pakistan Centre for Philanthropy shows that Pakistanis give around more than \$2 billion annually to charity.

## **Security**

### **Cyber warfare**

1. Terrorist organizations use the digital information medium to spread violence, terror and extremism with quite ease.
2. Attack on Bacha Khan University, Mardan in 2016 was planned and executed by terrorists using Afghan soil and the Afghan telecommunication network.
3. Similarly the famous Safoora bus attack in Karachi was claimed by Janduallah based in Afghanistan. The individuals like Saad Aziz, Tahir Hussain Minhas and Asad-ur-Rehman, who all were university students were basically inspired by ISIS.
4. The case of Naureen Leghari who was a 2nd year student in medical college and joined the IS through extensive use of Facebook and was later apprehended by Pakistani security forces also merit mentioning
5. Pakistan has also been suffered by cyber propaganda in the last two to three years. We have witnessed the use of social media by different religious and political movements. The rise of Tehreek Labaik Pakistan (TLP) to promote religious violence has twice put Pakistan in difficult times both in 2017 and 2018.
6. No Computer subject books cover the subject of Computer Ethics and cyber-warfare.
7. Even today only one University in Pakistan i.e. National Defence University (NDU) offers the course of cyber-Security as an elective subject but the lack of interest of students often leads the course to be dropped due to less number of students Lack of public awareness.

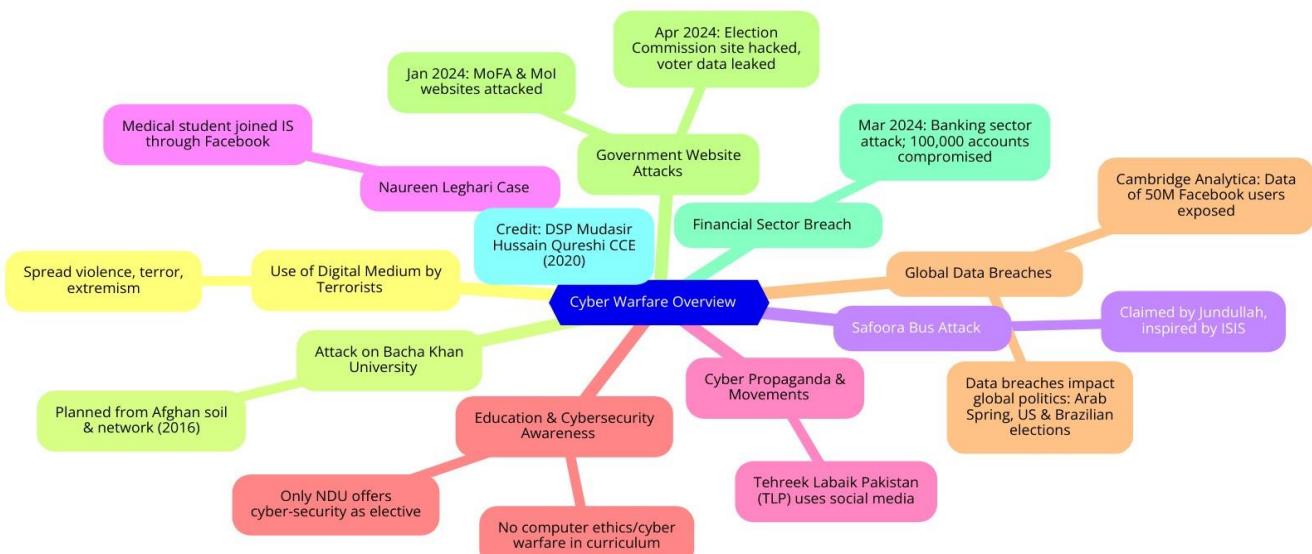
8. In 2018 a Cambridge analytics whistle blower revealed that data of more than 50 million Facebook users were exposed to Cambridge Analytic, which was used to target American voters.
9. Data breaches have been allegedly termed as a major factors leading to events such as Arab Spring, the US presidential election (2016) and the Brazilian presidential elections(2018).

## 10. Government Website Attacks:

- **January 2024:** A series of cyber-attacks targeted several key government websites, including those of the Ministry of Foreign Affairs and the Ministry of Interior. The attacks resulted in the temporary defacement and disruption of services. The group responsible claimed to be retaliating for perceived political grievances.
- **April 2024:** The official website of the Election Commission of Pakistan was hacked, leading to the leakage of sensitive voter data. This incident raised significant concerns about the integrity and security of Pakistan's digital infrastructure ahead of upcoming elections.

## 11. Financial Sector Breach:

- **March 2024:** A sophisticated cyber-attack targeted Pakistan's banking sector, specifically focusing on customer data from a major state-owned bank. The breach led to the compromise of over 100,000 customer accounts, resulting in significant financial losses. The attack was attributed to a state-sponsored group allegedly operating from a neighboring country.



# Environmental

## Climate change

1. **Global Temperature and Greenhouse Gas Emissions**
2. **Global Temperature Increase:**
3. As of 2024, the global average temperature has risen by approximately **1.2°C above pre-industrial levels** (1850-1900 baseline). This data is consistent with findings from the **Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report** (2023).
4. **Carbon Dioxide (CO<sub>2</sub>) Levels:**
5. Atmospheric CO<sub>2</sub> concentrations reached **421 parts per million (ppm)** in 2024, the highest level in at least 3 million years (Source: **National Oceanic and Atmospheric Administration (NOAA)**).
6. **Global CO<sub>2</sub> Emissions:**
7. Global CO<sub>2</sub> emissions in 2023 were estimated at **36.7 billion metric tons**, slightly higher than the previous year, despite efforts to curb emissions (Source: **Global Carbon Project**).
8. **Sea Level Rise**
9. **Global Mean Sea Level Rise:**
10. The global mean sea level has risen by approximately **21 cm (8 inches)** since 1900, with an acceleration in recent decades. The rate of sea level rise from 2006 to 2023 was about **3.7 mm per year** (Source: **NASA** and **IPCC**).
11. **Extreme Weather Events**
12. **Increase in Extreme Weather Events:**
13. The frequency and intensity of extreme weather events, including heatwaves, droughts, and heavy rainfall, have increased. In 2023 alone, there were **416 weather-related disasters**, causing significant economic losses and affecting millions of people worldwide (Source: **World Meteorological Organization (WMO) State of the Global Climate Report 2023**).
14. **Heatwaves:**
15. The summer of 2023 was one of the hottest on record, with **nearly 50% of the global population** exposed to heatwaves that reached temperatures exceeding **40°C** in many regions, including Europe, North America, and Asia (Source: **WMO**).

## 16. Changes in Precipitation:

17. Annual precipitation patterns in Pakistan have become more erratic. The monsoon season has seen a **15-20% increase in intensity** in recent years, leading to more frequent and severe flooding (Source: **Pakistan Meteorological Department (PMD)**).

## 18. Glacier Melt and Water Resources

### 19. Glacial Retreat:

20. The glaciers in the Hindu Kush-Himalaya region, which supply water to Pakistan's major rivers, are retreating at an alarming rate. It is estimated that **30-40%** of glacier mass could be lost by 2100 under current warming trends (Source: **International Centre for Integrated Mountain Development (ICIMOD)**).

### 21. Water Scarcity:

22. Pakistan is classified as one of the most water-stressed countries in the world. The per capita availability of water has dropped to **860 cubic meters per year** as of 2024, down from 5,260 cubic meters in 1951, primarily due to population growth, overuse, and climate change impacts (Source: **Pakistan Council of Research in Water Resources (PCRWR)**).

## 23. Extreme Weather Events

### 24. Flooding:

25. The 2022 floods in Pakistan were among the worst in the country's history, displacing over **33 million people** and causing economic losses estimated at **\$30 billion**. While 2023 saw somewhat less severe flooding, the frequency of such events has increased due to climate change (Source: **National Disaster Management Authority (NDMA)** and **World Bank**).

### 26. Heatwaves:

27. Pakistan experienced severe heatwaves in 2023 and 2024, with temperatures reaching up to **50°C** in some regions, particularly in Sindh and Punjab. These heatwaves have led to significant public health crises, including heatstroke and dehydration cases (Source: **Pakistan Meteorological Department (PMD)**).

## 28. Agriculture and Food Security

### 29. Impact on Agriculture:

30. Climate change has negatively impacted Pakistan's agriculture, which is highly dependent on predictable weather patterns. Crop yields for wheat and rice, Pakistan's staple crops, have declined by **10-15%** over the past

decade due to erratic rainfall and extreme temperatures (Source: **Ministry of National Food Security and Research, Pakistan**).

### **31. Food Insecurity:**

32. As of 2024, approximately **40%** of Pakistan's population is facing moderate to severe food insecurity, exacerbated by climate change impacts on agriculture and rising food prices (Source: **World Food Programme (WFP)**).

### **33. Sea Level Rise and Coastal Areas**

#### **34. Sea Level Rise:**

35. Pakistan's coastline, particularly in Sindh and Balochistan, is vulnerable to sea level rise. The sea level along Pakistan's coast has risen by **1.1 mm per year** over the past few decades, contributing to coastal erosion and saltwater intrusion (Source: **National Institute of Oceanography (NIO), Pakistan**).

#### **36. Impact on Coastal Communities:**

37. Rising sea levels and increased cyclonic activity have displaced several coastal communities in Sindh. It is estimated that by 2050, **2 million people** in Pakistan could be at risk of displacement due to sea level rise (Source: **UN Intergovernmental Panel on Climate Change (IPCC)**).

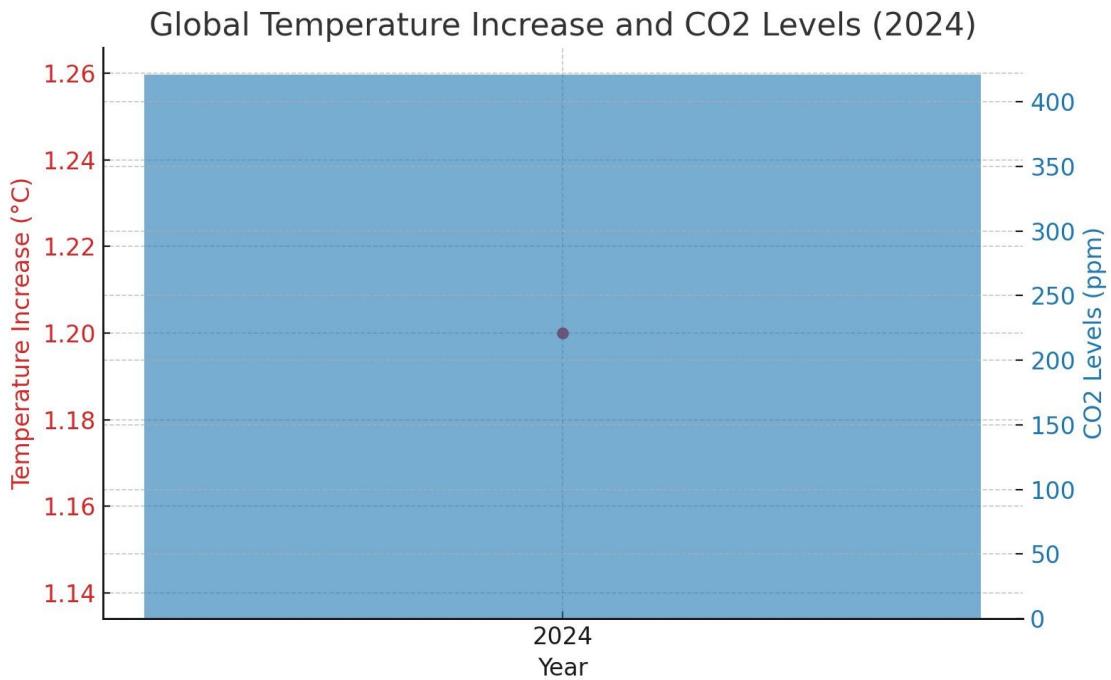
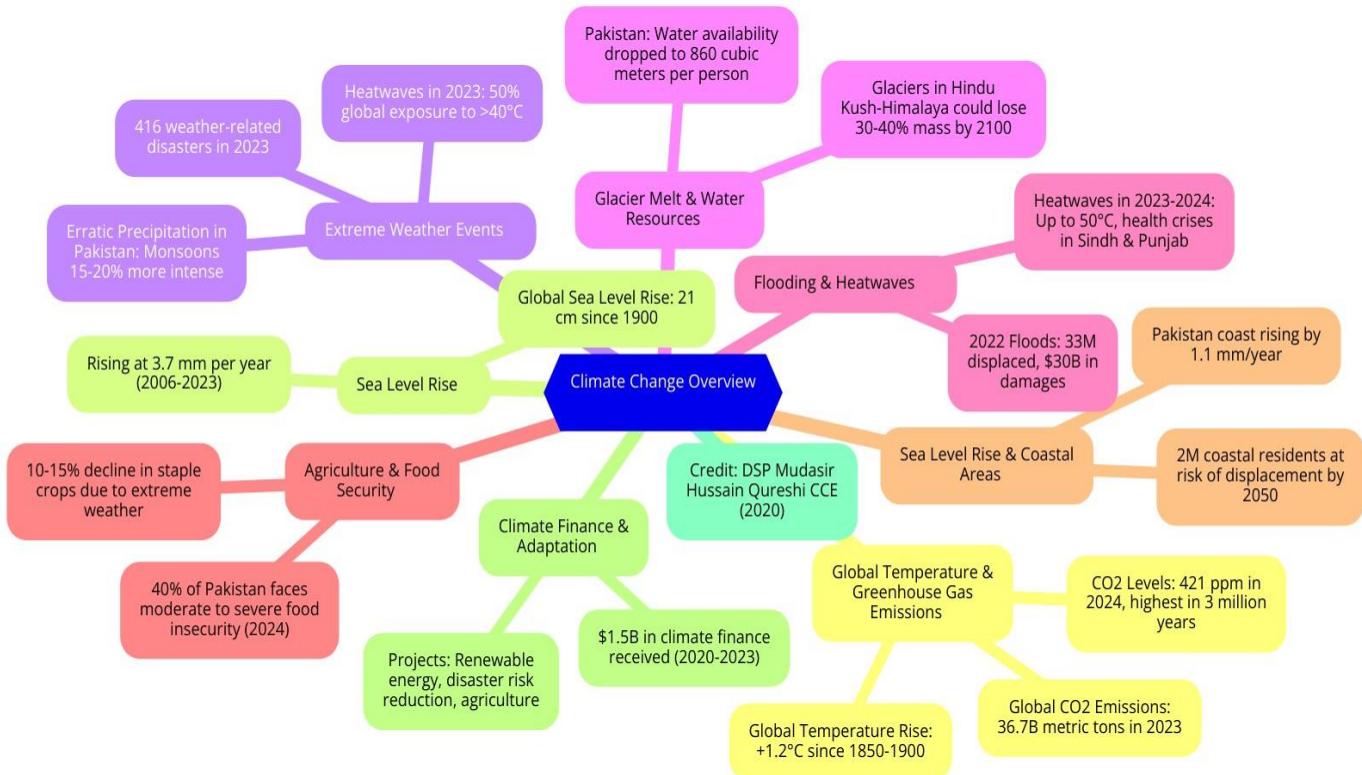
### **38. Climate Finance and Adaptation**

#### **39. Climate Finance:**

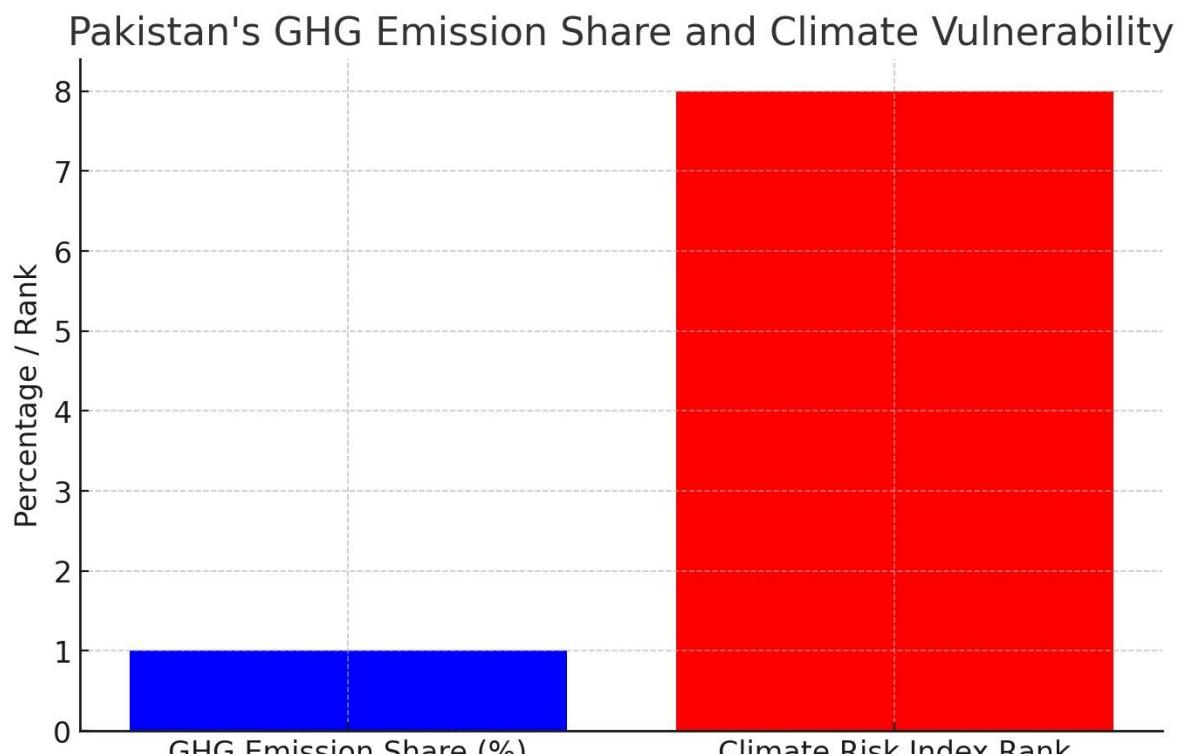
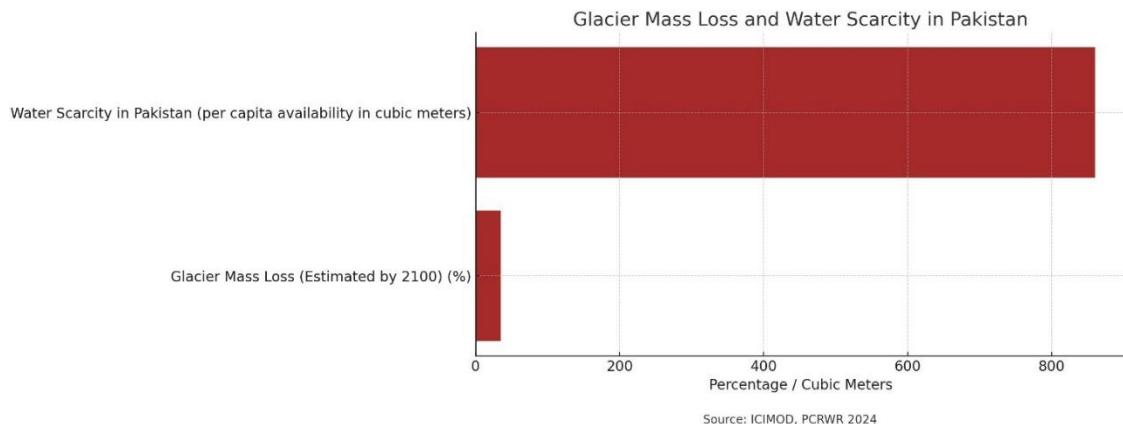
40. Pakistan has received approximately **\$1.5 billion** in international climate finance between 2020 and 2023 to support adaptation and mitigation efforts. This funding has been used for projects related to renewable energy, disaster risk reduction, and climate-resilient agriculture (Source: **Climate Policy Initiative (CPI) and Ministry of Climate Change, Pakistan**).

41. Pakistan emits **less than one per cent of global greenhouse gases (GHG)**, but is the **eighth most vulnerable country** to climate change-related disasters - **Global Climate Risk Index**.

42. 2022 saw the establishment of a “**loss and damage**” fund at the United Nations climate talks (known as COP27) in Sharm el-Sheikh, Egypt in November.



Source: IPCC, NOAA, 2024



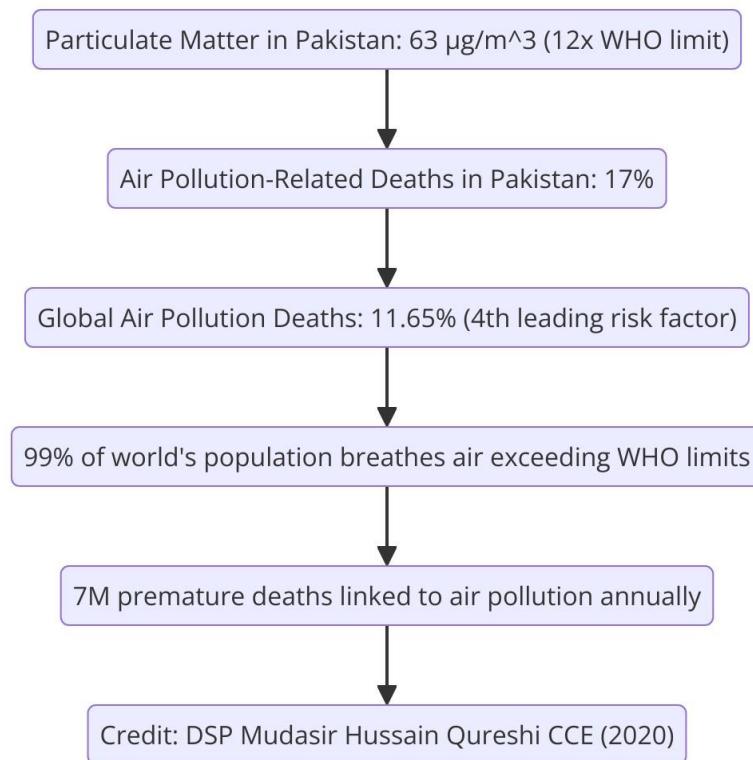
Source: Global Climate Risk Index 2024

## Air pollution

1. Particulate Matter Pollution: Every person in Pakistan is exposed to an annual mean particulate matter pollution of  $63 \mu\text{g}/\text{m}^3$ , which is 12 times higher than the World Health Organization's recommended  $5 \mu\text{g}/\text{m}^3$ .
2. Air Pollution-Related Deaths: Air pollution is attributed to 17% of deaths in

Pakistan.

3. Air pollution contributes to 11.65% of deaths globally, making it the world's fourth leading risk factor for mortality. (Source: Our World in Data)
4. 99% of the world's population breathes air that exceeds WHO guideline limits, with low- and middle-income countries disproportionately affected. (Source: World Health Organization)
5. 7 million premature deaths annually are linked to air pollution, both outdoor and indoor. (Source: World Health Organization)



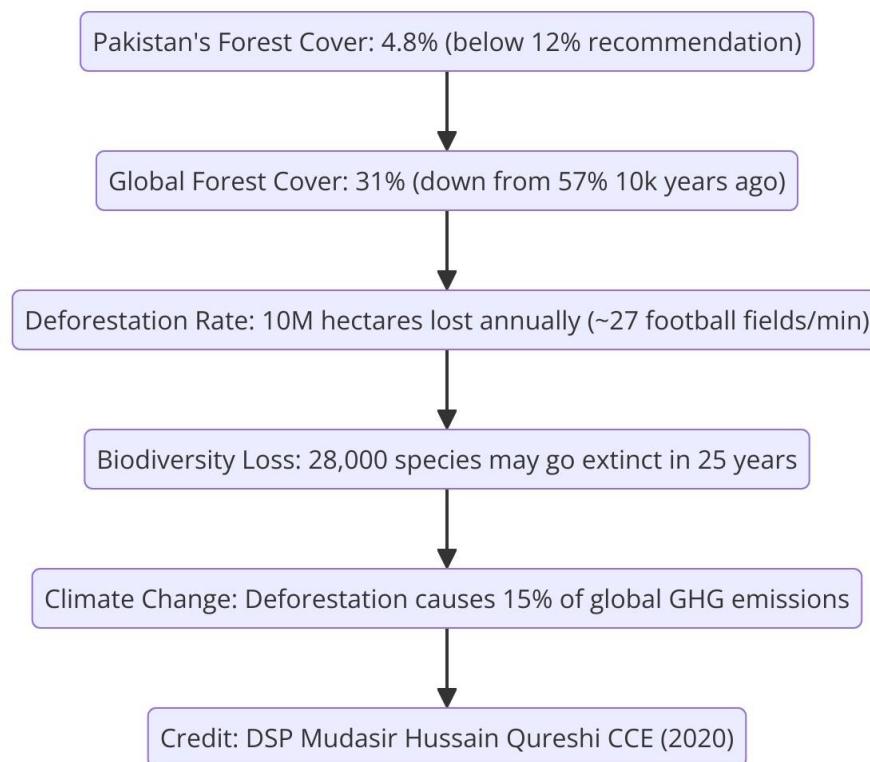
## Flood

1. In the most recent catastrophic floods of 2022, more than 1,700 people died, while 33 million suffered the loss of livestock, crops, homes, and livelihoods. A needs assessment estimated the financial damage at \$15 billion.

## Deforestation

1. Forest Cover: Pakistan's current forest cover is about 4.8% of the total land area, significantly less than the international recommendation of 12%.

2. Global Forest Cover: Only 31% of the Earth's land surface is currently covered by forests, down from 57% just 10,000 years ago. This represents a loss of roughly 2.6 billion hectares of forest.
3. Rate of Deforestation: We are losing an estimated 10 million hectares of forest every year, equivalent to an area the size of Portugal. This is like losing 27 football fields of forest every minute.
4. Loss of biodiversity: Up to 28,000 species could go extinct in the next 25 years due to deforestation.
5. Climate change: Deforestation contributes to 15% of global greenhouse gas emissions, mainly through the release of stored carbon in trees.



## Science and Technology

### Artificial intelligence

1. Global AI Market and Adoption
2. Market Size: The global AI market is projected to reach **\$500 billion** in 2024, up from **\$387 billion** in 2022. This represents a compound annual growth rate (CAGR) of approximately **14.2%** from 2022 to 2024 (Source: [DSP Mudasir Hussain Qureshi \(CCE 2020\)](#))

Grand View Research).

3. **AI Adoption:** According to a 2024 McKinsey report, **64%** of global companies have adopted AI in some form, with the highest adoption rates in the technology, telecommunications, and financial services sectors.

4. **Investment in AI:** Venture capital investment in AI startups is expected to exceed **\$100 billion** in 2024, with significant growth in sectors such as healthcare, autonomous vehicles, and robotics (Source: CB Insights).

## 5. **AI in Business**

6. **Revenue Contribution:** AI-driven initiatives are estimated to contribute **\$2.9 trillion** to global business revenue in 2024, particularly through enhanced customer service, supply chain optimization, and predictive analytics (Source: Gartner).

7. **Productivity Boost:** AI technologies are projected to increase global labor productivity by **4.0%** annually by 2024, as businesses integrate AI-driven automation and decision-making tools into their operations (Source: PwC).

## 8. **AI in Healthcare**

9. **Healthcare AI Market:** The AI healthcare market is expected to grow to **\$45 billion** in 2024, driven by advancements in diagnostic tools, personalized medicine, and AI-assisted surgery (Source: MarketsandMarkets).

10. **AI in Drug Discovery:** AI is projected to reduce the drug discovery timeline by up to **50%** and cut associated costs by **35-40%** by 2024, making it a key area of investment for pharmaceutical companies (Source: Frost & Sullivan).

## 11. **AI in Autonomous Vehicles**

12. **Autonomous Vehicle Market:** The global autonomous vehicle market, heavily reliant on AI, is estimated to reach **\$80 billion** by 2024, with significant adoption in North America and Asia-Pacific (Source: Allied Market Research).

13. **Safety Improvements:** AI technologies in autonomous vehicles have reduced traffic accidents by **30%** in test environments as of 2024, highlighting their potential to improve road safety (Source: National Highway Traffic Safety Administration).

## 14. **AI and Employment**

15. **Job Displacement and Creation:** By 2024, AI is expected to displace **85 million jobs** globally while creating **97 million new roles**, particularly in data analysis, AI development, and cybersecurity (Source: World Economic Forum).

**16. AI Workforce:** The global demand for AI and machine learning specialists has grown by **20%** annually, with over **300,000 job openings** in AI-related fields as of 2024 (Source: LinkedIn).

## 17. AI Ethics and Governance

**18. Ethical AI Initiatives:** In 2024, **75%** of large organizations globally have implemented AI ethics frameworks to ensure responsible AI development and deployment, reflecting growing concern over AI bias and transparency (Source: Deloitte).

**19. Regulatory Measures:** Governments worldwide have introduced over **200 AI-related regulations** as of 2024, focusing on areas such as data privacy, AI transparency, and the accountability of autonomous systems (Source: OECD).

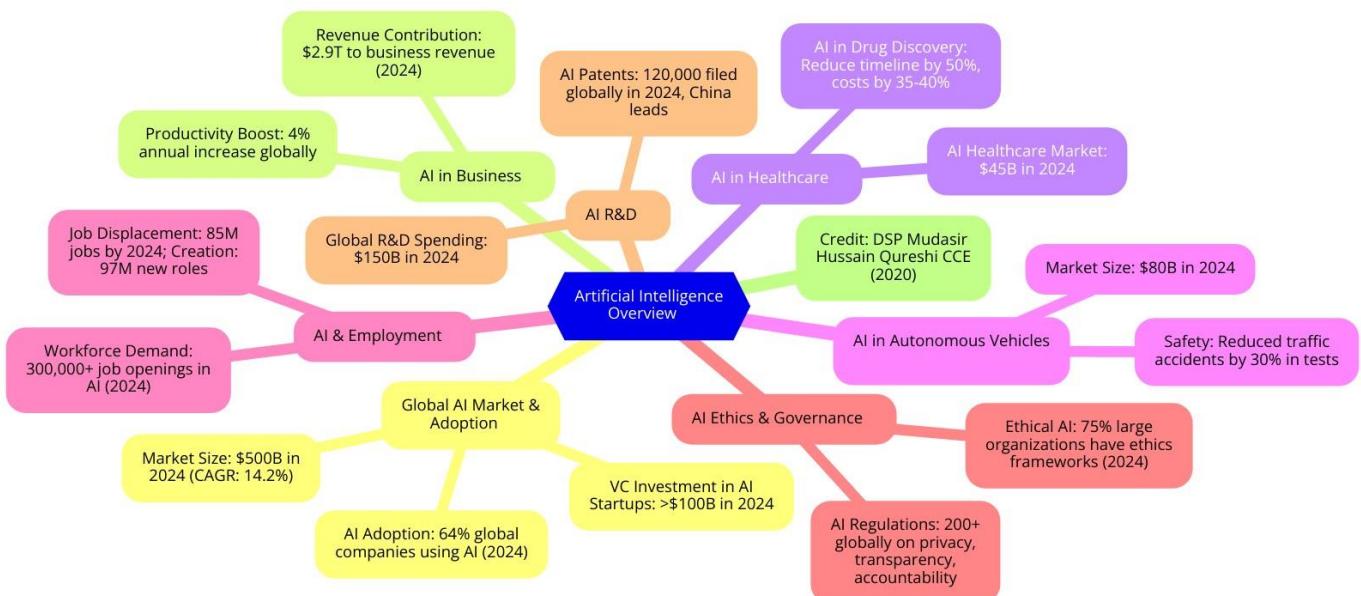
## 20. AI Research and Development

**21. Global R&D Spending:** Global spending on AI research and development is projected to reach **\$150 billion** in 2024, with the U.S., China, and the European Union being the largest investors (Source: IDC).

**22. AI Patents:** In 2024, more than **120,000 AI-related patents** were filed globally, a significant increase from previous years, with China leading in the number of AI patents filed (Source: World Intellectual Property Organization).

23. Daraz, Food Panda, and Careem are mentioned as enterprises that are already using some form of AI.

24. No international organization like the UN has introduced legislation specific to AI development or usage.

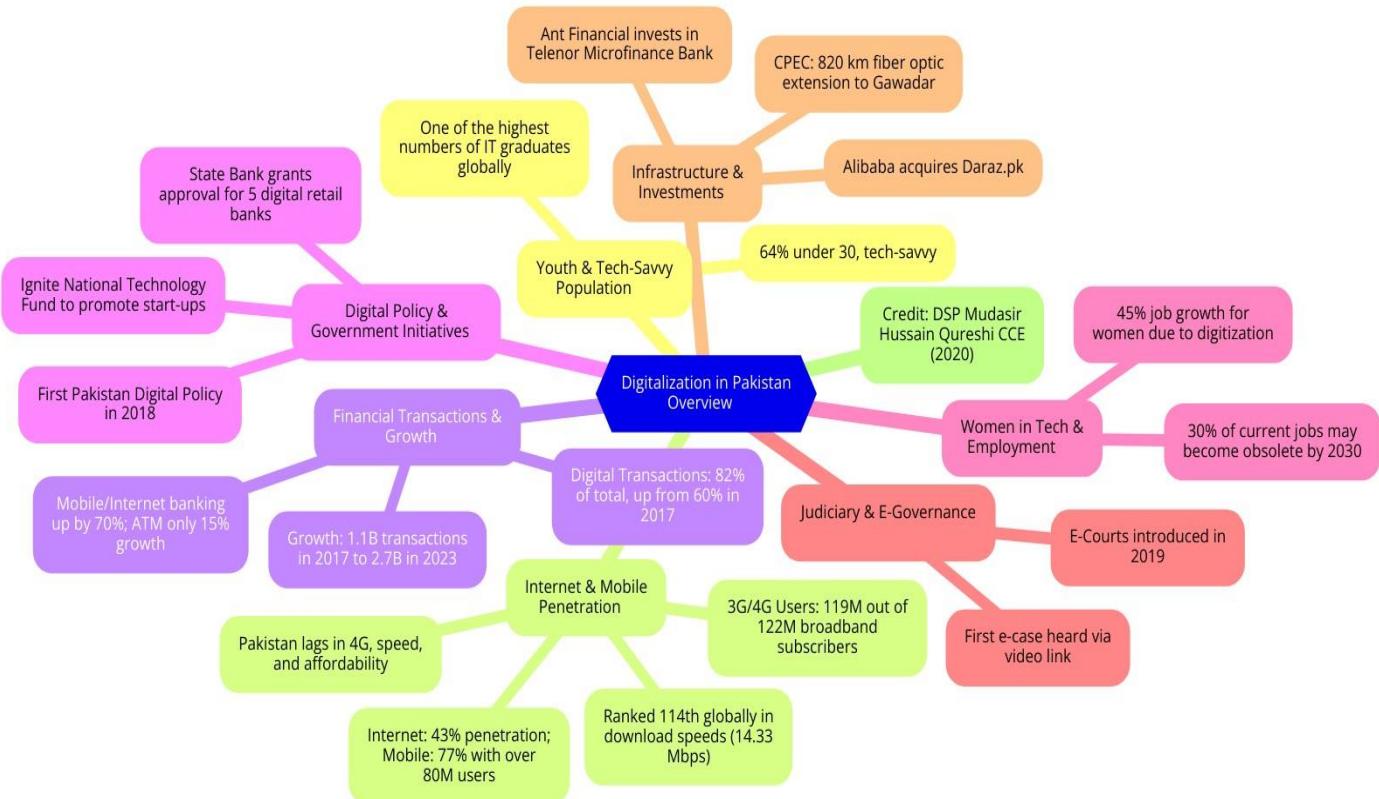


## **Digitalization in Pakistan**

1. 64% of Pakistan's population is under the age of 30 and tech-savvy.
2. Internet penetration in Pakistan has surged past 43% with mobile penetration exceeding 77%, involving over 80 million users.
3. Financial transactions in Pakistan have more than doubled over the past six years, from 1.1 billion in 2017 to 2.7 billion in 2023.
4. Digital transactions now represent 82% of all financial transactions in Pakistan, up from 60% in 2017.
5. Mobile and internet banking transactions have grown by 70%, while traditional ATM transactions have only seen a 15% growth.
6. A McKinsey Global Institute report suggested that digital financial inclusion could increase Pakistan's GDP by \$36 billion by 2025.
7. The State Bank of Pakistan (SBP) has granted In-Principle approval (IPA) for establishing five digital retail banks.
8. Internet access and use have become so indispensable that in 2016, the United Nations General Assembly declared the right to access the internet a human right. It is no longer a 'good to have'; it is a 'must have'!
9. Out of 122 million broadband subscribers in Pakistan today, over 119 million use 3G/4G to stay online.
10. Pakistan lags behind its peers in terms of 4G penetration, internet speeds, and affordability. More than 50 percent of cellular subscribers don't use 4G, while around 15 percent of the population lives without any telecom coverage.
11. As per Ookla, the global leader in network and connectivity intelligence, at 14.33 Mbps, Pakistan ranks 114 out of 140 countries in terms of average download speeds.
12. The country is also the second highest-taxed telecom market in South Asia, where consumers are charged 34.5 percent usage tax – 15 percent advance income tax, and 19.5 percent general sales tax.
13. Pakistan is a country with almost 64 percent of the youth population and one of the highest numbers of IT graduates all around the world.
14. The World Economic Forum sees Pakistan as the dark horse in the digitization race
15. The 820-km fiberoptic cable is expected to extend to Gawadar.
16. in 2019 Pakistan also introduced E-courts.
17. Information Technology industry has also progressed. It became one of the

top five export industries with the highest net export in the services industries

30. According to womenintech.pk, digitization has created 45 percent jobs for young women
31. At least 30 percent of all jobs are poised to become obsolete by the year 2030, as estimated by a PwC report on the long-term impact of automation on the international job market.
32. Internet penetration in the country is not much better at 25 percent in 2020, according to recent World Bank data.
33. World Advertising Research Center (WARC) has predicted that Pakistan will be among the countries with the highest growth in smartphone use by 2025
34. A research paper titled 'Unlocking Digital in Rural Pakistan', conducted by Google in collaboration with Kantar, shows that almost half of the rural population is now online.
35. Pakistan's mobile broadband penetration stands at 53%, which is below the South Asian region's average of 66% and far behind countries like Nigeria (78%) and Zimbabwe (77%).
36. Almost half of the population in Pakistan still remains offline.
37. The government has formed the Ignite National Technology Fund - a body that is responsible for promoting and assisting start-ups across the country.
38. The country's judiciary has recently heard the first ever e-case through a video link. This has the potential to revolutionise the snail-paced justice system in the country.
39. Similarly, the Pakistani government introduced the first ever Pakistan Digital Policy in 2018
40. Significant investment is being made in areas such as connectivity, infrastructure and payment systems. This investment trend is exemplified by Ant Financial Services' recent purchase of a 45% stake in the Pakistan operations of Telenor Microfinance bank.
41. Pakistan on way to producing one of the largest digital audiences (World Economic Forum)
42. CPEC: a game changer in digital technology
  - Laying 820 km fibre-optic cable
  - China-based e-commerce giant Alibaba bought Daraz.pk, Pakistan largest online shopping platform.



## Internet Disruption/ Slowdown in Pakistan

1. The internet disruptions in Pakistan have put the economy at risk of losing \$300 million.
2. The issue intensified in February when the government blocked access to X (formerly Twitter).
3. The IT sector is noted as one of the fastest growing sectors in Pakistan.
4. Deployment of the Web Management System (WMS) in Pakistan has been underway since December 2023.
5. The WMS system, acquired from Sandvine, included Deep Packet Inspection (DPI) technology and had capabilities like URL filtering, IP blocking, and VPN whitelisting.

# International

## Russia-Ukraine War

### 1. Important Events

- a. November 10, 2021: The United States reported unusual movement of Russian troops near Ukraine's borders.
- b. December 7, 2021: US President Joe Biden warned Russian President

Vladimir Putin of "strong economic and other measures" if Russia attacked Ukraine.

- c. January 17, 2022: Russian troops began arriving in Belarus for military exercises.
- d. February 21, 2022: Vladimir Putin officially ordered Russian forces to enter the separatist republics in eastern Ukraine.
- e. In early June 2023, Ukraine launched a substantial counteroffensive against Russian forces occupying its territory. The long-term goal was to breach the frontlines.
- f. February 01, 2024= EU leaders are due to meet on February 1 to try and salvage a 50 billion euro (\$54 billion) aid package for Kyiv that was blocked by Hungarian Prime Minister Viktor Orban, who is close with Putin.
- g. March 2024: Ukrainian forces made significant gains in the southern region, recapturing several towns, but overall progress remained slow due to entrenched Russian defenses.
- h. June 2024: Russia responded with intensified missile strikes on Ukrainian infrastructure, targeting energy facilities and supply lines to weaken Ukraine's counteroffensive efforts.
- i. August 2024: A prolonged stalemate continues as both sides consolidate their positions. Neither side has achieved a decisive victory, and both prepare for potential escalations in the fall.

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Ukrainian forces make gains in the southern region, but progress remains slow due to entrenched defenses.

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Russia intensifies missile strikes on Ukrainian infrastructure to weaken the counteroffensive.

August 2024:  
A prolonged stalemate continues as both sides consolidate positions without decisive victories.

## 2. Political Developments

- a. **Annexation of Crimea:** Russia annexed Crimea in 2014, sparking international condemnation.
- b. **Donbas Conflict:** Fighting broke out in Eastern Ukraine, particularly in the Donbas region.
- c. **Minsk Agreements:** Peace agreements were signed but have largely failed to stop the fighting.
- d. **Ukraine's EU Aspirations:** Ukraine has sought closer ties with the European Union.

## 3. Military Actions

- a. **Russian Military Buildup:** Russia has amassed troops near the Ukrainian border multiple times.
- b. **Ukrainian Armed Forces:** Ukraine has been modernizing its military with Western aid.
- c. **Ceasefire Violations:** Both sides have accused each other of violating ceasefires.

## 4. International Involvement

- a. **U.S. Military Aid:** The aid package approved in 2024 brought the total U.S. military assistance to Ukraine to over \$60 billion since the start of the conflict.
- b. **EU Sanctions:** The most recent sanctions in 2024 focused on restricting technology exports and further isolating Russian financial networks from global markets.
- c. **UN Resolutions**

## 5. Economic Impact

- a. **Russian Economic Sanctions:** Despite attempts to pivot to Asian markets, Russia's economy struggles with reduced exports and technological deficits.
- b. **Ukraine's Economic Struggles**
- c. **Gas Transit:** Russia has sought to bypass Ukraine for gas transit to Europe, notably through the Nord Stream pipelines. However, the sabotage of Nord Stream 2 in late 2023, along with sanctions, has left Russia with limited options, leading to reduced gas exports to Europe.

## 6. Diplomatic Efforts

- a. **Normandy Format Talks:** France and Germany have mediated talks between Russia and Ukraine.

- b. **Bilateral Negotiations:** There have been occasional direct talks between Russia and Ukraine.
- c. **U.S.-Russia Diplomacy:** The U.S. has engaged in diplomatic efforts to resolve the crisis.
- d. **EU Mediation:** The EU has also attempted to mediate, with limited success.
- e. **Ceasefire Attempts:** Multiple ceasefires have been attempted but have largely failed.

## 7. Regional Impact

- a. **Poland and Baltic States:** These countries have been particularly concerned about Russian aggression.
- b. **Hungary:** Hungary has had a more sympathetic view of Russia, causing tensions within the EU.
- c. **Belarus:** Belarus has been somewhat involved, often siding with Russia.
- d. **Moldova:** The crisis has implications for Moldova, particularly the Transnistria region.
- e. **Black Sea Security:** The conflict has raised concerns about security in the Black Sea region.

## 8. Future Scenarios

- a. **Potential for Escalation:** There is a constant risk of further escalation.
- b. **Peacekeeping Missions:** Proposals for international peacekeeping missions have been discussed.
- c. **Decentralization Debate:** Ukraine has debated decentralizing power as a peace measure.
- d. **Crimea's Status:** The status of Crimea remains a contentious issue.
- e. **NATO Membership:** Ukraine's potential NATO membership is a point of tension.

## Russia-Ukraine War (2021-2024)

**Political Developments:**

- Annexation of Crimea (2014)
- Donbas Conflict
- Minsk Agreements (failed)
- Ukraine's EU Aspirations
- Zelensky's Election (2019)

**Military Actions:**

- Russian Military Buildup
- Ukraine's Modernized Military (Western aid)
- Ceasefire Violations
- Sea of Azov Incident (2018)

**International Involvement:**

- U.S. Military Aid (\$60 billion by 2024)
- EU Sanctions on Russia
- UN Resolutions

**Economic Impact:**

- Russian Economy Struggles (Sanctions)
- Ukraine's Economic Decline
- Gas Transit Issues (Nord Stream sabotage)

**Diplomatic Efforts:**

- Normandy Format Talks
- Bilateral Negotiations
- Failed Ceasefires
- U.S.-Russia Diplomacy
- EU Mediation

**Regional Impact:**

- Concerns in Poland, Baltic States
- Hungary's Sympathetic View
- Moldova, Black Sea Security

**Future Scenarios:**

- Potential for Escalation
- Peacekeeping Missions
- NATO Membership Tension
- Crimea's Status



# US-China Cold War

## Acknowledgment of China as a Superpower Rival

- **U.S. Acknowledgment:** The United States has officially recognized China as its primary geopolitical and economic rival.
- **2022 National Security Strategy:** The Biden administration's October 2022 National Security Strategy identifies China as the most significant security challenge, highlighting the competitive dynamic between the two nations.

## Economic Comparisons

- **China's GDP:** China's GDP has surpassed 60% of the U.S. GDP, making it the closest economic rival the U.S. has ever faced, exceeding the economic competition posed by the USSR during the Cold War.

## Superpower Summits

- **November 2022 Summit:** The meeting between U.S. President Joe Biden and Chinese President Xi Jinping in Bali was termed the "first superpower summit of the Cold War Version 2.0" by former Obama administration Asia-Pacific advisor Evan Medeiros.

## Global Supply Chain Shifts

- **"ABC" Strategy:** Coined by The New York Times' Keith Bradsher, "Anywhere But China" describes the trend where Western multinationals seek to diversify their supply chains away from China due to geopolitical tensions and supply chain risks.

## Cold War in the Middle East

- **China's Energy Dependence:** China imports over 40% of its crude oil from Gulf producers, positioning the Middle East and North Africa (MENA) as crucial to its Belt and Road Initiative (BRI).
- **Economic Ties:** Chinese investments in MENA reached \$197 billion between 2005 and 2020, with trade exchanges hitting \$151 billion in 2020.
- **Saudi-China Strategic Partnership:** Saudi King Salman and President Xi Jinping signed a comprehensive strategic partnership in December 2022, including 34 investment agreements, marking a significant shift in Middle Eastern geopolitics.
- **Huawei Deal:** The partnership included a key deal with Huawei Technologies, despite the company being banned by the U.S. over security concerns.
- **U.S. Influence:** U.S. influence in the region wanes as China strengthens its economic and strategic ties with key Middle Eastern states like Saudi Arabia and the UAE, which have remained neutral in the U.S.-China trade war and the Ukraine conflict.

## China's Soft Power

- **Global Trade Dominance:** Nearly 100 countries now count China as their largest trading

- partner, while only 57 have such a relationship with the U.S.
- **Belt and Road Initiative:** China has lent \$1 trillion for infrastructure projects through its Belt and Road Initiative, significantly expanding its influence in developing nations.

## **U.S. Soft Power and Leverage**

- **Geostrategic Position:** The U.S. benefits from its geographic isolation, with two oceans and friendly neighbors, while China shares borders with 14 countries, many of which are involved in territorial disputes.
- **Energy Independence:** The U.S. has transformed into a net energy exporter due to the shale revolution, while China remains heavily dependent on energy imports.
- **Financial Dominance:** The U.S. retains unrivaled financial power due to the global role of the dollar, with 59% of foreign-exchange reserves held in dollars compared to a small fraction in renminbi.

## **Artificial Intelligence (AI) Race**

- **U.S. Leadership in AI:** The U.S. remains at the forefront of AI research and development, led by tech giants like Google, Microsoft, and IBM.
- **China's AI Ambitions:** China is rapidly catching up, with government-backed initiatives aimed at becoming a global AI leader by 2030.

## **Military Power**

### **United States**

- **Defense Budget:** The U.S. defense budget in 2024 is approximately \$824 billion, making it the largest in the world.
- **Global Military Presence:** The U.S. maintains over 800 military bases in more than 70 countries, enabling rapid deployment and global influence.
- **Technological Superiority:** The U.S. leads in advanced military technologies, including stealth aircraft (e.g., F-35), hypersonic missiles, and AI-driven autonomous systems.
- **Nuclear Arsenal:** The U.S. possesses about 5,500 nuclear warheads, with a robust nuclear triad (land, sea, and air-based nuclear capabilities).
- **Alliances:** The U.S. is a founding member of NATO and has security treaties with numerous countries, including Japan, South Korea, and Australia.

### **China**

- **Defense Budget:** China's defense budget in 2024 is approximately \$270 billion, the second-largest globally but still significantly less than the U.S.
- **Regional Military Presence:** China's military presence is concentrated in the Indo-Pacific, with increasing influence in the South China Sea through artificial islands and military outposts.
- **Technological Advancements:** China has made rapid advancements in military technology, including the development of the J-20 stealth fighter, hypersonic missiles, and AI-powered drones.
- **Nuclear Arsenal:** China has around 350 nuclear warheads, with ongoing efforts to modernize and expand its nuclear capabilities, particularly in submarine-launched ballistic

- missiles (SLBMs).
- **Strategic Partnerships:** China has strengthened military ties with Russia and countries in the Shanghai Cooperation Organization (SCO), though it lacks a formal military alliance network comparable to NATO.

## **Political Influence**

### **United States**

- **Global Influence:** The U.S. has been a dominant global political power since the end of World War II, promoting democracy, human rights, and free markets.
- **Leadership in International Institutions:** The U.S. holds significant influence in international organizations such as the UN, World Bank, and IMF.
- **Democratic Governance:** The U.S. champions democratic governance and the rule of law, often using these principles as a basis for foreign policy decisions.
- **Sanctions and Soft Power:** The U.S. frequently uses economic sanctions as a tool of foreign policy, backed by its control over the global financial system and the U.S. dollar's reserve currency status.

### **China**

- **Regional Dominance:** China exerts significant political influence in Asia, particularly through economic ties and the Belt and Road Initiative (BRI).
- **Alternative Global Leadership:** China advocates for a multipolar world order and positions itself as a leader of developing nations, challenging the Western-dominated international system.
- **Authoritarian Governance:** China promotes its model of authoritarian governance and state-led capitalism as an alternative to Western democracy, particularly in developing countries.
- **Economic Diplomacy:** China leverages its economic power, including investments and loans through the BRI, to expand its political influence globally.

## **Diplomatic Engagement**

### **United States**

- **Diplomatic Alliances:** The U.S. maintains a vast network of diplomatic alliances and partnerships, particularly in Europe (NATO), Asia (Japan, South Korea), and the Middle East (Israel, Saudi Arabia).
- **Global Mediation Role:** The U.S. often plays a central role in mediating international conflicts and crises, supported by its diplomatic reach and military capabilities.
- **Soft Power:** The U.S. exerts considerable soft power through cultural exports (e.g., Hollywood, Silicon Valley) and global leadership in education and innovation.

### **China**

- **Belt and Road Diplomacy:** China's BRI serves as a key diplomatic tool, creating economic dependencies that translate into political influence in Asia, Africa, and Latin America.
- **Strategic Partnerships:** China has formed strategic partnerships with Russia, Iran, and several African and Southeast Asian nations, focusing on mutual economic and security

- interests.
- **Wolf Warrior Diplomacy:** China's diplomatic approach has become more assertive, particularly in defending its sovereignty and interests on the global stage.

## Technological Innovation

### United States

- **Tech Giants:** The U.S. is home to leading tech companies like Apple, Google, Microsoft, and Amazon, which drive global innovation in AI, cloud computing, and digital services.
- **R&D Investment:** The U.S. leads in research and development (R&D) spending, with significant investments in emerging technologies like AI, quantum computing, and biotechnology.
- **Semiconductor Industry:** The U.S. dominates the global semiconductor industry, with companies like Intel and NVIDIA leading in advanced chip design and manufacturing.

### China

- **Tech Growth:** China has rapidly advanced in technology, becoming a global leader in 5G (Huawei), e-commerce (Alibaba), and fintech (Ant Group).
- **State Support:** China's government plays a significant role in driving technological innovation, with state-backed initiatives like "Made in China 2025" and significant investments in AI and quantum computing.
- **Semiconductor Push:** China is heavily investing in developing its semiconductor industry, aiming for self-sufficiency in chip production by 2030, despite facing challenges due to U.S. export restrictions.

## Semiconductor War

### United States

- **Supply Chain Control:** The U.S. controls critical parts of the global semiconductor supply chain, including chip design (e.g., ARM, Qualcomm) and manufacturing equipment (e.g., Applied Materials).
- **Export Controls:** The U.S. has imposed strict export controls on semiconductor technology to China, aiming to prevent China from acquiring advanced chips for military and AI applications.
- **Domestic Production:** The U.S. is investing in domestic semiconductor manufacturing to reduce dependence on Asian fabs, with the CHIPS and Science Act providing substantial funding for this purpose.

### China

- **Indigenous Development:** China is investing heavily in developing its domestic semiconductor industry, aiming to reduce reliance on U.S. technology and achieve self-sufficiency in critical areas.
- **State Support:** China's government has allocated billions of dollars to support the semiconductor industry, focusing on developing domestic capabilities in design, manufacturing, and materials.
- **Global Impact:** China's efforts to build its semiconductor industry are challenged by U.S. restrictions, leading to supply chain disruptions and increased global competition for

semiconductor resources.

## **Nuclear Capabilities**

### **United States**

- **Nuclear Triad:** The U.S. maintains a robust nuclear triad, consisting of land-based ICBMs, submarine-launched ballistic missiles (SLBMs), and strategic bombers.
- **Nuclear Non-Proliferation:** The U.S. is a key advocate for nuclear non-proliferation, participating in treaties like the Non-Proliferation Treaty (NPT) and engaging in arms control negotiations.
- **Modernization:** The U.S. is modernizing its nuclear arsenal, including developing new low-yield nuclear weapons and upgrading delivery systems to maintain a credible deterrent.

### **China**

- **Expanding Arsenal:** China is expanding and modernizing its nuclear forces, with a focus on developing road-mobile ICBMs and submarine-based nuclear capabilities.
- **No First Use Policy:** China maintains a "no first use" nuclear policy, although its growing nuclear arsenal has raised concerns about the potential for regional arms races.
- **Second Strike Capability:** China is enhancing its second-strike capability, particularly through the development of nuclear-powered submarines and more advanced missile systems.

## **Socio-Cultural Influence**

### **United States**

- **Cultural Dominance:** The U.S. exerts significant cultural influence globally through entertainment (Hollywood), music, and social media platforms (Facebook, Twitter).
- **Education:** The U.S. is home to many of the world's top universities, attracting students and researchers from around the globe, contributing to its soft power.
- **Human Rights Advocacy:** The U.S. promotes human rights and democratic values as part of its foreign policy, often using these principles to critique China's domestic policies.

### **China**

- **Cultural Diplomacy:** China uses cultural diplomacy, including Confucius Institutes and media outlets like CGTN, to promote its culture and political narrative abroad.
- **Education and Influence:** China offers scholarships and educational exchanges to students from developing countries, building a network of future leaders with ties to China.
- **Social Control:** China's government exercises tight control over its cultural output and the internet, promoting a narrative that supports the Chinese Communist Party's legitimacy and policies.

## **International Institutions**

### **United States**

- **Leadership in Global Institutions:** The U.S. holds significant influence in global institutions like the UN, IMF, and World Bank, shaping international norms and policies.
- **Sanctions and Trade Policies:** The U.S. uses its dominance in international financial institutions to impose sanctions and influence global trade policies, often targeting China's

- economic practices.
- **Advocacy for Reforms:** The U.S. advocates for reforms in international institutions to address issues like intellectual property theft and fair trade, often in response to Chinese practices.

## China

- **Increasing Influence:** China is increasing its influence in international institutions, taking leadership roles in agencies like the World Health Organization (WHO) and the International Telecommunication Union (ITU).
- **Alternative Institutions:** China has established alternative international institutions, such as the Asian Infrastructure Investment Bank (AIIB) and the Belt and Road Initiative (BRI), challenging the Western-led global order.
- **Advocacy for a Multipolar World:** China promotes a multipolar world order in international institutions, pushing for greater representation for developing countries and challenging U.S. dominance.

## Space War

### United States

- **Space Force:** The U.S. established the U.S. Space Force in 2019, focusing on protecting American interests in space and countering threats from China and Russia.
- **Satellite Dominance:** The U.S. leads in satellite technology, with a significant number of military and commercial satellites providing global communications, navigation, and surveillance.
- **Mars and Moon Missions:** NASA's Artemis program aims to return humans to the Moon by 2025, with plans for a long-term presence, reinforcing U.S. leadership in space exploration.

### China

- **Lunar Ambitions:** China's Chang'e program has successfully landed rovers on the Moon, with plans to establish a lunar base in the 2030s, challenging U.S. dominance in space exploration.
- **Anti-Satellite Capabilities:** China has developed anti-satellite (ASAT) weapons, capable of targeting and destroying satellites, raising concerns about the militarization of space.
- **Space Station:** China's Tiangong Space Station is fully operational, serving as a hub for international space collaboration, particularly with countries excluded from the U.S.-led ISS.

## Cyber War

### United States

- **Cyber Command:** The U.S. Cyber Command is responsible for defending U.S. military networks and conducting offensive cyber operations against adversaries, including China.
- **Cybersecurity Leadership:** The U.S. leads in cybersecurity technologies and strategies, focusing on protecting critical infrastructure and private sector networks from cyber threats.
- **Offensive Cyber Capabilities:** The U.S. has developed advanced offensive cyber capabilities, targeting state-sponsored hackers and disrupting cyber espionage activities,

particularly from China.

## China

- **PLA Cyber Units:** China's People's Liberation Army (PLA) has dedicated cyber units focused on offensive and defensive cyber operations, including espionage and information warfare.
- **Cyber Espionage:** China has been implicated in numerous cyber espionage campaigns targeting U.S. government agencies, defense contractors, and private companies, stealing valuable intellectual property and sensitive data.
- **Digital Surveillance:** China has developed extensive digital surveillance capabilities, both domestically and globally, using technologies like facial recognition and AI to monitor and control information.

## US-China Cold War Overview

### Acknowledgment of China as a Superpower Rival:

- U.S. acknowledges China as primary rival
- 2022 National Security Strategy identifies China as the most significant security challenge

### Economic Comparisons:

- China's GDP is over 60% of U.S. GDP
- China is the closest economic rival U.S. has faced, surpassing the USSR during the Cold War

### Superpower Summits:

- November 2022: U.S.-China summit in Bali
- 'First superpower summit of Cold War 2.0'

### Global Supply Chain Shifts:

- 'ABC' strategy (Anywhere But China)
- Western multinationals diversifying supply chains away from China

### Cold War in the Middle East:

- China imports 40% of crude oil from Gulf
- Saudi-China strategic partnership signed in December 2022
- \$197 billion Chinese investments in MENA (2005-2020)

### China's Soft Power:

- China is the largest trading partner for 100 countries
- Belt and Road Initiative: China lent \$1 trillion for global infrastructure projects

### U.S. Soft Power and Leverage:

- U.S. has geographic isolation advantage
- U.S. is now a net energy exporter, while China is energy import-dependent

#### Military Power:

##### U.S.:

- Defense Budget: \$824 billion (2024)
- Global military presence: 800 bases in 70 countries

##### China:

- Defense Budget: \$270 billion (2024)

#### Technological Innovation:

##### U.S.:

- Home to leading tech giants (Apple, Google, Microsoft)
- Dominates global semiconductor industry

##### China:

- Rapid advances in AI and 5G
- Made in China 2025 initiative

#### Nuclear Capabilities:

##### U.S.:

- Nuclear triad and modernization of arsenal

##### China:

- Expanding nuclear capabilities (road-mobile ICBMs, SLBMs)

#### Diplomatic Engagement:

##### U.S.:

- Vast diplomatic alliances (NATO, Asia, Middle East)

##### China:

- Belt and Road diplomacy; partnerships with Russia, Iran

# The Cold War Between the U.S. and China: Arms, Space, and Cyber Race

## a. Arms Race in the Context of US-China Cold War

### i. Military Modernization

1. **U.S. F-35 Program:** The U.S. has developed the F-35, a fifth-generation multirole stealth fighter.
2. **China's J-20 Fighter:** China has developed its own fifth-generation stealth fighter, the J-20.

### ii. Missile Development

1. **U.S. Tomahawk Missiles:** The U.S. has advanced cruise missiles like the Tomahawk.
2. **China's DF-21D:** China has developed the DF-21D, an anti-ship ballistic missile.

### iii. Naval Competition

1. **U.S. Aircraft Carriers:** The U.S. Navy operates 11 aircraft carriers.
2. **China's Aircraft Carriers:** China has two aircraft carriers and is building more.

### iv. Defense Budget

1. **U.S. Defense Spending:** The U.S. has the world's largest defense budget.
2. **China's Defense Spending:** China has the second-largest defense budget and is increasing it annually.

### v. Arms Sales

1. **U.S. Arms Exports:** The U.S. is the world's largest arms exporter.
2. **China's Arms Exports:** China is increasing its arms exports, particularly to Africa and Asia.

### vi. Defense Alliances

1. **U.S.-NATO Partnership:** The U.S. is a key member of NATO.
2. **China-Russia Military Exercises:** China and Russia have conducted joint military exercises.

## b. Space Race in the Context of US-China Cold War

### i. Lunar Missions

1. **U.S. Artemis Program:** The U.S. aims to return humans to the Moon by 2024.

2. **China's Chang'e Program:** China has landed rovers on the Moon and plans manned missions.

### ii. Satellite Technology

1. **U.S. GPS System:** The U.S. operates the Global Positioning System (GPS).
2. **China's Beidou System:** China's Beidou system is a competitor to GPS.

### iii. Space Stations

1. **U.S. ISS Partnership:** The U.S. is a key partner in the International Space Station.
2. **China's Tiangong Space Station:** China is building its own space station.

### iv. Commercial Space

1. **U.S. Private Space Companies:** Companies like SpaceX and Blue Origin are advancing U.S. space capabilities.
2. **China's Private Space Companies:** Companies like iSpace and OneSpace are emerging in China.

### v. Space Diplomacy

1. **U.S. Space Partnerships:** The U.S. has multiple international partnerships for space exploration.
2. **China's Space Partnerships:** China is building space partnerships with countries like Russia and Pakistan.

## c. Cyber Race in the Context of US-China Cold War

### i. Cybersecurity Agencies

1. **U.S. Cyber Command:** The U.S. has a dedicated branch for cyber warfare.
2. **China's PLA Unit 61398:** China has specialized military units for cyber operations.

### ii. Cyber Defense

1. **U.S. Cybersecurity Framework:** The U.S. has a robust framework for protecting critical infrastructure.
2. **China's Great Firewall:** China has extensive domestic internet controls for cyber defense.

### iii. Cyber Offense

1. **U.S. Stuxnet Operation:** The U.S. was reportedly involved in the Stuxnet attack on Iranian nuclear facilities.

2. **Chinese Attacks on U.S. Entities:** China has been implicated in cyber attacks on U.S. corporations and government agencies.

## Cold War Between the U.S. and China: Arms, Space, and Cyber Race

Arms Race: Military Modernization  
 - U.S. F-35 Program (5th-gen stealth fighter)  
 - China's J-20 Fighter

Arms Race: Missile Development  
 - U.S. Tomahawk Missiles (advanced cruise)  
 - China's DF-21D (anti-ship ballistic)

Arms Race: Naval Competition  
 - U.S. Aircraft Carriers (11)  
 - China's Aircraft Carriers (2, building more)

Arms Race: Defense Budget  
 - U.S. has the largest defense budget  
 - China has the second-largest and growing

Arms Race: Arms Sales  
 - U.S. is the largest arms exporter  
 - China expanding arms sales in Africa and Asia

Arms Race: Defense Alliances  
 - U.S.-NATO partnership  
 - China-Russia joint military exercises

Space Race: Lunar Missions  
 - U.S. Artemis Program (return to Moon by 2024)  
 - China's Chang'e (Moon rovers, manned missions)

Space Race: Satellite Technology  
 - U.S. GPS System  
 - China's Beidou system (GPS competitor)

Space Race: Space Stations  
 - U.S. ISS Partnership  
 - China's Tiangong Space Station

Space Race: Commercial Space  
 - U.S. SpaceX, Blue Origin  
 - China iSpace, OneSpace

Space Race: Space Diplomacy  
 - U.S. international partnerships  
 - China building partnerships with Russia, Pakistan

Cyber Race: Cybersecurity Agencies  
 - U.S. Cyber Command  
 - China's PLA Unit 61398

Cyber Race: Cyber Defense  
 - U.S. Cybersecurity Framework  
 - China's Great Firewall

Cyber Race: Cyber Offense  
 - U.S. Stuxnet Operation (Iranian nuclear facilities)  
 - Chinese cyber attacks on U.S. corporations

## **Destruction from Wars of 20<sup>th</sup> and 21<sup>st</sup> Century**

1. At least 929,000 people have been killed by direct war violence in Iraq, Afghanistan, Syria, Yemen, and Pakistan (WATSON INSTITUTE FOR INTERNATIONAL AND PUBLIC AFFAIRS)

2. 160 million people died in wars during the 20th century

### **6. World War I (1914-1918)**

- a. **Loss of Lives:** Approximately 16 million deaths and 21 million wounded.
- b. **Economic Cost:** Estimated at around \$200 billion (1918 USD), which would be much higher when adjusted for inflation.

### **7. Russian Civil War (1917-1922)**

- a. **Loss of Lives:** Estimates range from 5 to 9 million, including civilians.
- b. **Economic Cost:** Difficult to quantify but led to widespread famine and collapse of the Russian economy.

### **9. World War II (1939-1945)**

- a. **Loss of Lives:** Estimates range from 70 to 85 million, or about 3% of the world's population at that time.
- b. **Economic Cost:** Estimated at over \$1 trillion (1945 USD).

### **10. Korean War (1950-1953)**

- a. **Loss of Lives:** Approximately 2.8 million, including both military personnel and civilians.
- b. **Economic Cost:** Estimated at \$30 billion (1953 USD).

### **11. Vietnam War (1955-1975)**

- a. **Loss of Lives:** Estimates range from 2.5 to 3.8 million.
- b. **Economic Cost:** Estimated at \$168 billion (1975 USD).

### **12. Iran-Iraq War (1980-1988)**

- a. **Loss of Lives:** Estimates range from 500,000 to 1 million.
- b. **Economic Cost:** Estimated at \$1 trillion for both countries combined.

### **13. Afghanistan War (2001-Present)**

- a. **Loss of Lives:** Over 157,000 people have been killed in the conflict, including civilians, Afghan military and police, and coalition troops.
- b. **Economic Cost:** Estimated at over \$2 trillion for the U.S. alone.

### **16. Iraq War (2003-2011)**

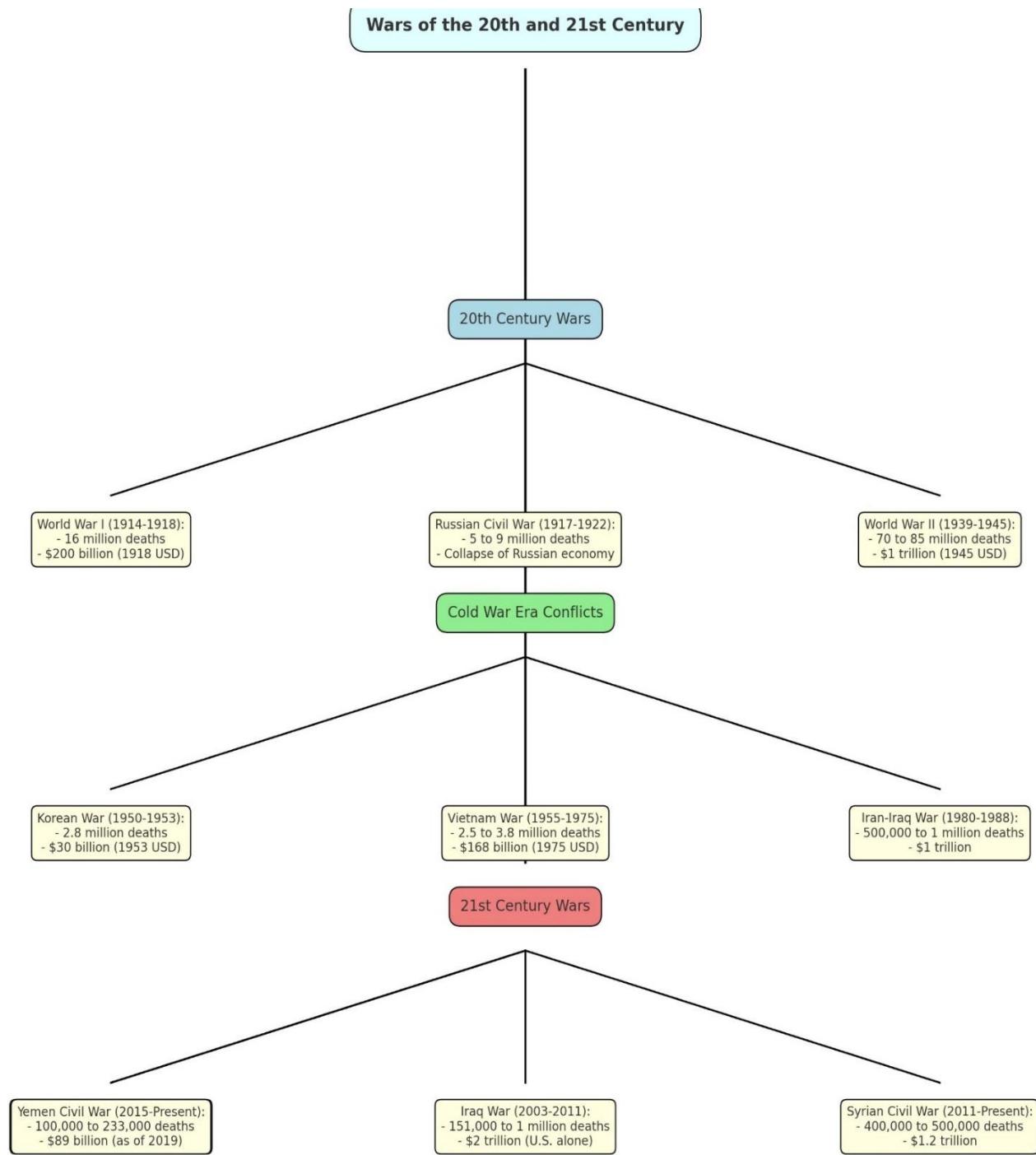
- a. **Loss of Lives:** Estimates range from 151,000 to over 1 million, including both military personnel and civilians.
- b. **Economic Cost:** Estimated at over \$2 trillion for the U.S. alone.

**17. Syrian Civil War (2011-Present)**

- a. **Loss of Lives:** Estimates range from 400,000 to over 500,000.
- b. **Economic Cost:** Estimated at over \$1.2 trillion, including the cost of refugees and lost GDP.

**18. Yemen Civil War (2015-Present)**

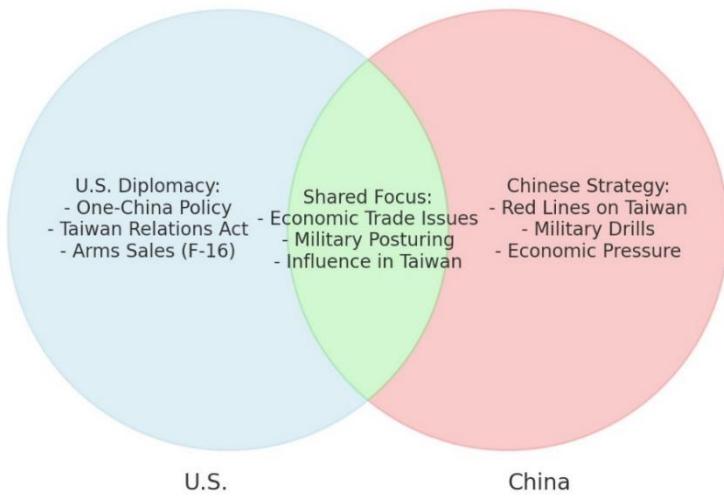
- a. **Loss of Lives:** Estimates range from 100,000 to 233,000, including both combatants and civilians.
- b. **Economic Cost:** Estimated at over \$89 billion as of 2019.



Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

## Taiwan issue

Cold War Between U.S. and China in Taiwan: Venn Diagram



Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

U.S. vs China Actions in Taiwan: Matrix Comparison

| Category                    | U.S.                                   | China                                             |
|-----------------------------|----------------------------------------|---------------------------------------------------|
| Diplomatic Moves            | One-China Policy, Taiwan Relations Act | Red Lines on Taiwan                               |
| Military Posturing          | F-16 Arms Sales to Taiwan              | Military Drills near Taiwan Strait                |
| Political Statements        | Official Visits to Taiwan (Pelosi)     | Opposition to U.S. Visits                         |
| Economic Leverage           | U.S.-Taiwan Trade Talks                | Economic Pressure on Taiwan                       |
| International Organizations | Supports Taiwan in WHO                 | Opposes Taiwan in UN                              |
| Public Opinion & Propaganda | Public Support for Taiwan              | State Media Portrays Taiwan as Breakaway Province |
| Regional Allies             | Quad Discussing Taiwan Security        | Pressuring Countries not to Recognize Taiwan      |
| Legal Frameworks            | Taiwan Assurance Act                   | Anti-Secession Law                                |
| Technology & Research       | Tech Collaboration in Semiconductors   | Tech Espionage from Taiwan Companies              |

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

## **2024 Developments**

### **1. Military Aspects**

- a. U.S. Arms Sales to Taiwan:** In 2024, the U.S. approved a \$2.2 billion arms package to Taiwan, including 100 advanced Harpoon coastal defense systems, 60 Patriot Advanced Capability-3 (PAC-3) missile systems, and an additional batch of F-16V fighter jets.
- b. PLA Missile Deployment:** China has stationed over 1,200 short-range ballistic missiles (SRBMs) along its southeast coast, aimed at Taiwan. These include the DF-11, DF-15, and the more advanced DF-17 hypersonic missiles, which were deployed in early 2024.
- c. Taiwan Defense Budget:** Taiwan's defense budget for 2024 reached a record \$24 billion, a 7% increase from the previous year, with significant allocations for anti-ship missiles, cyber defense, and air defense systems.

### **2. Economic Relations**

- a. Cross-Strait Trade:** In 2023, trade between Taiwan and China totaled \$280 billion, with Taiwan running a surplus of \$160 billion. Despite political tensions, China remains Taiwan's largest trading partner, accounting for over 28% of Taiwan's total trade.
- b. U.S.-Taiwan Trade:** U.S.-Taiwan trade reached \$105 billion in 2023, with the U.S. being Taiwan's second-largest trading partner. The U.S. imported \$60 billion worth of goods from Taiwan, primarily semiconductors and electronic components.

### **3. Technology and Semiconductor Industry**

- a. Taiwan Semiconductor Manufacturing Company (TSMC):** TSMC, the world's largest contract chipmaker, announced in 2024 an expansion of its U.S. operations with a new \$12 billion fab in Arizona, increasing its strategic importance in the U.S.-China tech rivalry.
- b. Taiwan's Share in Global Semiconductor Market:** As of 2024, Taiwan produces approximately 63% of the world's semiconductors and 92% of the most advanced chips (5nm and below), making it a critical player in the global tech supply chain.

### **4. Diplomatic and International Relations**

- a. Countries Recognizing Taiwan:** As of 2024, only 13 countries officially recognize Taiwan as a sovereign state, following Nicaragua's switch of allegiance to Beijing in late 2023.
- b. U.S. Diplomatic Engagement:** In 2024, high-level U.S. officials,

including the Secretary of State, visited Taiwan, marking the highest-level visit since 1979. This visit led to China conducting military exercises near the Taiwan Strait as a direct response.

## 5. Public Opinion and Identity in Taiwan

- a. **Taiwanese Identity:** Polls conducted in 2024 show that over 68% of Taiwan's population identifies as Taiwanese rather than Chinese, with only 26% identifying as both Taiwanese and Chinese.
- b. **Support for Status Quo:** Approximately 85% of Taiwan's population supports maintaining the status quo (de facto independence without formal declaration), with only 6% favoring immediate independence, reflecting the population's concern about potential military conflict with China.

## Historical Context and Sovereignty Claims

### China's Position

- i. **One-China Policy:** China considers Taiwan a breakaway province that must eventually be reunified with the mainland, by force if necessary. Beijing's "One-China Policy" asserts that there is only one China, and Taiwan is an inseparable part of it.
- ii. **Historical Claim:** China bases its claim on historical ties dating back to the Qing Dynasty (1683-1895) and insists that Taiwan's status was settled by the Chinese Civil War, which ended in 1949 with the establishment of the People's Republic of China (PRC).
- iii. **Anti-Secession Law (2005):** China passed this law, which authorizes the use of force if Taiwan declares independence or if peaceful reunification is deemed impossible.

### United States' Position

- iv. **Strategic Ambiguity:** The U.S. adheres to a policy of "strategic ambiguity," which involves acknowledging Beijing's One-China Policy while not explicitly endorsing it, and maintaining unofficial relations with Taiwan.
- v. **Taiwan Relations Act (1979):** This U.S. law obligates the U.S. to provide Taiwan with defensive arms and maintain the ability to resist any force that would jeopardize Taiwan's security, while not explicitly committing to military intervention.
- vi. **Support for Democracy:** The U.S. views Taiwan as a model democracy in Asia, contrasting with China's authoritarian regime, and supports Taiwan's participation in international organizations, despite Beijing's opposition.

## **Military Posture and Defense**

### **China's Military Build-Up**

- **People's Liberation Army (PLA):** China has significantly modernized its military capabilities, particularly focusing on anti-access/area denial (A2/AD) systems designed to deter U.S. intervention in the Taiwan Strait.
- **Missile Deployment:** The PLA has stationed over 1,000 short-range ballistic missiles across from Taiwan, with the capability to strike targets on the island and U.S. bases in the region.
- **Military Exercises:** In 2024, China conducted its largest-ever military drills near Taiwan, simulating blockades and amphibious assaults, signaling its readiness to use force to achieve reunification.

### **U.S. Military Support**

- **Arms Sales:** The U.S. remains the primary arms supplier to Taiwan, with sales in recent years including advanced fighter jets (F-16s), missile defense systems (Patriot missiles), and naval vessels. In 2024, the U.S. approved a \$2 billion arms package to Taiwan.
- **Freedom of Navigation Operations (FONOPs):** The U.S. Navy regularly conducts FONOPs in the Taiwan Strait, asserting the right of free passage through international waters, despite Chinese objections.
- **Joint Military Exercises:** The U.S. has increased joint military exercises with allies like Japan and the Philippines in the Indo-Pacific, demonstrating a commitment to countering Chinese aggression and supporting Taiwan's defense.

## **Diplomatic Relations and International Support**

### **China's Diplomatic Pressure**

- **Diplomatic Isolation of Taiwan:** China has successfully pressured many countries to sever diplomatic relations with Taiwan. As of 2024, only 13 countries officially recognize Taiwan, down from 21 in 2016.
- **International Organizations:** China blocks Taiwan's participation in most international organizations, including the United Nations and the World Health Organization (WHO), arguing that Taiwan's involvement implies statehood.
- **Economic Coercion:** China has used its economic leverage to influence countries and companies to avoid recognizing Taiwan or supporting its independence. For example, in 2024, China imposed sanctions on

Lithuanian goods after Lithuania allowed Taiwan to open a de facto embassy in Vilnius.

### **U.S. Diplomatic Support**

- **Unofficial Relations:** The U.S. maintains strong unofficial relations with Taiwan through the American Institute in Taiwan (AIT) and supports Taiwan's meaningful participation in international organizations.
- **Legislative Support:** The U.S. Congress has passed several bills to support Taiwan, including the Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act of 2019, which encourages stronger ties between Taiwan and other nations.
- **High-Level Visits:** In 2024, the U.S. sent a senior delegation to Taiwan, reinforcing its support despite Beijing's protests. This visit followed the high-profile visit of U.S. House Speaker Nancy Pelosi in 2022, which had led to a significant escalation in tensions.

## **Economic and Trade Relations**

### **China's Economic Influence**

- **Cross-Strait Trade:** Despite political tensions, China remains Taiwan's largest trading partner, with trade between the two exceeding \$300 billion in 2023. China uses this economic interdependence as leverage in its reunification strategy.
- **Economic Sanctions:** China has periodically imposed economic sanctions on Taiwan, targeting specific sectors such as tourism and agriculture, to exert pressure on Taipei's government.
- **Belt and Road Initiative (BRI):** China's BRI excludes Taiwan, but Beijing uses it to strengthen ties with countries that recognize its One-China Policy, further isolating Taiwan diplomatically.

### **U.S.-Taiwan Trade Relations**

- **Taiwan-U.S. Economic Prosperity Partnership Dialogue (EPPD):** The U.S. and Taiwan have expanded their economic cooperation through initiatives like the EPPD, focusing on supply chain security, technology, and investment.
- **Semiconductor Industry:** Taiwan is home to the Taiwan Semiconductor Manufacturing Company (TSMC), the world's largest contract chipmaker. In 2024, the U.S. deepened its collaboration with Taiwan in semiconductor production, crucial for global technology supply chains.
- **Free Trade Agreement (FTA) Considerations:** While no formal FTA

exists, discussions continue about enhancing trade relations, particularly in high-tech sectors, to reduce dependency on China.

## **Public Opinion and Socio-Cultural Influence**

### **Taiwan's Identity and Public Opinion**

- **Rising Taiwanese Identity:** Polls show that a growing number of Taiwan's population identifies as Taiwanese rather than Chinese, with over 60% in 2024 favoring the status quo of de facto independence.
- **Support for Independence:** Support for formal independence is strong, especially among younger generations, although most prefer maintaining the status quo to avoid provoking Beijing.
- **Democratic Values:** Taiwan's vibrant democracy contrasts sharply with China's authoritarian system, strengthening its identity as a distinct political entity.

### **China's Influence Operations**

- **Media and Propaganda:** China uses media, online influence operations, and United Front activities to sway Taiwanese public opinion towards reunification, although these efforts have had limited success.
- **Cultural Exchanges:** China promotes cultural and educational exchanges to foster closer ties with Taiwan, although many Taiwanese view these efforts with suspicion.
- **Disinformation Campaigns:** China has been accused of using disinformation campaigns to influence Taiwan's elections and destabilize its society, particularly through social media platforms.

## **International Law and Legal Considerations**

### **China's Legal Stance**

- **One-China Principle:** China asserts that the One-China Principle is a core tenet of international law, recognized by the majority of the world's countries and upheld by various UN resolutions.
- **Sovereignty Claims:** Beijing argues that Taiwan's status as part of China is non-negotiable and that any attempt to support Taiwanese independence violates China's sovereignty and territorial integrity.

### **U.S. Legal Framework**

- **Taiwan Relations Act:** The TRA provides a legal basis for U.S. arms sales to Taiwan and commits the U.S. to support Taiwan's self-defense capabilities, though it stops short of guaranteeing U.S. military intervention.
- **International Law:** The U.S. argues that Taiwan's future should be resolved peacefully, in accordance with the will of the Taiwanese

people, and that any use of force by China would violate international law and the UN Charter.

## 2024 Taiwan Developments: Chronological and Organized Visualization

### Military Aspects

Jan 2024: U.S. approves \$2.2 billion arms package to Taiwan

Feb 2024: PLA Missile Deployment (1,200 SRBMs deployed)

Mar 2024: Taiwan Defense Budget reaches \$24 billion

### Economic Relations

Apr 2024: Cross-Strait Trade totals \$280 billion

May 2024: U.S.-Taiwan Trade reaches \$105 billion

### Technology & Semiconductor Industry

Jun 2024: TSMC announces \$12 billion fab in Arizona

### Diplomatic & International Relations

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

Jul 2024: High-level U.S. diplomatic visit to Taiwan

### Public Opinion & Identity

Aug 2024: Poll shows 68% identify as Taiwanese

Sep 2024: Poll shows 85% support status quo

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Comparison Between China and U.S. on Taiwan: Matrix Comparison

| Category           | China                                                               | U.S.                                                         |
|--------------------|---------------------------------------------------------------------|--------------------------------------------------------------|
| Historical Claims  | One-China Policy (Breakaway province)                               | Strategic Ambiguity (Unofficial relations with Taiwan)       |
| Legal Framework    | Anti-Secession Law (2005)                                           | Taiwan Relations Act (1979)                                  |
| Military Posture   | PLA Build-up (A2/AD systems)                                        | Military Support (Arms sales & FONOPs)                       |
| Diplomatic Support | Diplomatic Isolation of Taiwan (Only 13 countries recognize Taiwan) | Official Diplomatic Relations (American Institute in Taiwan) |
| Economic Relations | Cross-Strait Trade (\$300 billion)                                  | Economic Partnership & Semiconductor Industry                |
| Public Opinion     | Influence operations & propaganda                                   | Support for Taiwan's democracy                               |
| International Law  | One-China Principle recognized by most countries                    | PRATA & peaceful resolution supported by international law   |

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

## QUAD

1. The Quadrilateral Security Dialogue (QUAD) consists of four countries: the U.S., Australia, India, and Japan.

### 2. Strategic Dialogues

- a. **Inception:** The idea of QUAD was first initiated in 2007 but lost momentum, only to be revived in 2017.
- b. **Ministerial Meetings:** Regular meetings of foreign ministers from the four countries.
- c. **First Leaders' Summit:** Held virtually in March 2021, focusing on regional security and other issues.
- d. **In-Person Summit:** The first in-person QUAD leaders' summit took place in September 2021.

### 3. Military Exercises

- a. **Malabar Naval Exercise:** Expanded to include all QUAD members.
- b. **Joint Military Drills:** Various joint military exercises focusing on interoperability.
- c. **Intelligence Sharing:** Enhanced intelligence sharing mechanisms among QUAD countries.

### 4. Diplomacy and Outreach

- a. **ASEAN Engagement:** Efforts to engage with ASEAN countries.

- b. **Public Diplomacy:** Joint statements and publications to explain the QUAD's objectives.
- c. **Expansion Talks:** Discussions on potentially expanding the QUAD to include other like-minded countries.

## **2024 Developments**

### **d. Military Cooperation**

- **Malabar Exercise 2024:** The Quad nations (U.S., India, Japan, Australia) conducted the annual Malabar naval exercise in the Bay of Bengal, involving over 20 ships, 2 aircraft carriers, 3 submarines, and over 100 aircraft. The exercise included anti-submarine warfare, air defense drills, and maritime interdiction operations.
- **U.S. Defense Budget Allocation:** The U.S. has allocated approximately \$82 billion of its 2024 defense budget specifically for Indo-Pacific operations, with a significant portion aimed at enhancing military cooperation and presence in the region, including Quad-related activities.
- **India's Defense Procurement:** In 2024, India approved a \$3 billion purchase of MQ-9B Predator drones from the U.S. to enhance its maritime surveillance capabilities, a key component of Quad's strategy to monitor Chinese activities in the Indian Ocean.

### **e. Economic and Infrastructure Initiatives**

- **Quad Infrastructure Partnership:** In 2023-2024, the Quad launched a \$50 billion infrastructure initiative aimed at countering China's Belt and Road Initiative (BRI) by financing infrastructure projects across Southeast Asia and the Pacific. The fund focuses on digital connectivity, clean energy, and sustainable infrastructure.
- **Semiconductor Collaboration:** The Quad members announced a \$5 billion joint fund in 2024 to develop resilient semiconductor supply chains, reduce dependency on China, and support manufacturing in member countries. This initiative includes R&D investments and incentives for setting up new fabs.

### **f. Diplomatic Engagement**

- **Quad Summits:** The 2024 Quad Leaders' Summit in Tokyo

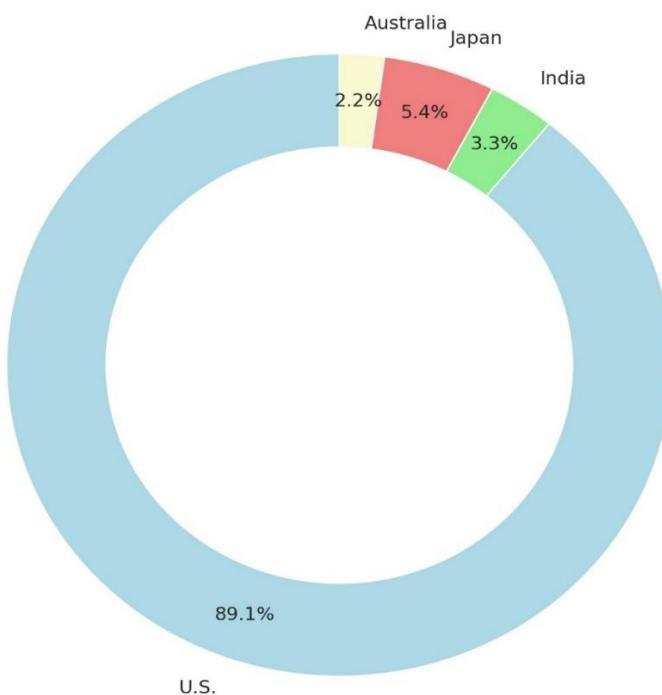
was attended by the heads of government from all four member states. The summit resulted in a joint commitment to enhance maritime security and expand cooperation on critical and emerging technologies.

- **Quad Vaccine Partnership:** By early 2024, the Quad's vaccine partnership delivered over 1.3 billion COVID-19 vaccine doses to Indo-Pacific countries, aiming to counter China's vaccine diplomacy efforts in the region.

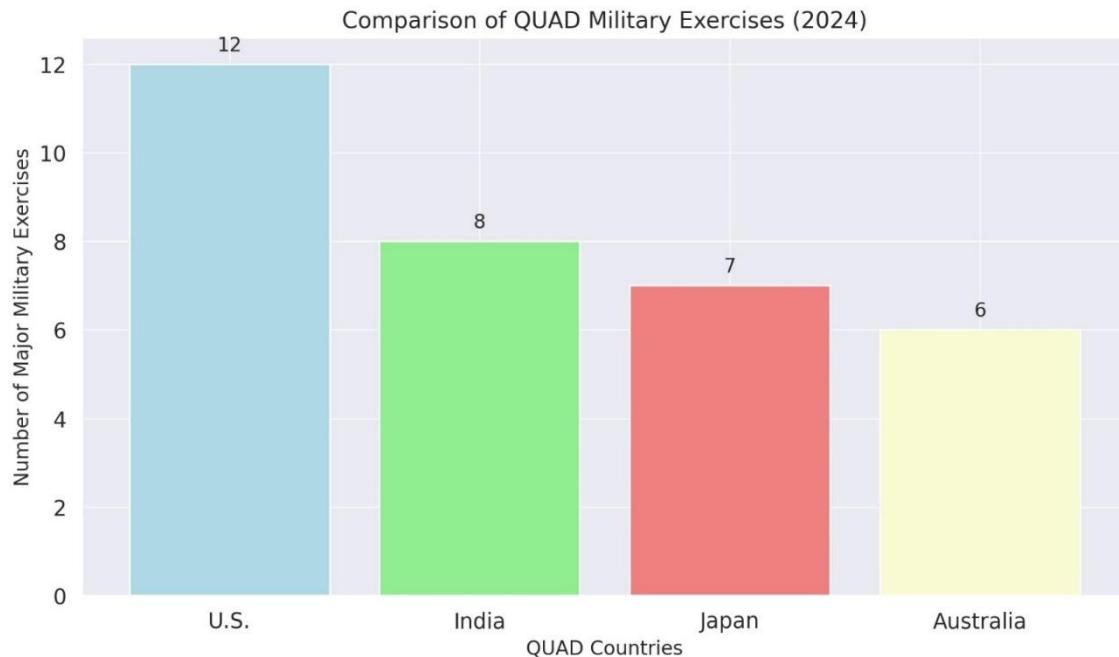
#### g. Technological and Cybersecurity Collaboration

- **Cybersecurity Initiative:** In 2024, the Quad launched a new cybersecurity framework, with a combined investment of \$2 billion, to secure critical infrastructure in the Indo-Pacific against cyber threats, particularly from state actors like China.
- **5G Deployment:** Quad members are collectively investing \$1.5 billion in developing and deploying 5G networks across the Indo-Pacific, ensuring that these networks are secure and not reliant on Chinese technology providers like Huawei.

QUAD Defense Budget Allocations (2024)



Credit: DSP Mudasir Hussain Qureshi (CCE 2020)



Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

| Category              | QUAD (U.S., India, Japan, Australia)                                               | AUKUS (Australia, UK, U.S.)                                                |
|-----------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Strategic Focus       | Indo-Pacific security<br>Maritime stability                                        | Defense technology in Indo-Pacific<br>Military capabilities enhancement    |
| Military Cooperation  | Malabar Naval Exercise<br>Joint drills<br>Intelligence sharing                     | Nuclear-powered submarines for Australia<br>Advanced military tech sharing |
| Technology Sharing    | \$5 billion Semiconductor Collaboration<br>\$50 billion Infrastructure Partnership | AI, Quantum technologies<br>Hypersonic missiles                            |
| Economic Initiatives  | Economic partnerships with Indo-Pacific countries                                  | Focused on defense technology transfer                                     |
| Diplomatic Engagement | Engagement with ASEAN<br>Regular summits                                           | Limited diplomatic engagement outside the three members                    |

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

**DSP Mudasir Hussain Qureshi (CCE 2020)**

# **AUKUS**

## **1. Strategic Partnership**

- a. **Inception:** AUKUS was announced in September 2021.
- b. **Trilateral Agreement:** A formal agreement to enhance security and defense cooperation.
- c. **Focus on Indo-Pacific:** Emphasis on maintaining a free and open Indo-Pacific.

## **2. Military Technology**

- a. **Nuclear-Powered Submarines:** Australia to acquire nuclear-powered submarines with technology from the U.S. and the UK.
- b. **Advanced Weaponry:** Discussions on sharing advanced missile technologies.

## **3. Intelligence Sharing**

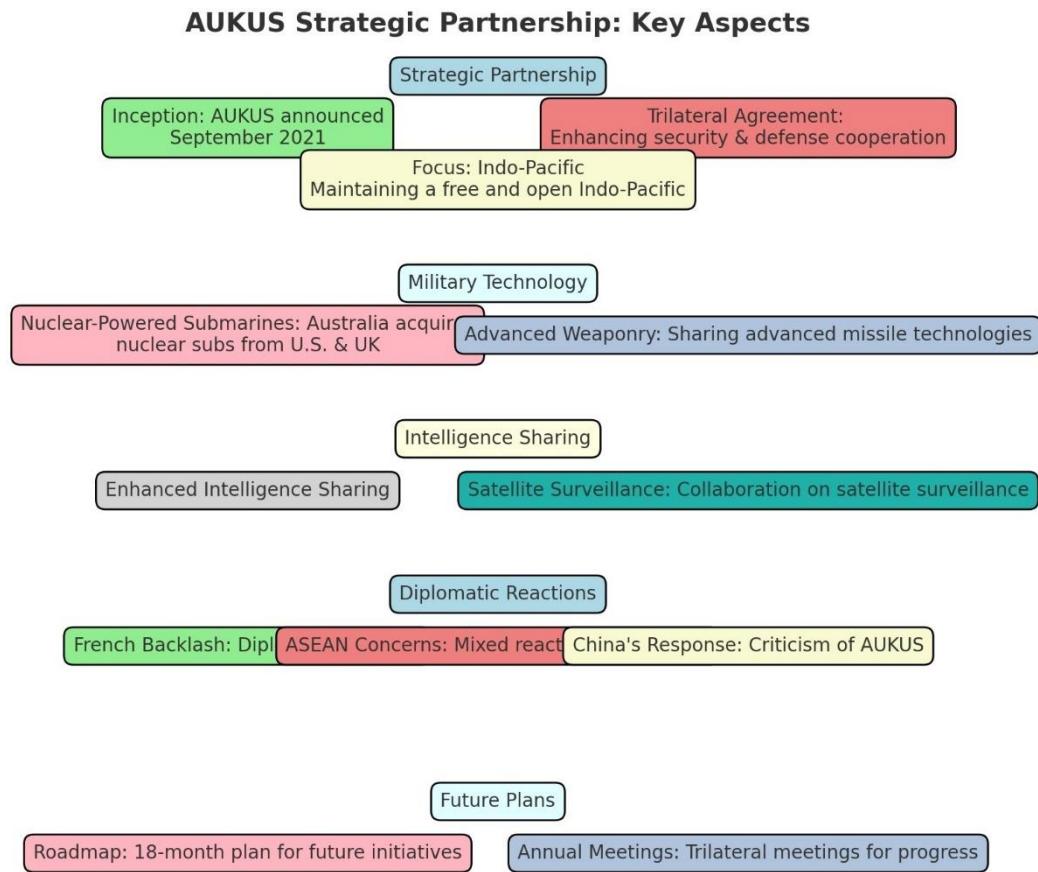
- a. **Enhanced Intelligence Sharing:** Closer intelligence-sharing mechanisms among the three countries.
- b. **Satellite Surveillance:** Collaboration on satellite technology for surveillance.

## **4. Diplomatic Reactions**

- a. **French Backlash:** France's strong negative reaction to AUKUS, leading to diplomatic tensions.
- b. **ASEAN Concerns:** Mixed reactions from ASEAN countries regarding the impact of AUKUS on regional stability.
- c. **China's Response:** China's criticism of AUKUS as a destabilizing factor in the region.

## **5. Future Plans**

- a. **Roadmap:** Development of an 18-month roadmap to outline future AUKUS initiatives.
- b. **Annual Meetings:** Plans for annual trilateral meetings to assess progress and future directions.



Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

## 2024 Developments

### c. Military and Defense Cooperation

- **Submarine Program:** Under the AUKUS agreement, Australia is set to acquire at least 8 nuclear-powered submarines by the early 2040s. The first submarines, expected to be based on U.S. Virginia-class technology, are scheduled to begin construction in 2024 with an estimated cost of \$100 billion over the life of the program.
- **Defense Budget:** Australia's defense budget for 2024

increased to AUD 54 billion (approximately USD 36 billion), with significant allocations for the AUKUS submarine program, advanced missile systems, and cyber defense.

- **Joint Military Exercises:** In 2024, AUKUS members conducted their largest-ever joint military exercise in the Indo-Pacific, involving over 30,000 troops, 50 ships, and 200 aircraft, focusing on anti-submarine warfare, cyber operations, and integrated air and missile defense.

#### **d. Technology and Cybersecurity**

- **Advanced Capabilities:** AUKUS includes collaboration on advanced capabilities, including AI, quantum computing, and undersea warfare. In 2024, the AUKUS AI initiative received a funding boost of USD 1.5 billion, aimed at developing AI-driven autonomous systems for maritime and aerial combat.
- **Cybersecurity Cooperation:** AUKUS members have committed an additional USD 500 million in 2024 to enhance joint cybersecurity defenses against Chinese cyber threats, particularly focusing on protecting critical infrastructure and military networks.

#### **e. Strategic Impact**

- **China's Response:** China has strongly criticized AUKUS, calling it a destabilizing factor in the Asia-Pacific region. In response, China increased its military presence in the South China Sea, including the deployment of additional surface ships and aircraft to counter perceived threats from AUKUS naval activities.
- **Regional Influence:** AUKUS has led to increased security collaboration among non-AUKUS countries in the region. In 2024, Japan and India, although not members of AUKUS, participated in joint exercises with AUKUS nations, signaling broader regional support for countering China's influence.

#### **f. Economic and Diplomatic Repercussions**

- **Australia-China Trade Relations:** Despite the military tensions, China remains Australia's largest trading

partner. In 2023, bilateral trade was valued at AUD 252 billion (approximately USD 168 billion). However, trade tensions have escalated, with China imposing additional tariffs on Australian wine, coal, and barley in retaliation for AUKUS.

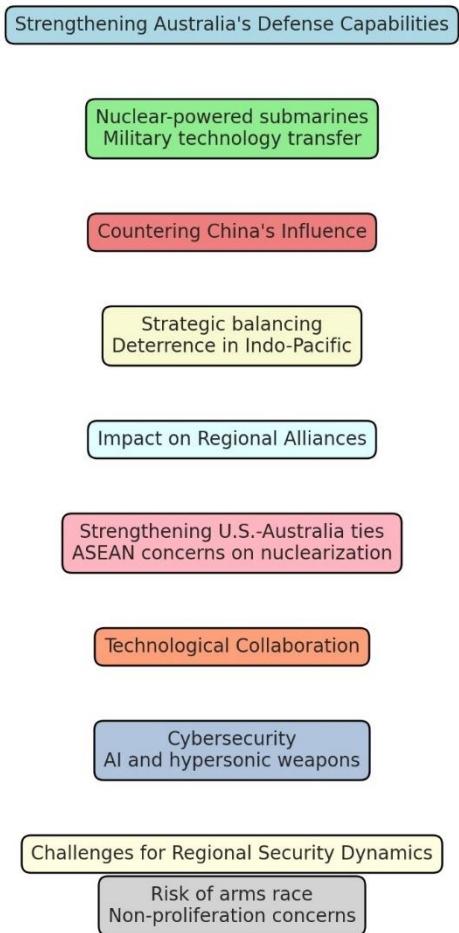
- **Diplomatic Tensions:** The AUKUS agreement has led to increased diplomatic tensions between China and AUKUS members. In 2024, China downgraded its diplomatic relations with Australia and imposed travel restrictions on Australian officials, further straining bilateral relations.

Military Comparison: QUAD vs AUKUS (Matrix Format)

| Category                 | QUAD                                                                               | AUKUS                                                                                          |
|--------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Purpose and Focus        | Indo-Pacific security<br>Regional stability<br>Counter China's influence           | Military technology sharing<br>Enhance Australia's military power<br>Counter China's influence |
| Scope                    | Joint military drills<br>Maritime security<br>Interoperability                     | Technology transfer<br>Defense integration<br>Nuclear-powered submarines                       |
| Military Assets          | Naval exercises<br>Anti-submarine warfare<br>Air defense drills                    | Nuclear-powered submarines<br>AI, Hypersonic missiles<br>Cybersecurity collaboration           |
| Type of Alliance         | Strategic dialogue<br>Not a formal defense alliance                                | Formal defense pact<br>Military modernization                                                  |
| Key Military Initiatives | Malabar Naval Exercise<br>Intelligence sharing<br>Cooperation on regional security | Australia's nuclear submarines<br>Collaboration on AI<br>Quantum and hypersonic technologies   |

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

### AUKUS Impact on Regional Security: Flowchart



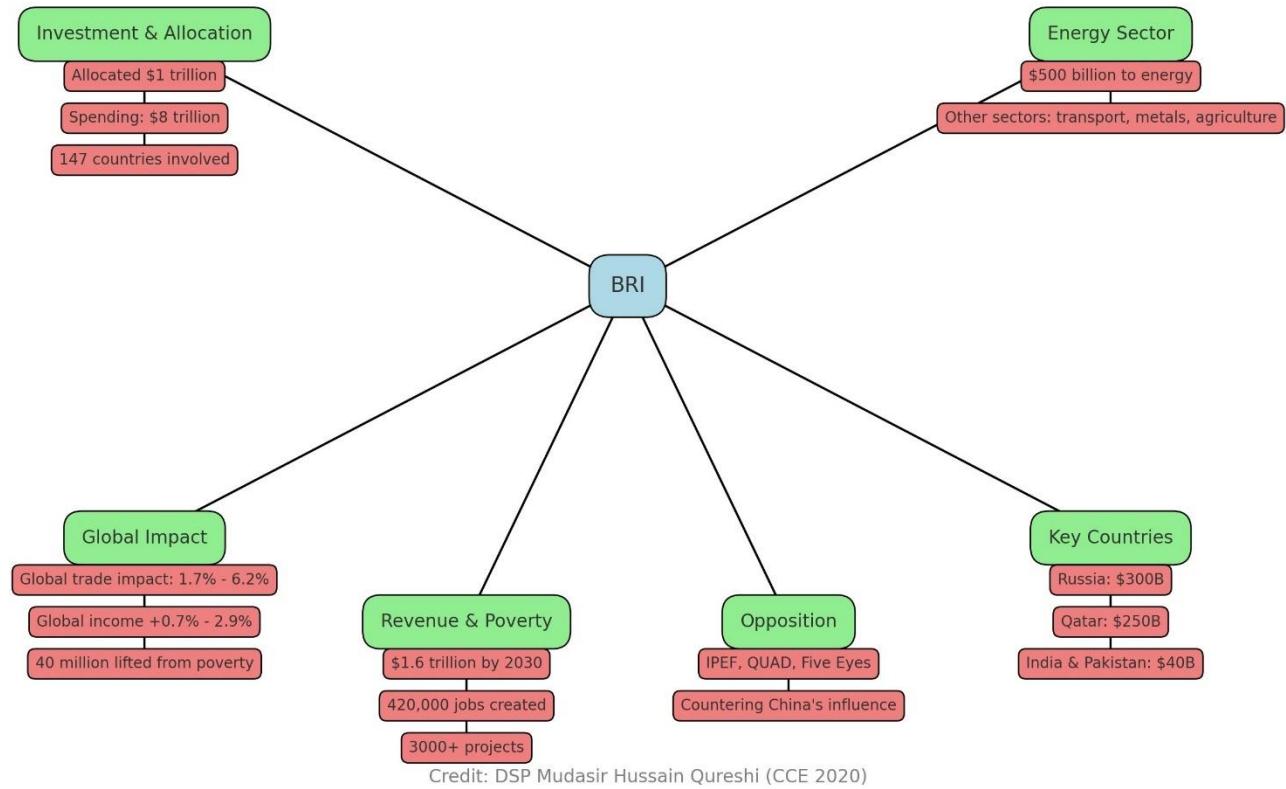
Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

## BRI

1. China has allocated an estimated \$1 trillion towards its BRI projects.
2. There are six economic corridors under the BRI initiative.
3. To date, some 147 countries have signed on to BRI projects or indicated an interest in doing so.
4. In total, China has already disbursed an estimated \$1 trillion on such efforts and may spend as much as \$8 trillion over the life of the project.
5. Approximately \$500 billion has been directed towards energy. The rest has been distributed among transport, metals, agriculture, finance, real estate, and technology sectors.
6. Russia leads with a project value of \$300 billion.

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7. Qatar follows with \$250 billion.
8. Malaysia has \$150 billion.
9. Egypt and Turkey both have \$100 billion.
10. India and Pakistan have \$40 billion each.
11. China spent \$240 billion bailing out 22 countries between 2008 and 2021.
12. BRI transportation projects, if fully implemented, could increase global trade between 1.7% and 6.2%, increasing global real incomes by 0.7% to 2.9%. (Source: World Bank report)
13. Total trade between China and its BRI partners amounted to US\$19.1 trillion by the end of 2022. (Source: World Bank report)
14. Three key words for BRI's development in 2024 and the next decade are identified as global development initiative, global security initiative, and global civilization initiative.
15. According to World Bank estimates, by 2030, the BRI is expected to generate \$1.6 trillion in annual global revenue, equivalent to 1.3% of global GDP.
16. Statistics show that the BRI has helped lift about 40 million people out of poverty in participating countries.
17. It has generated up to \$1 trillion of investment globally, created over 3,000 projects, and contributed to the creation of 420,000 jobs over the past decade.
18. Anti-China lobbies, such as the Indo-Pacific Economic framework (IPEF), Five Eyes alliance, and Quad, have emerged as alliances countering the BRI.



## 19. Global Reach and Investment

- Countries Involved:** As of 2024, the Belt and Road Initiative includes participation from over 140 countries across Asia, Africa, Europe, and Latin America.
- Total Investment:** Since its launch in 2013, the BRI has seen over \$1.3 trillion in investments and contracts, with \$120 billion invested in 2023 alone. These investments cover infrastructure projects like railways, highways, ports, and energy pipelines.
- Africa Focus:** Africa remains a major focus of BRI investments. By 2024, China has invested over \$200 billion in infrastructure projects across the continent, including \$30 billion in new projects in 2023.

## 20. Major Projects

- China-Pakistan Economic Corridor (CPEC):** A flagship BRI project, CPEC has seen cumulative investments reach \$62 billion as of 2024, with key projects including the Gwadar Port, energy plants, and highway networks.
- Europe Connectivity:** BRI has facilitated the construction of over 10,000 km of railways connecting China to Europe. In 2023, the

China-Europe rail freight network saw over 16,000 trips, a 10% increase from 2022, transporting goods worth approximately \$75 billion.

- **Southeast Asia Infrastructure:** In 2024, China announced an additional \$15 billion in investments for infrastructure projects in Southeast Asia, focusing on high-speed rail networks and port developments.

## 21. Economic Impact

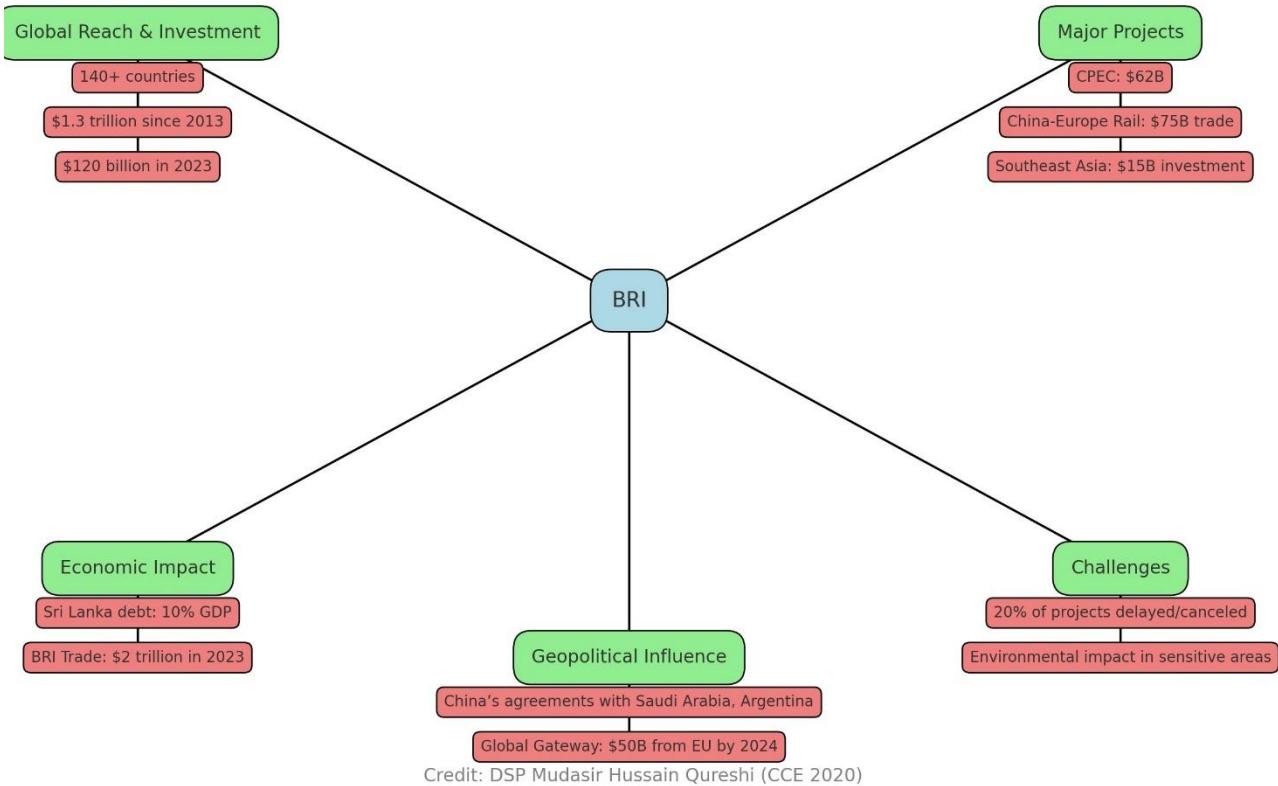
- **Debt Concerns:** As of 2024, BRI-related debt has become a concern for several participating countries. Countries like Sri Lanka, Laos, and Zambia have seen their debt-to-GDP ratios rise significantly due to large-scale BRI loans. For instance, Sri Lanka's external debt related to BRI projects was estimated at 10% of its GDP in 2024.
- **Trade Growth:** Trade between China and BRI countries reached \$2 trillion in 2023, a 5% increase from the previous year. This trade accounts for nearly 30% of China's total foreign trade.

## 22. Challenges and Criticism

- **Project Delays and Cancellations:** In 2024, approximately 20% of BRI projects faced delays or cancellations due to financial difficulties, political instability, and environmental concerns in host countries. High-profile cancellations include the Myitsone Dam project in Myanmar and the East Coast Rail Link in Malaysia.
- **Environmental Impact:** Concerns over the environmental impact of BRI projects have intensified. In 2023, studies indicated that over 40% of BRI infrastructure projects were in ecologically sensitive areas, contributing to deforestation and biodiversity loss.

## 23. Geopolitical Impact

- **Strategic Influence:** The BRI continues to be a tool for China's strategic influence. In 2024, China signed new strategic agreements with countries like Saudi Arabia and Argentina under the BRI framework, expanding its geopolitical reach.
- **U.S. and EU Response:** In response to the BRI, the U.S. and European Union have increased funding for alternative infrastructure projects in developing countries. The EU's Global Gateway initiative, launched to compete with BRI, pledged \$300 billion in funding by 2027, with \$50 billion allocated by 2024.



## **B3W**

### 1. Composition

- Initiative Origin:** B3W was launched by the G7 countries in June 2021.
- Member Countries:** The G7 countries include the United States, United Kingdom, Canada, France, Germany, Italy, and Japan.
- Four Pillars:** B3W focuses on climate, health and health security, digital technology, and gender equity.
- Global Partnerships:** B3W seeks to collaborate with other countries and international organizations.

### 2. Expansion

- Global Reach:** Targets low- and middle-income countries around the world.
- Regional Focus:** While global in scope, B3W has a particular focus on the Indo-Pacific region.

### 3. Investment

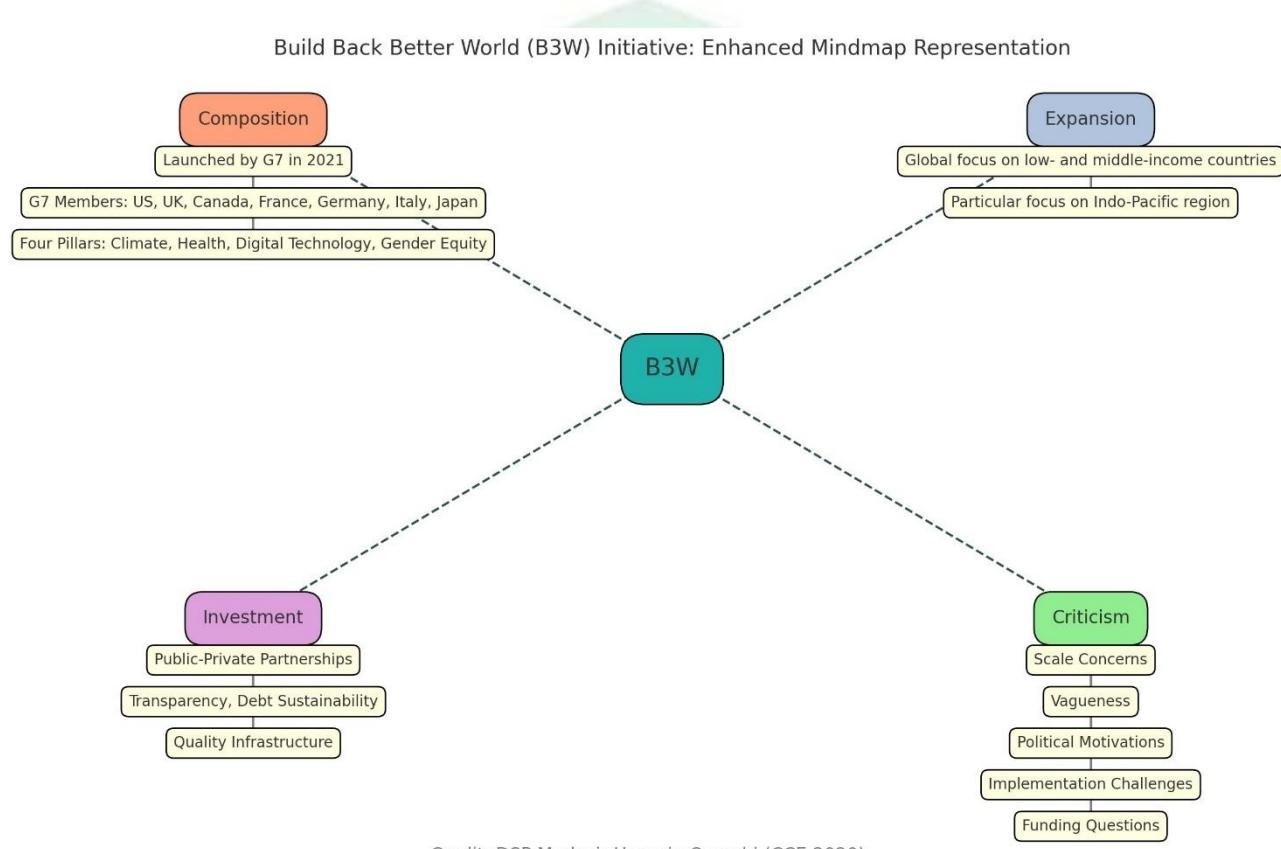
- Public-Private Partnerships:** B3W relies on a mix of public and

private funding.

- b. **Transparency:** Emphasizes transparent investment practices.
- c. **Debt Sustainability:** Focuses on projects that do not lead to unsustainable debt for partner countries.
- d. **Quality Infrastructure:** Prioritizes high-standard, resilient infrastructure.

#### 4. Criticism

- a. **Scale Concerns:** Critics argue that B3W may not be able to match the scale of China's Belt and Road Initiative (BRI).
- b. **Vagueness:** The initiative has been criticized for lacking specific details and commitments.
- c. **Implementation Challenges:** Questions have been raised about the feasibility of implementing projects in a timely manner.
- d. **Political Motivations:** Some see B3W as a geopolitical tool to counter China's influence.
- e. **Funding Questions:** Concerns exist about whether sufficient funding will be allocated to the initiative.



## **South China Sea**

1. The South China Sea is a vital trade artery, with \$3.4 trillion or about 21% of global trade in 2016 passing through its waters, according to chinapower.csis.org.
2. The United Nations Conference on Trade and Development (UNCTAD) estimates that roughly 80% of global trade by volume and 70% by value is transported by sea. Of that volume, 60% of maritime trade passes through Asia, with the South China Sea carrying an estimated one-third of global shipping.

### **3. Economic Importance**

- a. **Trade Routes:** The South China Sea is one of the world's busiest trade routes, with over \$3 trillion worth of global trade passing through its waters annually.
- b. **Natural Resources:** The region is rich in natural resources like oil and natural gas. Estimates suggest that it holds around 11 billion barrels of oil and 190 trillion cubic feet of natural gas.

### **4. Geopolitical Developments**

- a. **Territorial Claims:** Multiple countries, including China, Vietnam, the Philippines, Malaysia, and Brunei, have overlapping territorial claims in the South China Sea.
- b. **China's Nine-Dash Line:** China's expansive claims, represented by the "Nine-Dash Line," have been a significant point of contention.
- c. **U.S. Freedom of Navigation Operations (FONOPs):** The U.S. Navy conducts FONOPs to challenge China's territorial claims.
- d. **Investment in Infrastructure:** China has been investing in port facilities in the region, raising concerns about its long-term intentions.

### **5. Global Political Developments**

- a. **International Law:** The 2016 Permanent Court of Arbitration ruling against China's claims has not been enforced, raising questions about the role of international law.
- b. **Global Governance:** The South China Sea issue has been discussed at various international forums like the UN, G7, and ASEAN summits.

### **6. Trade and Economy**

- a. **\$3.37 Trillion:** Estimated value of annual trade passing through the South China Sea.
- b. **11 Billion:** Barrels of untapped oil reserves in the South China Sea.

- c. **190 Trillion**: Cubic feet of natural gas reserves in the region.
- d. **10%**: Share of the world's fisheries located in the South China Sea.

## 7. Sea Lines of Communication

- a. **3**: Major chokepoints in the South China Sea (Strait of Malacca, Sunda Strait, Luzon Strait).
- b. **30%**: Proportion of global maritime trade that transits through the South China Sea.

## 8. Military Bases

- a. **3**: Number of runways built by China on artificial islands.
- b. **27**: Number of outposts in the Spratly Islands.
- c. **5**: Number of countries with military presence in the South China Sea (China, Taiwan, Vietnam, Philippines, Malaysia).

## 9. Energy Security

- a. **50%**: Percentage of global oil tanker shipments that pass through the South China Sea.
- b. **39.5%**: Share of global liquid natural gas that passes through the South China Sea.
- c. **8 Million**: Barrels of crude oil transported daily through the South China Sea.

## 10. Rivalry and International Trade

- a. **\$5 Trillion**: Estimated worth of trade between China and Africa facilitated by the South China Sea.
- b. **\$1.3 Trillion**: U.S. trade passing through the South China Sea.
- c. **70%**: China's oil imports that pass through the South China Sea.

## 11. Superpower Rivalry

- a. **2**: Number of aircraft carriers the U.S. has patrolled in the South China Sea.
- b. **5**: Number of Freedom of Navigation Operations (FONOPs) conducted by the U.S. in 2020.
- c. **\$400 Billion**: Value of China-Iran trade deal affecting South China Sea dynamics.

### Trade Importance

\$3.4 trillion or 21% of global trade

30% of global maritime trade passing through South China Sea

### Natural Resources

11 billion barrels of oil reserves

190 trillion cubic feet of natural gas reserves

### Geopolitical Developments

Multiple territorial claims: China, Vietnam, Philippines

China's Nine-Dash Line

### Military Bases

3 runways built by China on artificial islands

27 outposts in the Spratly Islands

### Energy Security

50% of global oil tanker shipments

39.5% of global LNG passes through South China Sea

### Rivalry and International Trade

China-Africa trade: \$5 trillion

U.S. trade: \$1.3 trillion

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

## 12.2024 Developments

- a. **Artificial Islands:** China has built over 3,200 acres of artificial islands in the South China Sea since 2013, with significant military infrastructure including runways, ports, and missile systems on features such as Fiery Cross, Subi, and Mischief Reefs.
- b. **Military Installations:** As of 2024, China has deployed anti-ship and surface-to-air missile systems, radar installations, and military aircraft on at least seven of its artificial islands. These installations allow China to project power across the region.
- c. **U.S. Freedom of Navigation Operations:** In 2023, the U.S. Navy conducted 12 FONOPs in the South China Sea to challenge China's territorial claims, a slight increase from 10 FONOPs in 2022. These operations involved U.S. destroyers and aircraft carriers passing near disputed

**DSP Mudasir Hussain Qureshi (CCE 2020)**

features.

- d. **Chinese Naval Activity:** The People's Liberation Army Navy (PLAN) increased its patrols and military exercises in the South China Sea, conducting over 60 naval drills in 2023. These drills included live-fire exercises and simulated amphibious assaults, often near disputed areas like the Spratly and Paracel Islands.
- e. **ASEAN Diplomatic Efforts:** In 2024, ASEAN continued negotiations with China on a Code of Conduct (COC) for the South China Sea, although significant disagreements remain, particularly regarding the inclusion of binding dispute resolution mechanisms.
- f. **U.S. Military Alliances:** The U.S. has strengthened its military alliances with regional partners, including the Philippines, Japan, and Australia. In 2024, the U.S. signed a new defense agreement with the Philippines, allowing greater access to Philippine military bases, which is seen as a counter to China's actions in the South China Sea.
- g. **Coral Reef Destruction:** China's island-building and dredging activities have led to the destruction of over 130 square kilometers of coral reefs in the South China Sea, according to a 2023 report by the Asia Maritime Transparency Initiative (AMTI).

| 2024 Developments                              | Details                                                                                                   |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Artificial Islands                             | Over 3,200 acres of artificial islands built by China since 2013 with runways, ports, and missile systems |
| Military Installations                         | Anti-ship missiles, radar, military aircraft on seven islands, projecting power across the region         |
| U.S. Freedom of Navigation Operations (FONOPs) | 12 FONOPs in 2023, involving U.S. destroyers and aircraft carriers near disputed features                 |
| Chinese Naval Activity                         | 60 naval drills in 2023 by the People's Liberation Army Navy (PLAN), including live-fire exercises        |
| ASEAN Diplomatic Efforts                       | ASEAN continued COC negotiations with China, disagreements on binding dispute resolution                  |
| U.S. Military Alliances                        | U.S. signed a defense agreement with the Philippines for greater military base access in 2024             |
| Coral Reef Destruction                         | 130 square kilometers of coral reefs destroyed by China's dredging and island-building activities         |

Credit: DSP Mudasir Hussain Qureshi (CCE 2020)

## Indian Ocean

### 1. Trade and Economy

- The Pentagon estimates about 62% of China's oil and 17% of its natural gas imports transit the Malacca Strait and South China Sea, key Indian Ocean gateways.
- \$5.3 Trillion:** The estimated value of annual trade passing through the Indian Ocean.
- 80%:** Percentage of the world's seaborne oil trade that passes through the Indian Ocean.
- 40%:** Share of the world's offshore petroleum located in the Indian Ocean basin.
- 23:** Number of Indian Ocean Rim Association (IORA) member states focused on economic cooperation.

### 2. Sea Lines of Communication

- a. **3**: Major chokepoints in the Indian Ocean (Strait of Hormuz, Strait of Malacca, Bab el Mandeb).
- b. **30%**: Proportion of global maritime trade that transits through the Indian Ocean.
- c. **17 million**: Barrels of oil per day that pass through the Strait of Hormuz.

### 3. Military Bases

- a. **1**: China's first overseas military base in Djibouti.
- b. **4,000**: Personnel stationed at the U.S. military base in Diego Garcia.
- c. **7**: Number of military bases India has in the Andaman and Nicobar Islands.

### 4. Energy Security

- a. **31.2%**: Share of the world's known oil reserves located in the Indian Ocean region.
- b. **40%**: Percentage of the world's oil supply that comes from the Indian Ocean.

### 5. International Politics

- a. **38**: Number of countries that have a coastline along the Indian Ocean.
- b. **2.7 Billion**: Population living in Indian Ocean Rim countries.
- c. **5**: Number of nuclear-armed countries with a presence in the Indian Ocean (U.S., Russia, India, Pakistan, China).

### 6. Rivalry and International Trade

- a. **\$300 Billion**: Estimated worth of illegal fishing and poaching in the Indian Ocean.
- b. **\$1 Trillion**: Projected value of Africa-Asia trade by 2030, facilitated by the Indian Ocean.

### 7. Superpower Rivalry

- a. **3**: Number of aircraft carriers India plans to deploy in the Indian Ocean by 2030.
- b. **200**: Number of Chinese fishing vessels reportedly escorted by naval ships in the Indian Ocean.
- c. **5**: Number of Quad countries actively patrolling the Indian Ocean (U.S., India, Japan, Australia, and France as a dialogue partner).

### 8. Geopolitical Developments

- a. **China's String of Pearls**: China's establishment of naval bases and ports in countries like Sri Lanka and Pakistan.
- b. **India's Act East Policy**: India's efforts to strengthen ties with Southeast Asian nations.

- c. **U.S. Indo-Pacific Strategy:** The U.S. focus on the Indian Ocean as part of its broader Indo-Pacific strategy.
- d. **Russia's Interest:** Russia's naval exercises and arms sales in the region.
- e. **Iran's Influence:** Iran's strategic location at the Strait of Hormuz.
- f. **Saudi Arabia's Role:** Saudi investments in ports and infrastructure.
- g. **Turkey's Outreach:** Turkey's increasing naval presence and partnerships.
- h. **Israel-India Relations:** Growing defense and intelligence cooperation.
- i. **France's Overseas Territories:** France's strategic islands in the Indian Ocean.
- j. **UK's Return:** The UK's renewed focus on the Indian Ocean post-Brexit.

## 9. Geostrategic Developments

- a. **Diego Garcia:** The U.S. military base's strategic importance.
- b. **Andaman and Nicobar Islands:** India's strategic archipelago near the Malacca Strait.
- c. **Djibouti Base:** China's first overseas military base.
- d. **Gwadar Port:** Pakistan's deep-water port developed by China.
- e. **Chabahar Port:** India's counter to Gwadar in Iran.
- f. **Seychelles:** Strategic importance for anti-piracy operations.
- g. **Mauritius:** Importance for regional security and surveillance.
- h. **Maldives:** Strategic location for naval operations.
- i. **Sri Lanka's Hambantota Port:** Leased to China, raising strategic concerns.
- j. **Joint Naval Exercises:** Increasing frequency of multilateral naval exercises.

## 10. Geo-Economic Developments

- a. **Suez Canal:** Critical for global trade.
- b. **Oil and Gas Reserves:** The Indian Ocean's untapped energy potential.
- c. **Fishing Industry:** A significant source of livelihood for coastal nations.
- d. **Maritime Trade Routes:** Over 80% of the world's seaborne oil trade passes through the Indian Ocean.
- e. **Rare Earth Minerals:** Exploration of underwater minerals.
- f. **Tourism:** A significant economic driver for island nations.

- g. **Blue Economy:** Sustainable use of ocean resources.
- h. **Port Development:** Investments in modernizing ports.
- i. **Special Economic Zones:** Around ports like Gwadar and Colombo.
- j. **Submarine Cables:** Critical for global internet infrastructure.

## 11. International Political Economy

- a. **Trade Agreements:** Like the Regional Comprehensive Economic Partnership (RCEP).
- b. **Belt and Road Initiative:** China's economic projects in the region.
- c. **Foreign Direct Investment:** Particularly from China, the U.S., and the EU.
- d. **Sanctions:** Impact of sanctions on Iran and its oil exports.
- e. **Debt Diplomacy:** Concerns about China's lending practices.
- f. **Climate Change:** Impact on coastal economies and fisheries.
- g. **Piracy:** Impact on insurance and trade costs.
- h. **Labor Migration:** Economic implications for countries like India and Bangladesh.
- i. **Technology Transfer:** In sectors like fisheries and renewable energy.
- j. **Resource Management:** Conflicts over fishing rights and mineral exploration.
- k. **Economic Corridors:** Like the Bangladesh-China-India-Myanmar (BCIM) Economic Corridor.

## 12. Global Political Developments

- a. **Quad Alliance:** Strategic dialogue between the U.S., India, Japan, and Australia.
- b. **BRICS:** Role of India and China in the BRICS coalition.
- c. **Indian Ocean Rim Association (IORA):** Regional cooperation on economic and security issues.
- d. **Shanghai Cooperation Organization:** India and Pakistan's membership.
- e. **ASEAN:** The bloc's growing importance in Indian Ocean geopolitics.
- f. **United Nations:** Resolutions on piracy and maritime security.
- g. **Nuclear Politics:** India and Pakistan's nuclear capabilities.
- h. **Terrorism:** Impact of terrorist groups like Al-Shabaab and Lashkar-e-Taiba.
- i. **Blue Dot Network:** In response to the BRI, the U.S., Japan, and Australia have promoted the Blue Dot Network, certifying infrastructure projects that meet high standards of transparency,

sustainability, and financial responsibility. **By 2024**, the Blue Dot Network had certified \$20 billion worth of projects in the Indian Ocean region, including major developments in India and East Africa.

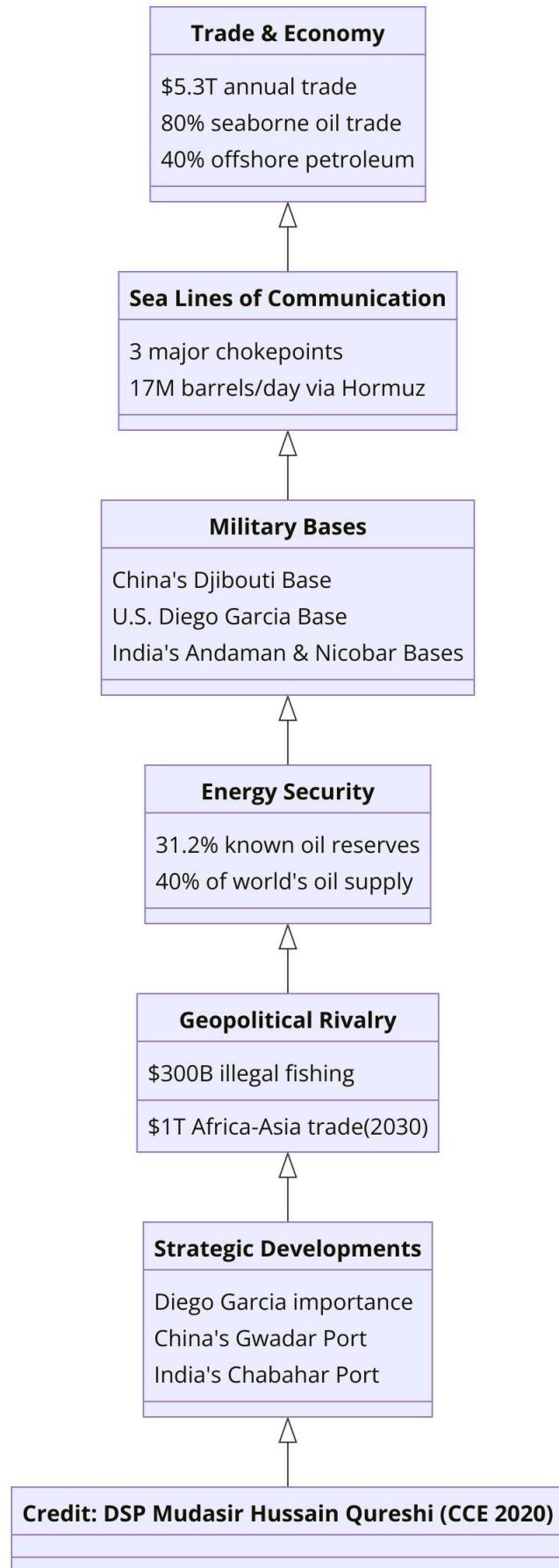
### **13. Diplomatic and Strategic Alliances**

#### **a. U.S.-India Strategic Partnership:**

- QUAD Engagement: The Quadrilateral Security Dialogue (QUAD) involving the U.S., India, Japan, and Australia continues to play a critical role in coordinating policies and military strategies in the Indian Ocean region. In 2024, the QUAD expanded its scope to include joint investments in regional infrastructure and supply chain security.
- Defense Agreements: The U.S. and India signed a new defense cooperation agreement in 2024, enhancing intelligence sharing, joint military exercises, and arms sales. The agreement includes the sale of MQ-9B drones to India, enhancing its surveillance capabilities over the Indian Ocean.

#### **b. China's Influence in the Indian Ocean Rim:**

- Strategic Partnerships: China has deepened its relationships with Indian Ocean littoral states through economic aid, military training, and infrastructure investments. By 2024, China had signed strategic partnerships with over 15 countries in the region, including Pakistan, Bangladesh, and Myanmar, increasing its geopolitical leverage.



## **Indo-Pacific**

### **1. Trade and Economy**

- a. **\$28 Trillion**: Combined GDP of the Indo-Pacific region.
- b. **60%**: Share of the global GDP contributed by the Indo-Pacific.

### **2. Sea Lines of Communication**

- a. **9**: Major chokepoints in the Indo-Pacific, including the Strait of Malacca and Strait of Hormuz.
- b. **80,000**: Number of vessels that pass through the Strait of Malacca each year.

### **3. Military Bases**

- a. **800**: Number of U.S. military bases in the Indo-Pacific.
- b. **1**: China's first overseas military base in Djibouti.
- c. **7**: Number of military bases India has in the Andaman and Nicobar Islands.

### **4. Energy Security**

- a. **85%**: Percentage of China's oil imports that pass through the Indo-Pacific.

### **5. Superpower Rivalry**

- a. **3**: Number of aircraft carriers India plans to deploy in the Indian Ocean by 2030

### **6. Tens of billions of dollars from the \$875 billion National Defense Authorization Act is slated to support U.S. dominance in the Indo-Pacific, adding to the nearly \$34 trillion national debt. The debt is projected to grow to over \$45 trillion by 2027, with government interest payments on the debt expected to be around \$3 trillion per year.**



## **Saudi-Iran Rapprochement**

1. On January 20, 2024, the Sudanese and Iranian governments have agreed to expedite the process of restoring diplomatic representation and reopening embassies in their respective countries. This decision follows the resumption of diplomatic relations between Sudan and Iran on October 9, 2023, after a seven-year hiatus.
2. June 6, 2023 = Iran reopens embassy in KSA, after 7 years of hiatus, establishing bilateral diplomatic relations
3. America First policy pursued by Donald Trump: He went on to say in 2018 that the Saudi King wouldn't last 'two weeks' without US support and that it should pay more for its defense.
4. A subsequent attack on Aramco's oil facilities in 2019 knocked out around half of the Kingdom's oil output, further aggravating the Kingdom's anxieties with regard to its security.
5. Biden campaign statements: promised to make Saudis "pay the price, and make them, in fact, the pariah
6. 2022 = cold reception of Biden in KSA
7. **Trade Agreements:** In 2024, Saudi Arabia and Iran signed a series of trade agreements totaling \$10 billion, focusing on energy, petrochemicals, and agriculture. This marked a significant increase from the negligible trade volumes between the two countries in previous years.

### **8. Economic Impact**

- **Joint Economic Projects:** The rapprochement has led to the announcement of several joint economic projects, including a \$3 billion investment in a shared oil refinery in the Persian Gulf, set to begin construction in late 2024.
- **Increase in Bilateral Trade:** Bilateral trade between Saudi Arabia and Iran is expected to reach \$15 billion by the end of 2024, a significant increase from less than \$1 billion in 2022, primarily driven by renewed energy and petrochemical exports.

### **9. Regional Security**

- **De-escalation of Conflicts:** The Saudi-Iran rapprochement has contributed to de-escalation in several regional conflicts where the two countries were on opposing sides, particularly in Yemen. In 2023, a ceasefire in Yemen was largely upheld, with negotiations for a permanent peace settlement ongoing as of 2024.
- **Security Agreements:** In January 2024, Saudi Arabia and Iran signed a security cooperation agreement focused on combating terrorism and drug trafficking, marking the first such agreement between the two

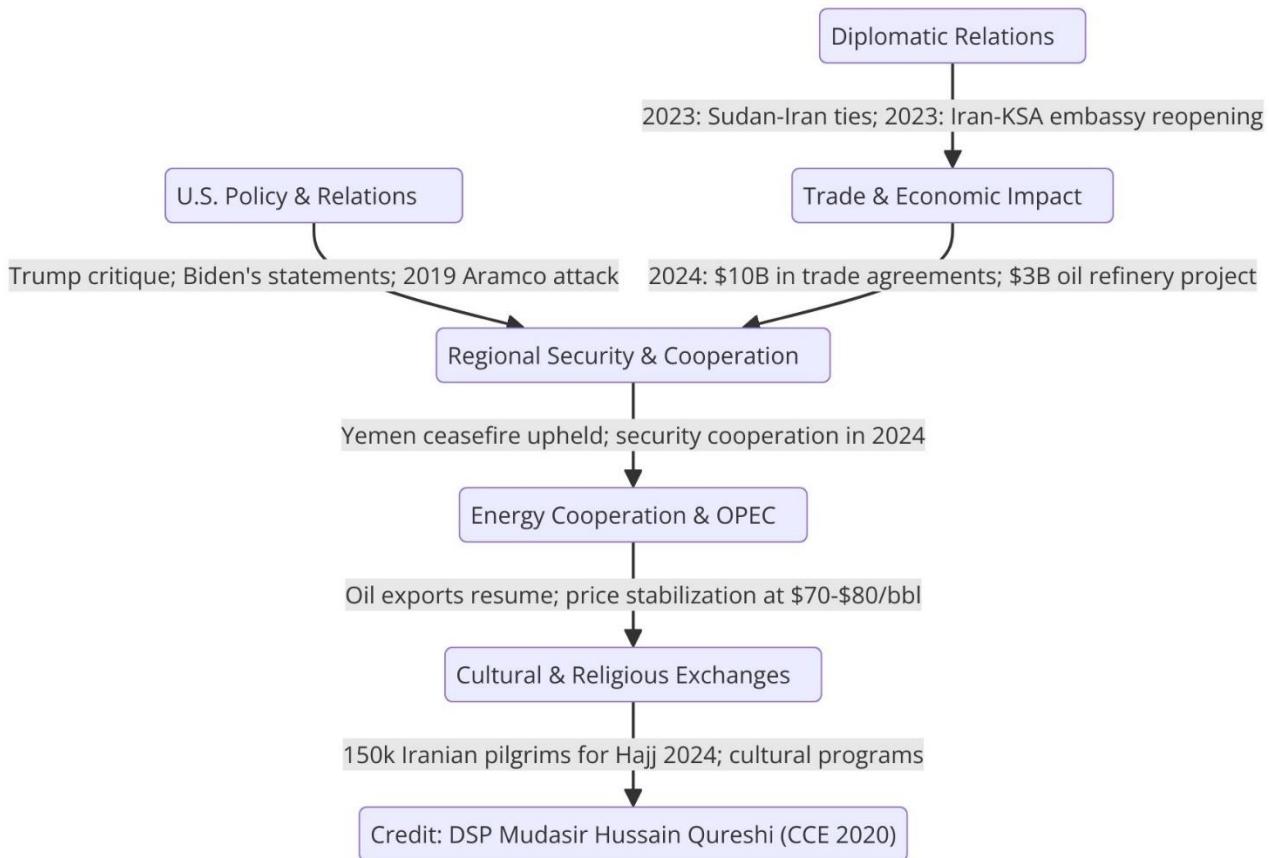
nations in decades.

## 10. Energy Cooperation

- **OPEC Coordination:** The rapprochement has improved coordination within OPEC, with both Saudi Arabia and Iran playing leading roles in stabilizing global oil markets. In 2024, the two countries agreed on a joint strategy to manage oil production levels, helping to maintain oil prices within a target range of \$70-\$80 per barrel.
- **Oil Exports:** Iran's oil exports to Saudi Arabia resumed in late 2023, with an initial export volume of 200,000 barrels per day. This is expected to increase as infrastructure for oil transport between the two countries is upgraded.

## 11. Cultural and Religious Exchanges

- **Pilgrimage Coordination:** Saudi Arabia and Iran agreed to increase the quota for Iranian pilgrims attending the Hajj and Umrah, with 150,000 Iranian pilgrims expected to attend the Hajj in 2024, up from 90,000 in 2023.
- **Cultural Exchanges:** 2024 has seen the launch of several cultural exchange programs, including academic collaborations and media partnerships, aimed at improving people-to-people ties between the two nations.



## Nuclear Proliferation

1. Experts estimate that Pakistan has 110 to 130 warheads and two types of delivery vehicles: aircraft and surface-to-surface missiles.
2. Pakistan is working on sea-launched cruise missiles to complete its own triad.
3. India's nuclear-powered ballistic missile submarine "INS Arihant" became operational, giving the country a "nuclear triad" – the ability to launch nuclear strikes by land, air and sea.
4. India has a "no first use" policy, meaning it has pledged to not strike first.
5. Pakistan has not stated a "no first use" policy and there is little known about its nuclear doctrine.

### **6. Global Nuclear Arsenal**

- **Nuclear-Armed States:** As of 2024, there are nine recognized nuclear-armed states: the United States, Russia, China, France, the United Kingdom, India, Pakistan, North Korea, and Israel (undeclared but widely recognized).
- **Global Nuclear Warheads:** The total number of nuclear warheads

globally is approximately 12,500. The U.S. and Russia together possess about 90% of these, with the U.S. having around 5,500 warheads and Russia approximately 6,200.

- **China's Nuclear Arsenal:** China's nuclear arsenal has grown to an estimated 410 warheads in 2024, reflecting a significant increase as part of its broader military modernization efforts.

## 7. Treaty Participation and Compliance

- **Nuclear Non-Proliferation Treaty (NPT):** The NPT remains the cornerstone of global nuclear non-proliferation efforts, with 191 signatory states as of 2024. However, North Korea withdrew from the treaty in 2003, and India, Pakistan, and Israel have never signed it.
- **Comprehensive Nuclear-Test-Ban Treaty (CTBT):** As of 2024, 170 countries have ratified the CTBT, but the treaty has not yet entered into force because eight key states, including the U.S., China, and India, have not ratified it.
- **New START Treaty:** The New START Treaty between the U.S. and Russia, which limits deployed strategic nuclear warheads and delivery systems, is set to expire in 2026. As of 2024, both countries are in compliance, with each maintaining around 1,550 deployed strategic warheads.

## 8. Nuclear Proliferation Concerns

- **North Korea:** North Korea continues to expand its nuclear capabilities, with estimates in 2024 suggesting it possesses 40 to 50 nuclear warheads. In 2023, North Korea conducted its 7th nuclear test, claiming to have successfully tested a thermonuclear bomb (hydrogen bomb).
- **Iran:** Iran's nuclear program remains a significant concern. As of 2024, Iran has enriched uranium to 60% purity, approaching weapons-grade levels, though it has not yet reached the 90% enrichment required for a nuclear weapon. The International Atomic Energy Agency (IAEA) has reported increased uranium stockpiles in Iran, totaling over 2,500 kg.
- **Saudi Arabia:** Saudi Arabia has announced plans to develop a nuclear energy program, with the construction of its first nuclear power plant expected to begin in 2024. While Saudi Arabia claims the program is for peaceful purposes, there are concerns about potential future proliferation.

## 9. Nuclear Disarmament and Non-Proliferation Initiatives

- **Treaty on the Prohibition of Nuclear Weapons (TPNW):** The TPNW, which entered into force in 2021, now has 94 signatories and 68 ratifications as of 2024. However, none of the nuclear-armed states have joined the treaty, limiting its impact on actual disarmament.
- **Global Spending on Nuclear Weapons:** Global spending on nuclear weapons in 2024 is estimated to exceed \$85 billion, with the U.S. accounting for nearly half of this expenditure. China and Russia have also increased their nuclear spending, reflecting ongoing modernization efforts.



## NATO

### Basic Information

- Founded in 1949 to counter Soviet aggression
- The Partnership for Peace (PfP) initiative was launched in 1994 to include former Warsaw Pact members and allay Russia's concerns.

- c. The alliance's first combat operations were in Bosnia and Herzegovina in 1994.
- d. NATO invoked Article V for the first time after the 9/11 attacks and took command of the International Security Assistance Force (ISAF) in Afghanistan in 2003.
- e. Headquartered in Brussels, NATO operates on a consensus basis.
- f. The military structure comprises two strategic commands
- g. Jens Stoltenberg is the current secretary-general, with his mandate extended until September 2024.
- h. Russia's actions have also led to NATO's expansion, with Finland joining the alliance in April 2023 and Sweden in March 2024.
- i. NATO suspended all cooperation with Russia after its annexation of Crimea in 2014.

### **NATO's Expansion of Membership**

#### **j. New Members**

- i. **Poland, Hungary, Czech Republic:** Joined NATO in 1999.
- ii. **Baltic States:** Estonia, Latvia, and Lithuania joined in 2004.
- iii. **Balkan Expansion:** Albania and Croatia joined in 2009.
- iv. **Montenegro:** Became a NATO member in 2017.
- v. **North Macedonia:** Joined NATO in 2020.
- vi. **Finland:** Joins NATO as 31<sup>st</sup> member in April 2023
- vii. **Sweden:** Joins NATO as 32<sup>nd</sup> member in March 2024.

#### **k. Membership Action Plans**

- i. **Georgia:** Granted a Membership Action Plan in 2008.
- ii. **Bosnia and Herzegovina:** Granted a Membership Action Plan in 2010.
- iii. **Ukraine:** Expressed interest in a Membership Action Plan, though not yet granted.

### **2. Regional Focus**

- a. **Balkan Stability:** Focus on stabilizing the Balkan region through NATO membership.
- b. **Eastern Flank:** Emphasis on strengthening NATO's eastern flank through new memberships.

### **3. Strategic Realignments**

- a. **Shift from 'Out-of-Area' Operations:** Post-Cold War focus on 'out-of-area' operations shifted back to territorial defense due to Russian actions.

- b. **NATO 2030:** Strategic initiative aimed at adapting NATO for the future, including potential expansion.
- c. **Global Partnerships:** Expansion of partnerships beyond Europe, including Asia-Pacific countries concerned about Russian activities.
- d. **Two-Track Approach:** Maintaining a two-track approach of defense and dialogue towards Russia.

#### 4. Defense Spending

- a. **Defense Spending Commitment:** NATO members have committed to spending at least 2% of their GDP on defense. As of 2024, 24 out of 32 NATO countries are expected to meet this target, up from 19 in 2022.
- b. **U.S. Contribution:** The United States remains the largest contributor to NATO, accounting for approximately 70% of total NATO defense spending, with a defense budget of around \$824 billion in 2024.
- c. **Total NATO Defense Budget:** The combined defense spending of all NATO members in 2024 is projected to exceed \$1.3 trillion, marking a 6% increase from 2023, largely due to increased contributions from European allies and the U.S.

#### 5. Military Capabilities

- a. **Rapid Reaction Force:** In response to the increased threat perception from Russia, NATO has expanded its Very High Readiness Joint Task Force (VJTF), which now comprises around 40,000 troops ready to deploy within days, up from 20,000 in 2023.
- b. **NATO Air Policing:** In 2024, NATO's Baltic Air Policing mission involves continuous rotations of fighter jets from member states to secure the airspace over Estonia, Latvia, and Lithuania. NATO conducted over 500 air patrols in the region in 2023, a 15% increase from 2022.

#### 6. Military Deployments and Exercises

- a. **NATO Enhanced Forward Presence (eFP):** As of 2024, NATO's eFP consists of multinational battlegroups stationed in Estonia, Latvia, Lithuania, and Poland, totaling around 12,000 troops. These battlegroups are led by the UK, Canada, Germany, and the U.S., respectively.
- b. **Steadfast Defender 2024:** NATO's largest military exercise since the Cold War, Steadfast Defender 2024, involves 90,000 troops, 500 aircraft, and 200 ships. This exercise is designed to test NATO's

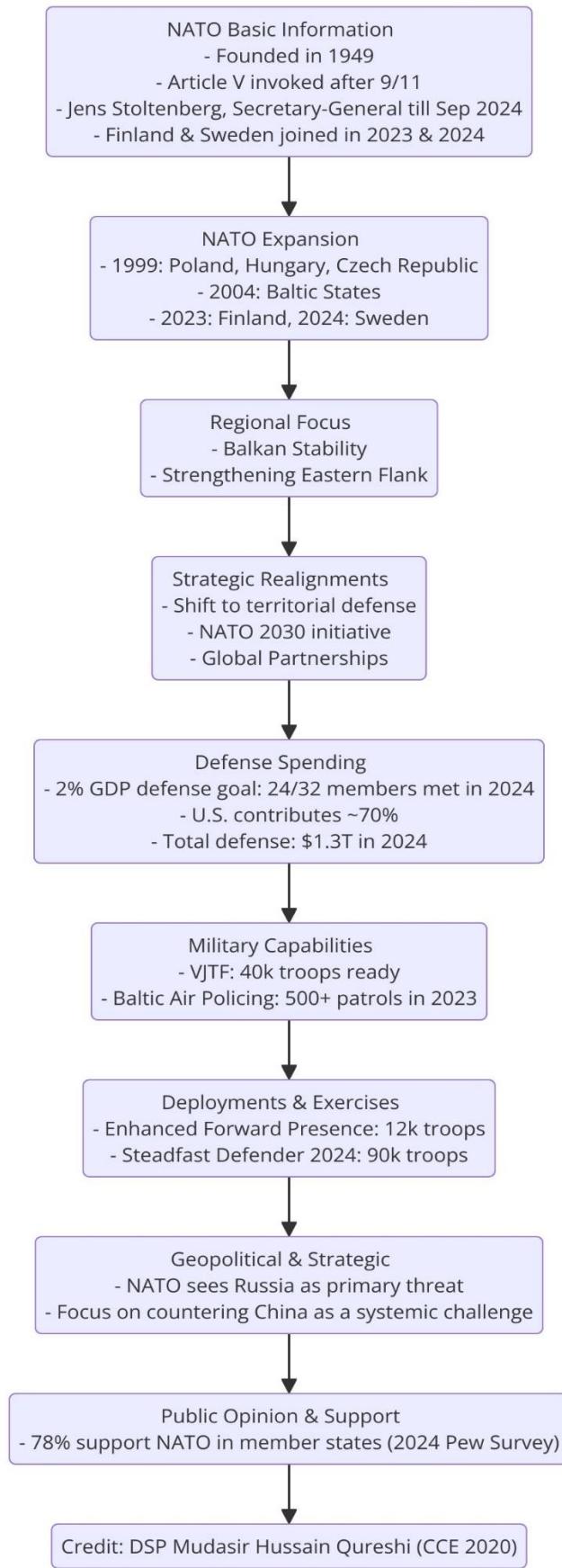
ability to rapidly deploy forces across Europe in response to a potential threat from Russia.

## 7. Geopolitical and Strategic Developments

- a. **NATO's Stance on Russia:** In 2024, NATO continues to identify Russia as the primary threat to Euro-Atlantic security. The alliance has significantly increased its presence in Eastern Europe, with additional troops, missile defenses, and military exercises.
- b. **NATO and China:** NATO's 2024 Strategic Concept identifies China as a "systemic challenge," marking a shift in focus toward countering China's influence globally, particularly in cybersecurity, military modernization, and disinformation campaigns.

## 8. Public Opinion and Support

- a. **Public Support for NATO:** According to a 2024 Pew Research Center survey, support for NATO remains high among member states, with 78% of respondents across the alliance viewing NATO as essential for their country's security, up from 72% in 2022.



# Relations

## Pak-India

Maleeha Lodhi's book = there is a possibility of peace between Pakistan and India (dialogue possible)

1. 1947-till date = more than 200 occurrences of dialogue
2. 19 agreements = no single agreement can be termed as complete failure
3. National Security Policy (2022-26) document
  - a. Peace with immediate neighbours and economic diplomacy will be the central theme of Pakistan's foreign policy under the new National Security Policy that leaves the door open for trade with New Delhi even without the settlement of the Kashmir issue – provided there is headway in bilateral talks.
4. India's ISR Budget as of 2021-22 = \$ 130 bn.
5. Pakistan's total defence budget = not more than \$ 8 bn
6. In December 2023, the Indian supreme court upheld the Aug 5, 2019, actions of the Modi government, but directed it to revert statehood to J&K, and hold elections there by September 2024.
7. Global Firepower Index 2024
  1. **Military Strength:**
    - India has 800,000 more active military personnel than Pakistan, with a total of 1.4 million serving officers and soldiers.
    - The total number of military personnel, including reserves and paramilitary forces, exceeds 5 million in India.
  2. **Air Force:**
    - India has 2,296 aircraft, ranking fourth globally, compared to Pakistan's 1,434 aircraft.
    - India possesses 606 fighter jets, with plans to induct more in the coming years, while Pakistan has 387 fighter jets.
    - India has strengths in special missions, aerial tankers, and transport aircraft.
  3. **Army:**
    - India has a tank strength of 4,614, ranking sixth globally, while Pakistan has 3,742 tanks.
    - India has three times more armored vehicles (1,51,248) than Pakistan.
    - Pakistan has more self-propelled artillery systems than India.

#### 4. Navy:

- India has a larger and stronger navy, with a fleet strength of 294 compared to Pakistan's 114.
- India's navy includes two aircraft carriers, destroyers, corvettes, frigates, and submarines, making it a Blue-water navy.
- Pakistan, with zero aircraft carriers, is considered a Green-water Navy, operating in its regional waters.

### 8. Military and Defense

#### a. Defense Budgets:

- India: India's defense budget for 2024 is approximately \$82 billion, making it one of the top five highest defense spenders globally.
- Pakistan: Pakistan's defense budget for 2024 is around \$12 billion, representing a significant portion of its national budget.

#### b. Military Personnel:

- India: India has around 1.4 million active military personnel, with a reserve force of over 2 million.
- Pakistan: Pakistan has approximately 654,000 active military personnel, with about 500,000 in reserves.

#### c. Nuclear Arsenal:

- India: India is estimated to have around 160-170 nuclear warheads as of 2024.
- Pakistan: Pakistan's nuclear arsenal is estimated at approximately 165-175 warheads, slightly ahead of India in terms of quantity.

### 9. Trade and Economic Relations

#### a. Bilateral Trade:

- Bilateral trade between Pakistan and India remains minimal due to ongoing tensions. Trade volumes were under \$300 million in 2023, down from over \$2 billion in 2012. Trade has been severely restricted since the suspension of trade ties in August 2019.

#### b. Trade Potential:

- According to World Bank estimates, if trade restrictions were lifted, bilateral trade could potentially reach \$37 billion annually, reflecting significant untapped potential.

### 10. Border Incidents and Ceasefire Violations

#### a. Ceasefire Violations:

- In 2023, there were approximately 3,000 reported ceasefire

violations along the Line of Control (LoC) in Kashmir. This represents a slight decrease from the over 4,500 violations reported in 2020, following a renewed ceasefire agreement in February 2021.

**b. Casualties:**

- Casualties due to cross-border firing have decreased since the 2021 ceasefire agreement. However, in 2023, at least 45 soldiers and civilians on both sides were reported killed due to border skirmishes.

## **11. Diplomatic Engagements**

**a. High-Level Talks:**

- Diplomatic engagements between India and Pakistan have remained limited. The last high-level meeting occurred in late 2023 on the sidelines of a Shanghai Cooperation Organization (SCO) summit, but no significant breakthroughs were reported.

**b. Visa Restrictions:**

- Both countries continue to impose stringent visa restrictions on each other's citizens. In 2024, there was no significant increase in the issuance of visas for cultural, religious, or trade purposes, reflecting ongoing diplomatic strain.

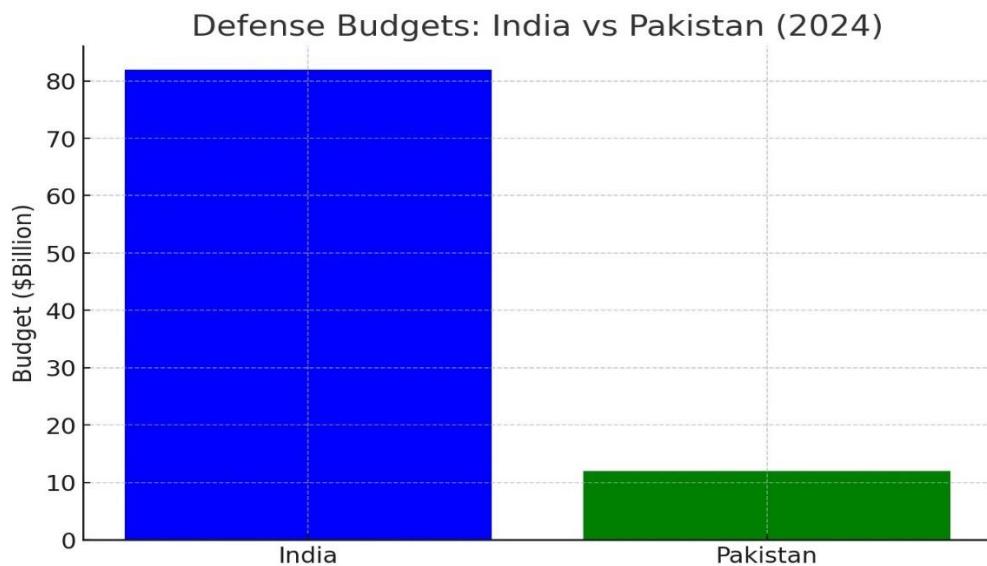
## **12. People-to-People Contacts**

**a. Cultural Exchanges:**

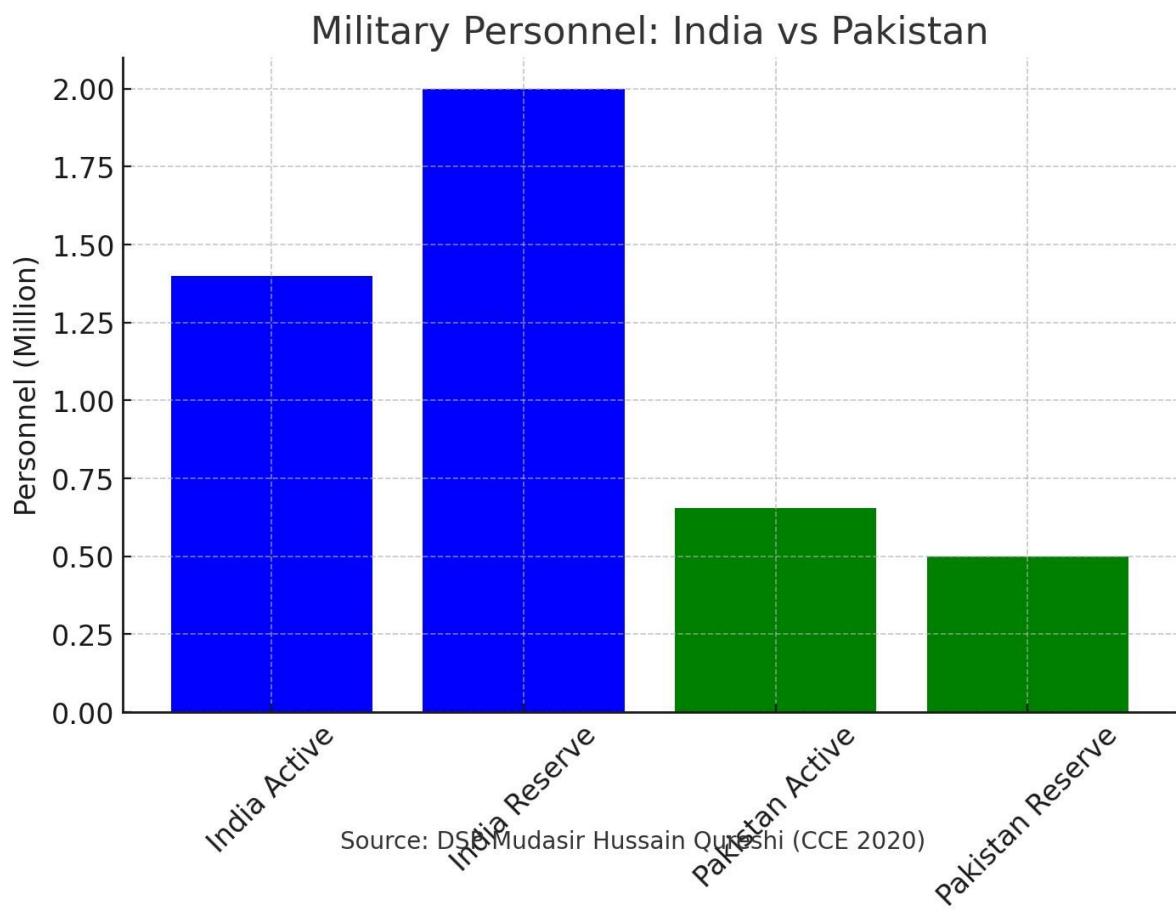
- Cultural exchanges, including sports and entertainment collaborations, remain minimal. For instance, the participation of Pakistani artists in Indian media and vice versa continues to be restricted due to ongoing tensions.

**b. Kartarpur Corridor:**

- The Kartarpur Corridor, which allows Sikh pilgrims from India to visit the Gurdwara Darbar Sahib in Pakistan without a visa, saw around 100,000 visitors in 2023, maintaining its role as a rare point of positive interaction between the two countries.

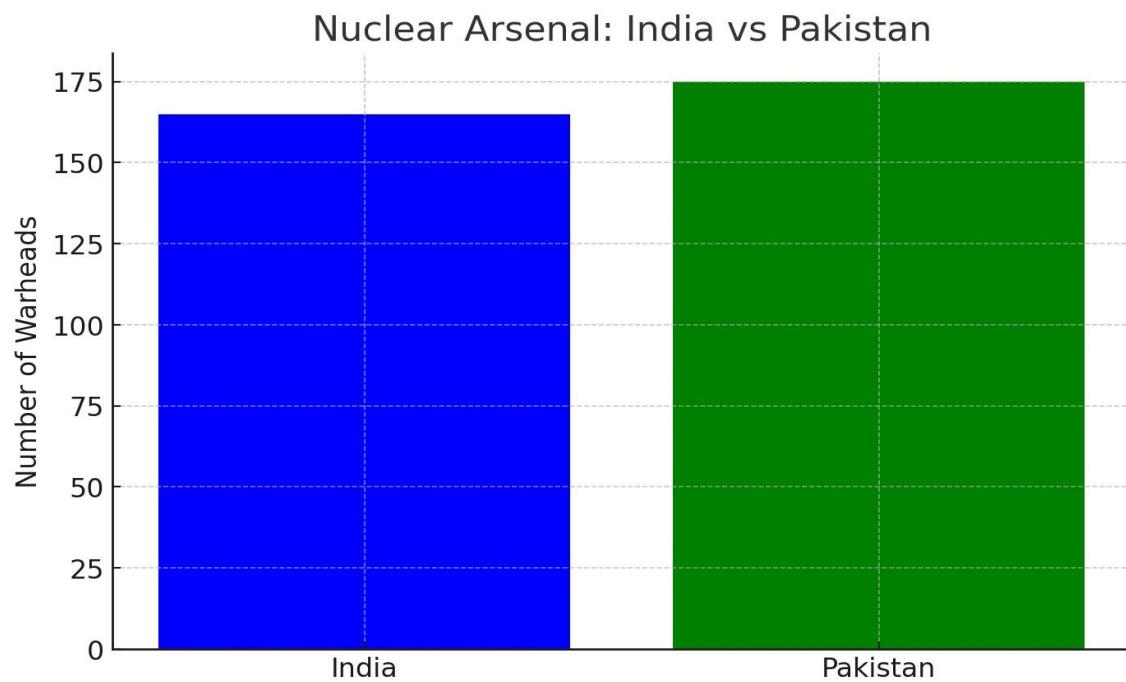


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Source: DSP Mudasir Hussain Qureshi (CCE 2020)



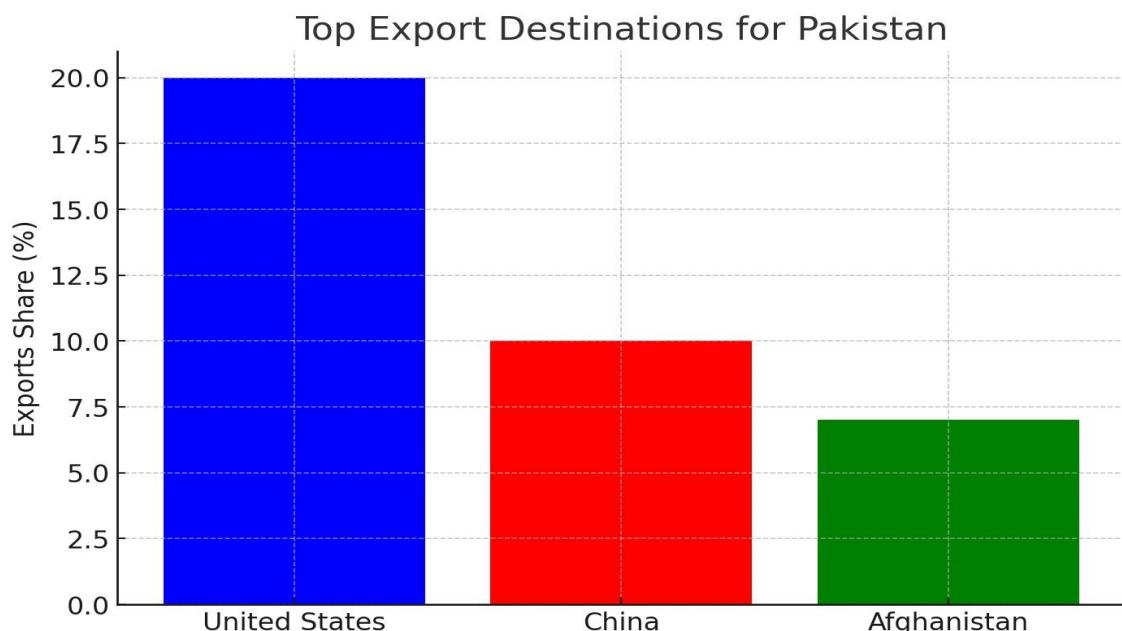
## **Pak-US**

1. Since 2004, Pakistan has been designated as a major non-NATO ally of the United States
2. US is the largest export destination for Pakistan, followed by China and Afghanistan.
3. In 2018, the US State Department downgraded Pakistan to the status of “Country of Particular Concern” under the 1998 International Religious Freedom Act.
4. Pakistan was not invited to the virtual Climate Summit hosted by the Biden Administration in April 2021.
5. Pakistan is the 57th largest export market for American manufacturers.
6. In the past, US assistance has helped in establishing key Pakistani institutions, including IBA in Karachi and LUMS in Lahore.
7. US Congress has recently passed the Malala Yousafzai Scholarship Act, under which 50% of all USAID scholarships will go to women.
8. The USAID has made efforts in this direction with the training and financing of more than 50,000 women entrepreneurs in Pakistan.
9. President Biden's nuclear remarks sparked outrage in Pakistan on October 15, 2022, describing Pakistan as “one of the most dangerous nations in the

world” and questioning the safety protocols of its nuclear weapons.

#### 10. Different Phases of US Pakistan Relations

| Year        | Period                              | Relationship             |
|-------------|-------------------------------------|--------------------------|
| 1947-1970   | SEATO CENTO                         | Period of Good relations |
| 1971-1979   | Cold Era                            | Cold relations           |
| 1979-1989   | Afghan Jihad                        | intense engagement       |
| 1990-2001   | Another low in relations            | Frosty Relations         |
| 2001-2016   | War on Terror                       | Major Non-NATO Ally      |
| 2016-2018   | Another low in the US Pak relations | Cold relations           |
| 2020-todate | Post-Doha Accord                    | Seemingly Positive       |



Source: DSP Mudasir Hussain Qureshi (CCE 2020)

## **Pak-China**

1. Natural allies
  - a. Pak = economic crisis but geostrategic significance
  - b. China = economic giant but in search for geostrategic locations
2. A look at voting record of countries at the UN General Assembly resolutions, from 1971-2017, shows that Pakistan has voted 90 per cent of the time similar to China.
3. After the US operation in Abbottabad that killed Osama Bin Laden, the Chinese Premier, Wen Jiabao, publicly supported Pakistan
4. Pakistan, on its part, reciprocated the friendly gestures by steadfastly supporting One-China policy by not recognising the government in Taiwan.

5. Pakistan also supports the Chinese position on Tibet.
6. Pakistan has been a bridge between China and the US, which led to the establishment of relations between the two great powers.
7. The bilateral defence relationship can be gauged from the fact that at present China is the source of more than 70 per cent of Pakistan's cumulative arms import. Arms import from China peaked in 2016 when it reached almost 83 per cent.
8. An example of successful collaboration is JF-17 combat aircraft, jointly produced by both countries.
9. In 2012, Pakistan's Space and Upper Atmosphere Research Commission (SUPARCO) and China National Space Administration (CNSA) agreed to a 2012-2020 programme for joint cooperation. Under this programme in 2013, Pakistan adopted Beidou, China's indigenous satellite navigation system, for military applications.
10. China is willing to turn Gwadar into regional trade hub, **Chinese Consul General Yang Yundong said on 17 January, 2024.**

## 11. Economic Relations

- a. **Bilateral Trade:**
- b. **Total Trade Volume:** Bilateral trade between Pakistan and China reached approximately \$30 billion in 2023, with Pakistan's exports to China totaling around \$4 billion, while imports from China were about \$26 billion. This reflects a trade imbalance heavily in favor of China.
- c. **Free Trade Agreement (FTA):** The second phase of the Pakistan-China Free Trade Agreement (FTA) came into effect in January 2020, and as of 2024, over 80% of Pakistan's exports to China benefit from zero tariffs.

## 12. China-Pakistan Economic Corridor (CPEC):

- a. **Total Investment:** Since its inception in 2013, China has committed around \$62 billion to CPEC projects. As of 2024, about \$25 billion worth of projects have been completed, including energy, infrastructure, and port development.
- b. **Energy Projects:** CPEC has added approximately 11,000 MW to Pakistan's national grid through various power projects, including coal, hydro, and renewable energy sources.
- c. **Special Economic Zones (SEZs):** As of 2024, 9 Special Economic Zones (SEZs) are planned under CPEC, with 3 already operational, aimed at boosting industrialization and attracting foreign investment.

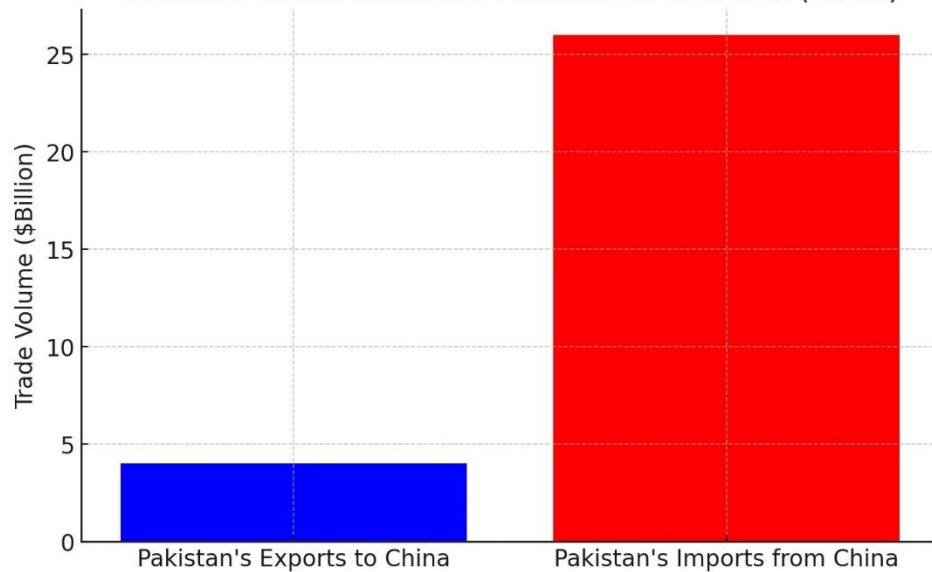
### 13. Military and Defense Cooperation

- a. **Defense Purchases:**
- b. **J-10C Fighter Jets:** In 2023, Pakistan acquired 25 J-10C fighter jets from China, enhancing its air defense capabilities. This is part of a broader military procurement relationship between the two countries.
- c. **Frigates and Submarines:** Pakistan is also procuring 8 Chinese Yuan-class submarines and 4 Type 054A/P frigates, with deliveries expected to be completed by 2028. These acquisitions significantly bolster Pakistan's naval capabilities.
- d. **Joint Military Exercises:**
- e. **Shaheen-X:** In 2023, Pakistan and China conducted their 10th annual "Shaheen" joint air exercise, involving advanced aircraft and aerial combat training. The exercise is part of ongoing military cooperation aimed at enhancing interoperability between the two air forces.

### 14. Infrastructure and Development Projects

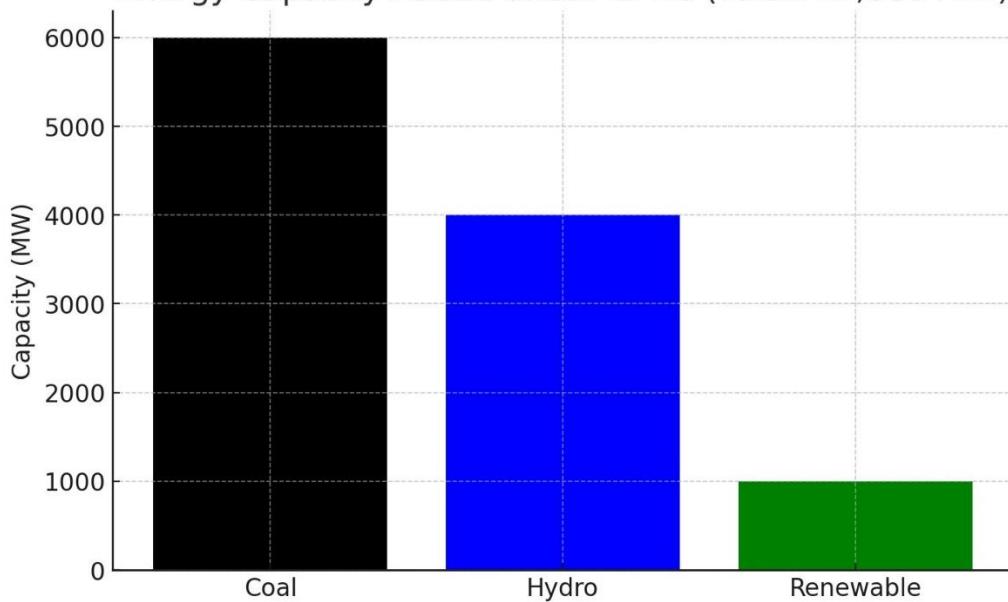
- a. **Gwadar Port:**
- b. **Development Status:** As of 2024, Gwadar Port is operational and handling commercial cargo, with a capacity of over 1 million TEUs (Twenty-Foot Equivalent Units) annually. The port is a critical component of CPEC, aimed at providing China with access to the Arabian Sea.
- c. **Gwadar Free Zone:** The Gwadar Free Zone, spread over 2,300 acres, has attracted significant Chinese investment, with over \$300 million invested in infrastructure and industrial projects as of 2024.

### Bilateral Trade between Pakistan and China (2023)

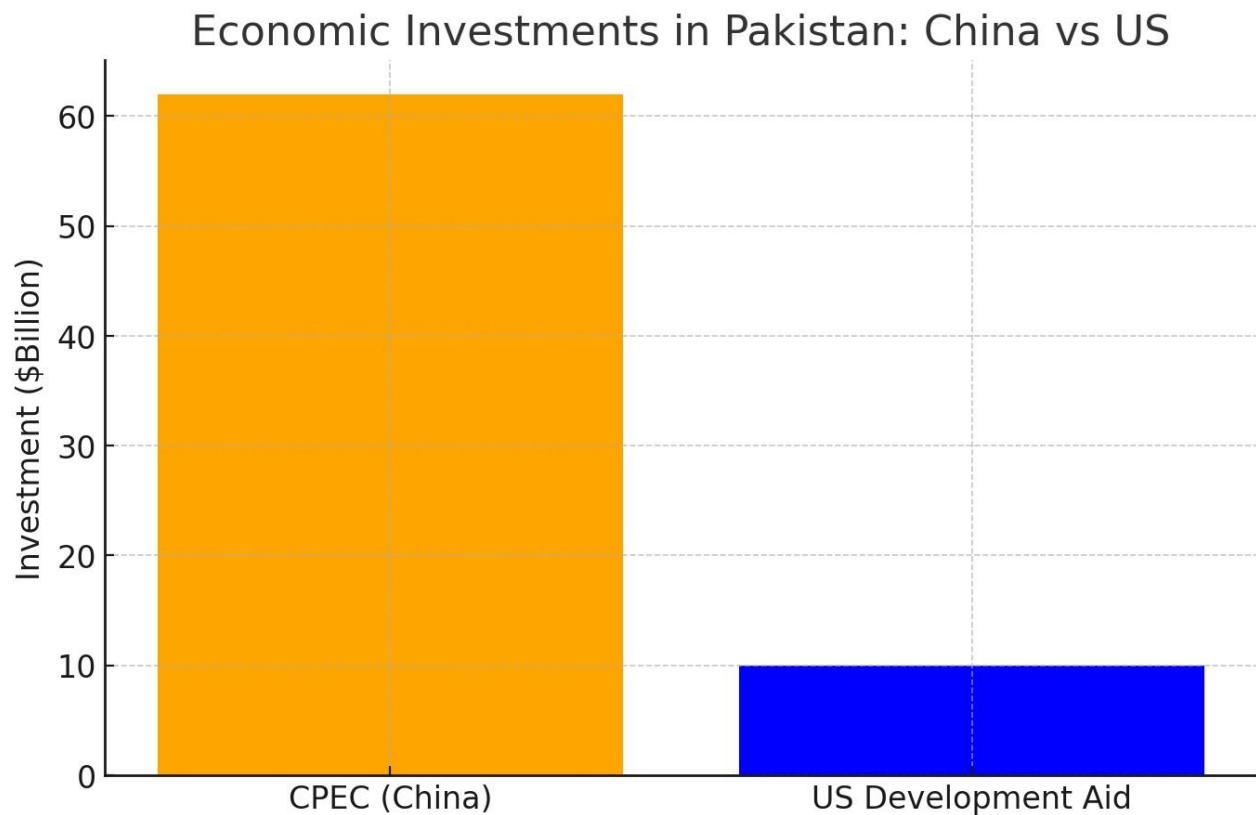


Source: DSP Mudasir Hussain Qureshi (CCE 2020)

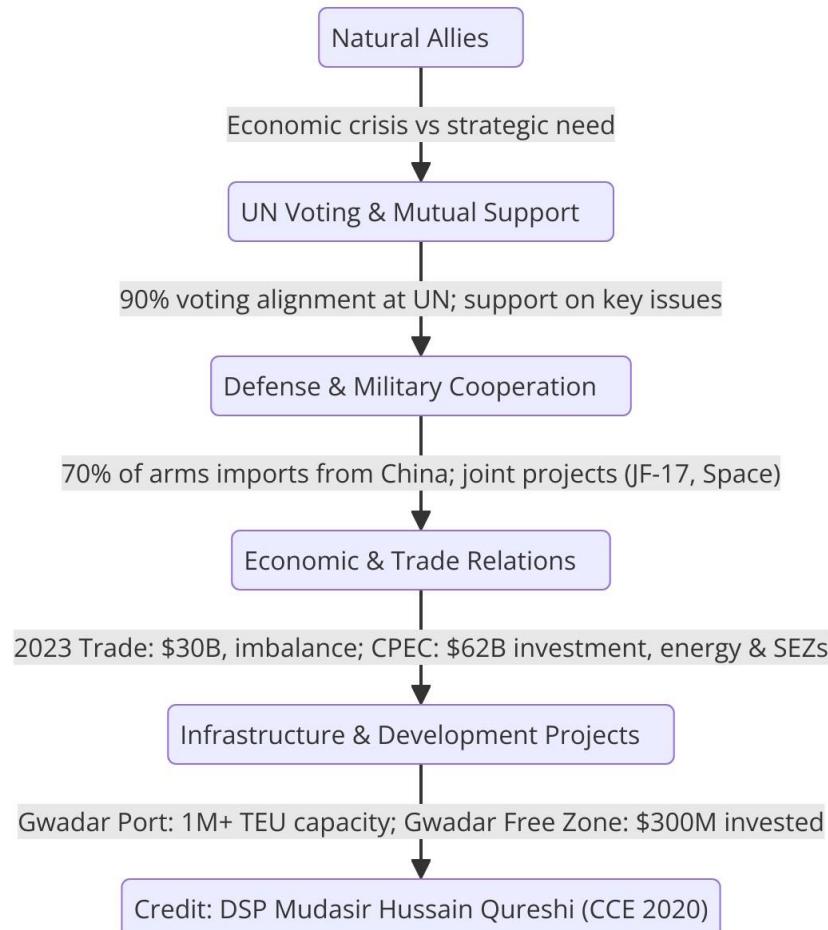
### Energy Capacity Added under CPEC (Total: 11,000 MW)



Source: DSP Mudasir Hussain Qureshi (CCE 2020)



Source: DSP Mudasir Hussain Qureshi (CCE 2020)



## **Pak-Afghan**

1. Pakistan is the second largest donor of humanitarian aid to Afghanistan.
2. Pakistan and Afghanistan have close trade ties, with bilateral trade totaling over \$2 billion in 2022.
3. Pakistan is home to over 3 million Afghan refugees.
4. The two countries have a number of joint economic projects, including the CASA-1000 power transmission line, the TAPI gas pipeline and the Peshawar-Torkham railway line.
5. Pakistan and Afghanistan are members of the South Asian Association for Regional Cooperation (SAARC) and the Organization of Islamic Cooperation (OIC).
6. Pakistan is a major transit route for Afghan goods. In 2022, over \$5 billion worth of Afghan goods were transported through Pakistan.
7. Successive reports by the UN Security Council's Analytical Support and Sanctions Monitoring Team found the “TTP benefitted the most of all the foreign extremist groups in Afghanistan from the Taliban takeover”.

8. The January 07, 2024 meeting between Afghanistan Prime Minister Mullah Hasan Akhund and Jamiat Ulema-i-Islam Fazl (JUI-F) Chief Maulana Fazlur Rehman marks a critical juncture in Afghanistan-Pakistan relations. Akhund's assured that Kabul does not intend to harm Pakistan or any other country.

## 9. Bilateral Trade

- **Total Trade Volume:** Bilateral trade between Pakistan and Afghanistan was approximately \$2.5 billion in 2023, with Pakistan exporting goods worth \$2 billion to Afghanistan and importing around \$500 million worth of goods.
- **Trade Routes:** The Torkham and Chaman border crossings are the primary trade routes between the two countries, handling around 70% of bilateral trade. In 2023, the Torkham border saw an average of 1,200 trucks crossing daily, while Chaman averaged around 800 trucks per day.
- **Preferential Trade Agreement:** In 2023, discussions continued on finalizing a Preferential Trade Agreement (PTA) between Pakistan and Afghanistan, aimed at reducing tariffs and boosting trade. The agreement is expected to be signed by the end of 2024.

## 10. Refugee and Humanitarian Issues

- **Afghan Refugees in Pakistan:** As of 2024, Pakistan hosts approximately 2.5 million Afghan refugees, including both registered and unregistered individuals. Pakistan remains one of the largest host countries for Afghan refugees worldwide.
- **Repatriation Efforts:** In 2023, around 150,000 Afghan refugees voluntarily returned to Afghanistan under a UNHCR-facilitated repatriation program, although repatriation numbers have decreased due to security concerns in Afghanistan.
- **Humanitarian Assistance:** Pakistan provided \$100 million in humanitarian aid to Afghanistan in 2023, focusing on food, medical supplies, and winter relief. This aid was part of Pakistan's ongoing support for the Afghan people amid economic and humanitarian crises.

## 11. Border Management and Security

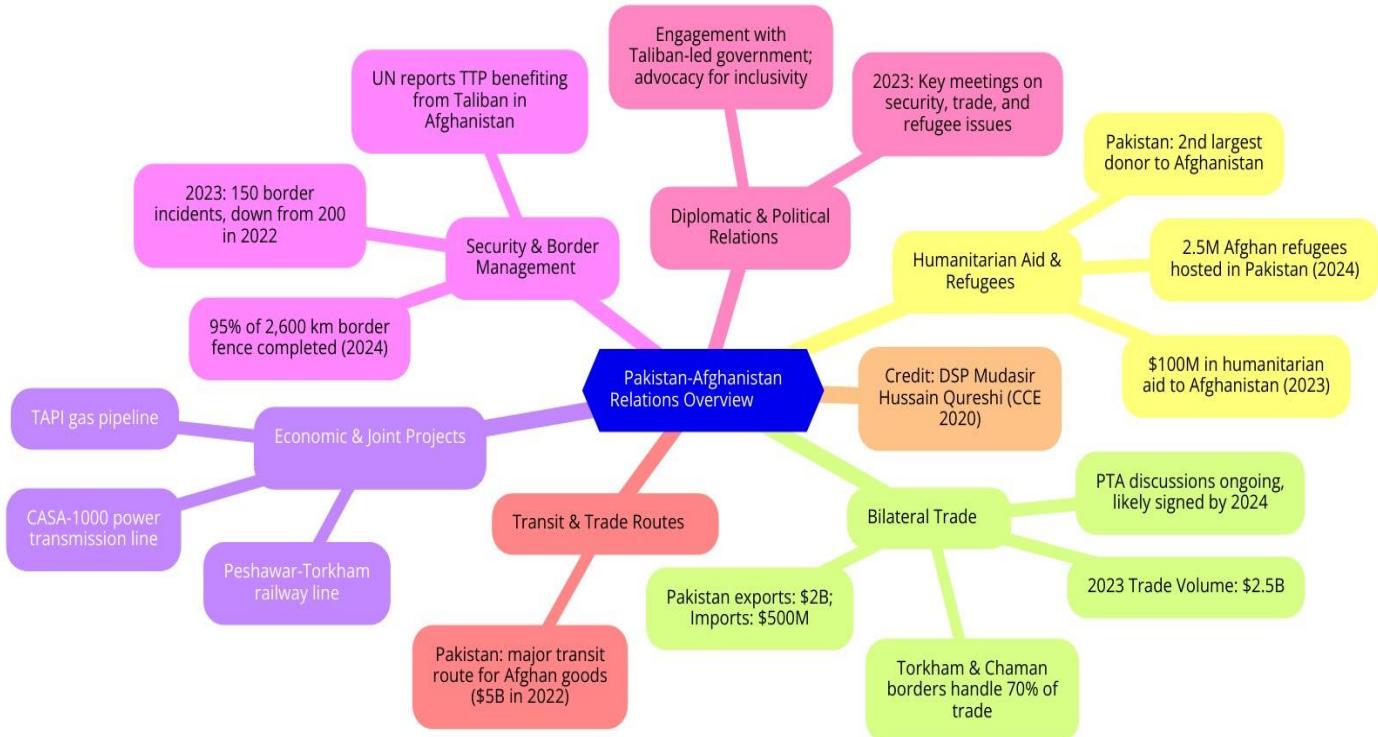
- **Border Fence:** As of 2024, Pakistan has completed over 95% of the 2,600-kilometer fence along the Pakistan-Afghanistan border (Durand Line) to prevent cross-border militancy and smuggling. The fencing project is expected to be fully completed by mid-

2024.

- **Border Incidents:** In 2023, there were over 150 reported cross-border incidents between Pakistan and Afghanistan, including skirmishes and shelling. This is a decrease from over 200 incidents in 2022, indicating slight improvements in border security cooperation.

## 12. Diplomatic and Political Relations

- **High-Level Visits:** In 2023, there were several high-level visits between Pakistani and Afghan officials, including a visit by Pakistan's Foreign Minister to Kabul in December 2023. These visits focused on security cooperation, trade, and refugee issues.
- **Taliban Government Relations:** Pakistan continues to engage with the Taliban-led government in Afghanistan, advocating for inclusive governance and the protection of minority rights. However, relations have been strained due to concerns over cross-border terrorism and the presence of the Tehrik-i-Taliban Pakistan (TTP) in Afghanistan.





Source: DSP Mudasir Hussain Qureshi (CCE 2020)

## **Pak-Russia**

1. In 1956, Russia and Pakistan established trade relations under an agreement in which Pakistan exported cotton, jute and leather, and the Soviet Union founded Pakistan Steel Mills (PSM) on December 30, 1973 with a loan of USD 200 million.
2. Pakistan-Russia trade has witnessed a gradual rise from USD 95 million in 1980 to \$760.5 million in 2022.
3. Historically, Pakistan has not had formal defence relations with Russia, except for the maverick helicopter deal of 1969.
4. Joint military drills are another feature of mutual interests as evident in the 2014 and 2015 Arabian Monsoon naval drills; followed by joint military exercises in 2016 and 2017.
5. Despite New Delhi's opposition, a joint counterterrorism exercise Druzhbha (Friendship) was held between Russian and Pakistani Special Operations Forces in Cherat in September 2016. It was the very first counterterrorism military exercise.
6. Moscow State University and Pakistan's National University of Modern Language (NUML) appointed Urdu-language and Russian language faculty, respectively.
7. An agreement on student exchange was concluded between the Punjab University and the Moscow State University.

11. A well-reputed restaurant in Moscow "Gandhara" is famous for showcasing the Gandhara civilisation and Pakistani food.
12. There appears to be a strategic shift in the language coming out of the Kremlin vis-à-vis Kashmir moving away from calls for "dismantling the terrorist infrastructure in Jammu and Kashmir in 2002," to declaring in 2017 that "Russia will use its influence to get Pakistan to stop alleged attacks in Indian Occupied Kashmir."
13. In February 2023, Pakistan's Foreign Minister Bilawal Bhutto-Zardari visited Moscow and met with his Russian counterpart, Sergey Lavrov.
14. In June 2023, Russian Deputy Foreign Minister Andrey Rudenko visited Islamabad and held talks with Pakistan's Foreign Secretary, Dr. Asad Majeed Khan.
15. In 2023, the two countries held a number of joint military exercises and training programs.
16. Russia has also been providing Pakistan with military equipment, including Mi-35 attack helicopters and anti-tank systems.
17. The two countries have held joint military exercises called "Druzhba" (friendship) since 2017, which have focused on counter-terrorism operations.
18. In June 2023, the first shipment of 45,000 tonnes (out of 100,000 tonnes) of Russian crude oil docked on Pakistani shores. Pakistan paid for its first government-to-government import of Russian crude oil in Chinese currency.

## **19. Economic Relations**

### **20. Bilateral Trade:**

- **Total Trade Volume:** Bilateral trade between Pakistan and Russia reached approximately \$1.4 billion in 2023, marking a significant increase from \$900 million in 2022. Pakistan's exports to Russia include textiles, leather goods, and agricultural products, while imports from Russia primarily consist of energy products, machinery, and chemical goods.
- **Energy Imports:** In 2023, Pakistan began importing Russian crude oil under a new agreement, with initial shipments totaling around 100,000 barrels per day. This deal is expected to cover up to 20% of Pakistan's crude oil needs.

## **21. Energy and Infrastructure Cooperation**

- **Pakistan Stream Gas Pipeline:**
- The long-discussed Pakistan Stream Gas Pipeline (formerly North-

South Gas Pipeline) is set to begin construction in late 2024. The project, valued at around \$2.5 billion, will transport natural gas from Pakistan's southern ports to northern regions, with an expected capacity of 12.4 billion cubic meters per year.

- **LNG Supplies:**

- In 2023, Pakistan and Russia signed an agreement for the supply of liquefied natural gas (LNG), with Russia committing to deliver up to 1.5 million tons of LNG annually starting in 2024. This is part of Pakistan's efforts to diversify its energy sources and reduce reliance on more expensive LNG from other suppliers.

## 22. Military and Defense Cooperation

- **Military Exercises:**

- **"Druzhba" Exercises:** The sixth edition of the "Druzhba" (Friendship) military exercises between Pakistan and Russia took place in October 2023. The exercises involved over 200 troops from both countries and focused on counterterrorism, mountain warfare, and special operations.

- **Defense Equipment:**

- In 2023, Russia agreed to supply Pakistan with advanced Mi-35M attack helicopters, as well as upgrade existing military hardware. The deal, valued at around \$200 million, marks a significant step in defense cooperation between the two countries.



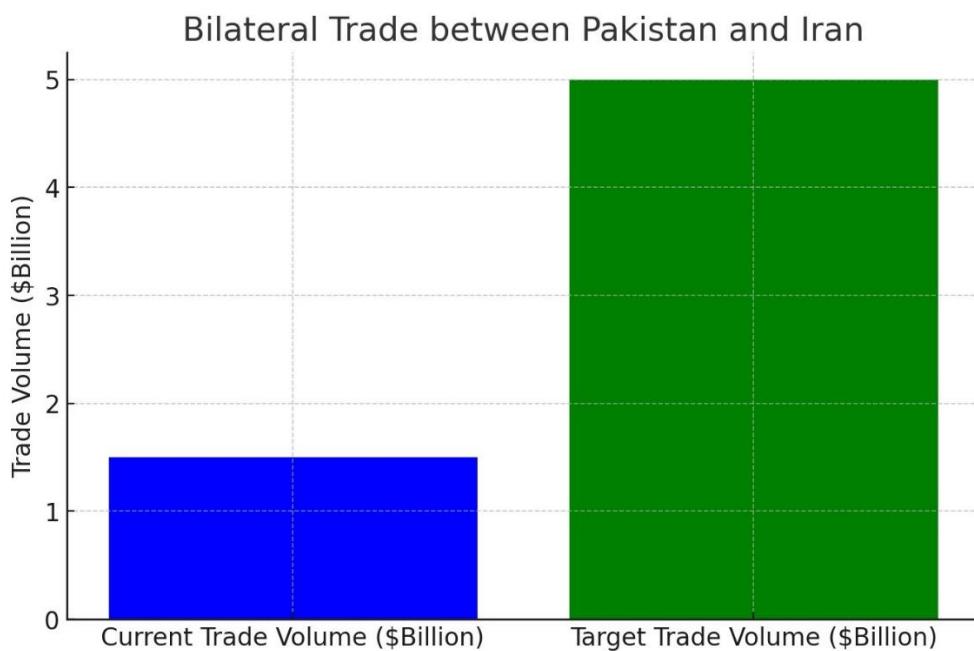
Source: DSP Mudasir Hussain Qureshi (CCE 2020)

## **Pak-Iran**

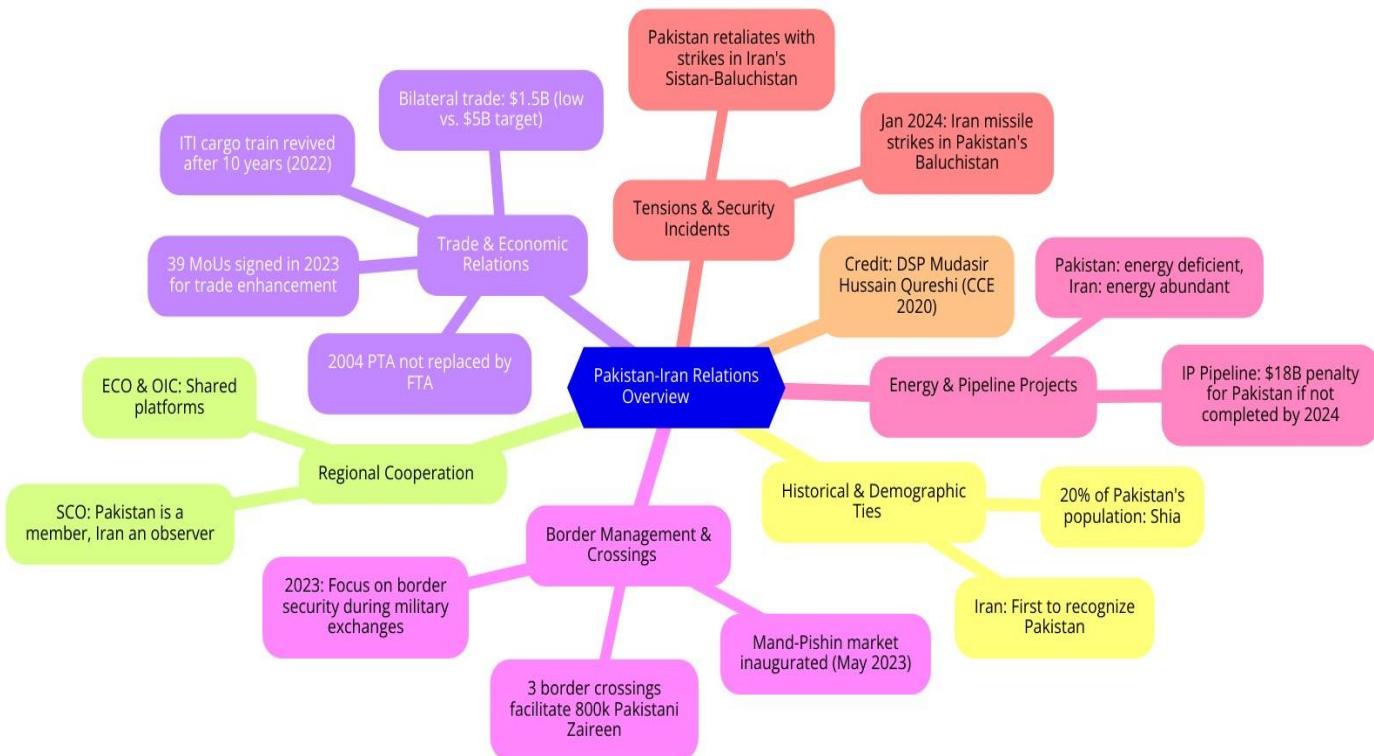
1. Pakistan borders Iran, and up to 20 percent of Pakistan's population is Shiite
2. Iran was the first country to accord recognition to Pakistan
3. SCO- Pakistan permanent member and Iran as observer status
4. Pakistan-energy deficient while Iran- energy abundant
5. Pakistan as a mediator between Iran and Saudi Arabia
6. Prime Minister Shehbaz Sharif and President Ebrahim Raisi met in May 2023 to inaugurate the Mand-Pishin 'border sustenance market'.
7. Border security was a dominant theme during army chief Gen Asim Munir's visit to Iran in July 2023. This is the second high-level exchange between the leaderships of both states in recent months.
8. Pakistan and Iran share a number of regional and international platforms including Economic Cooperation Organisation (ECO) and the Organisation of Islamic Cooperation (OIC)
9. The bilateral trade volume between Iran and Pakistan stands at US\$1.5 billion annually which is very low as compared to the mutually decided target of US\$5 billion. Earlier in 2023, 39 MoUs were signed which, if implemented, could make this target achievable.
10. Islamabad-Tehran-Istanbul (ITI) cargo train service is revived after a 10-year gap in 2022.
11. Preferential Trade Agreement (PTA) that was signed between the two countries in 2004 has still not been replaced by a Free Trade Agreement (FTA).
12. Pakistan and Iran have three border crossing points (Taftan-Mirjaveh, Mand-

Pishin and Gabd-Rimdan) to ease movement of the approximately 800,000 Pakistani Zaireen who visit Iran every year.

13. The penalty for non-completion of Iran-Pakistan (IP) Pipeline - which Iran has finalised on its side since 2011- will come into effect in 2024. Iran has already extended this twice and Pakistan stands to lose \$18 billion if it terminates the agreement.
14. In a surprising turn on January 16, 2024 Iran launched missile strikes into Pakistan's Baluchistan province, claiming it had hit two strongholds of anti-Iran insurgent group Jaish al-Adl (Army of Justice). Iran announced the attack in Pakistan concurrent to its strikes in Iraq and Syria. Less than two days later, Pakistan hit back with not only missiles but also fighter jets in Iran's Sistan-Baluchistan province — claiming to target hideouts of anti-Pakistan ethno-nationalist insurgents operating from Iranian soil.



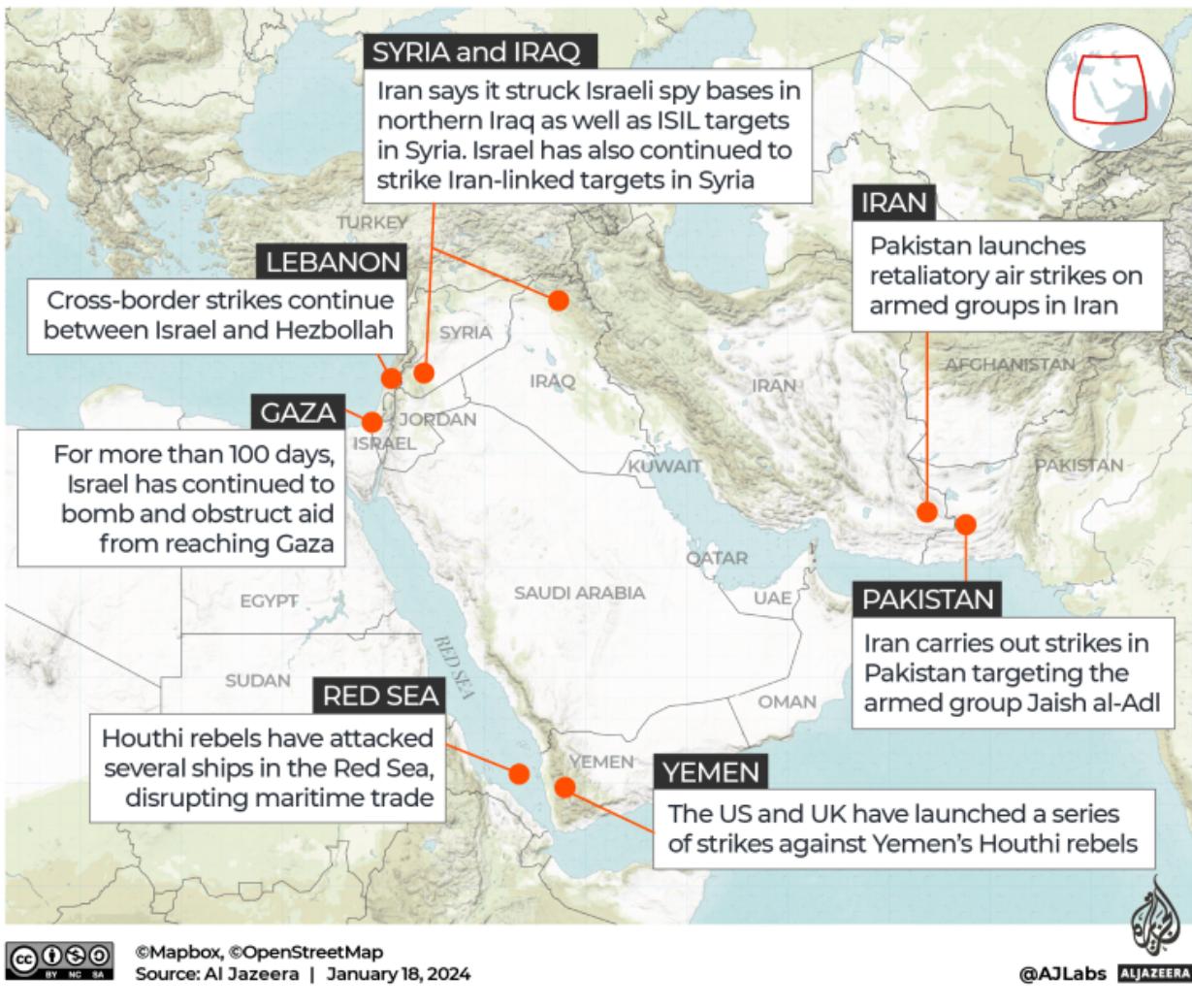
Source: DSP Mudasir Hussain Qureshi (CCE 2020)



## CONFLICT

## Tensions rise across the region

A series of recent strikes by several players in the Middle East and beyond has heightened concerns about a wider regional spillover of the war in Gaza.



### 15. Economic Relations

- **Bilateral Trade:**

- **Total Trade Volume:** Bilateral trade between Pakistan and Iran reached approximately \$2 billion in 2023, showing a modest increase from \$1.5 billion in 2022. Trade primarily includes Pakistani exports of rice, textiles, and fruits, while Iran exports petroleum products, chemicals, and construction materials to Pakistan.
- **Barter Trade Mechanism:** In 2023, Pakistan and Iran agreed to enhance barter trade to bypass sanctions-related banking

restrictions. This mechanism has facilitated trade worth over \$500 million, particularly in agricultural products and petroleum.

## 16. Energy Cooperation

- **Electricity Imports:**

- Pakistan continues to import electricity from Iran to meet the energy needs of its southwestern province, Balochistan. In 2023, Pakistan imported around 100 MW of electricity from Iran, with plans to increase this to 200 MW by 2024 under a new agreement signed in late 2023.

- **Iran-Pakistan Gas Pipeline:**

- The Iran-Pakistan (IP) gas pipeline project remains stalled due to geopolitical and sanction-related challenges. However, discussions in 2023 indicated a renewed interest in completing the pipeline, which could transport up to 750 million cubic feet of natural gas per day to Pakistan.

## 17. Border Security and Cooperation

- **Border Fence:**

- As of 2024, Pakistan has completed around 80% of the 900-kilometer border fence along the Pakistan-Iran border, aimed at preventing cross-border smuggling and militancy. The project is expected to be fully completed by 2025.

- **Border Incidents:**

- In 2023, there were around 50 reported border incidents between Pakistan and Iran, including clashes between smugglers and security forces. This is a slight decrease from 65 incidents in 2022, reflecting improved border management and security cooperation.

## Pak-Turkey

### 1. Defense Cooperation

- a. Turkey has aided Pakistan in upgrading both its F-16 fighter jets acquired from the United States and the ageing Agosta submarines purchased from France.

### 2. Defense Equipment Purchase

- i. Pakistan is Turkey's largest defense equipment buyer.

### 3. Naval Modernization

- a. Turkey's ASFAT has built four MILGEM-class corvette ships in

cooperation with the Karachi Shipyard and Engineering Works.

#### **4. Unmanned Combat Aerial Vehicles (UCAVs)**

- a. Pakistan has purchased Turkey's state-of-the-art Bayraktar TB2 and Akinci combat drones.

#### **5. Fifth-Generation Fighter Aircraft Program**

- a. Pakistan has formally joined Turkish Aerospace's fifth-generation Kaan fighter aircraft development.
- b. Almost 200 Pakistani engineers and officials are already participating in the development of this program.

#### **6. Unmanned Aerial Vehicles (UAVs)**

##### **a. Cruise Missiles**

- i. Pakistan has purchased Kemanke cruise missiles from Turkish manufacturer Baykar that can be launched from UAVs.

##### **b. UAV Models**

- i. Three different Turkish UAV models are currently in operation in Pakistan.

##### **c. UAV Production**

- i. A contract was signed in August 2021 between Pakistan's NESCOM and Turkish Aerospace Industries (TAI) for the production of Turkish Anka UAVs within Pakistan.

##### **d. UAV Capabilities**

- i. The Pakistan Air Force is equipped with Bayraktar AKINCI, Bayraktar TB2, and Bayraktar TB3 UAVs, all capable of launching the Kemanke cruise missile.

#### **7. Joint Economic Strategic Framework**

- a. In 2019, the Joint Economic Strategic Framework identified 71 concrete areas of cooperation, which have been integrated into the HLSCC working groups.

#### **8. Educational Exchange**

- a. Some 2,500 Pakistani students are utilizing scholarships in Turkey.

#### **12. Visa-Free Travel**

- d. Pakistan added Turkey to its visa-free travel list to promote tourism and business.

#### **15. Defense Cooperation**

##### **a. Defense Projects:**

- **MILGEM Project:** Under the MILGEM project, Turkey is building four corvettes for the Pakistan Navy. As of 2024, two corvettes have been delivered, with the remaining two

expected by 2025. The project is valued at approximately \$1.5 billion.

- **T129 ATAK Helicopters:** Turkey agreed to supply 30 T129 ATAK helicopters to Pakistan. However, the delivery has faced delays due to U.S. export license issues. As of 2024, negotiations are ongoing to resolve these challenges.
- b. **Joint Military Exercises:** In 2023, Pakistan and Turkey conducted their 7th annual joint military exercise, "Ataturk-X," focusing on counterterrorism, urban warfare, and naval operations. Over 500 troops from both sides participated.



## **Pak-Saudi**

### **1. Supply**

- a. Saudi Arabia is Pakistan's top oil supplier, providing over 50% of the country's oil needs.

### **2. Financial Assistance**

- a. Saudi Arabia provided financial contributions of \$1.5 billion in 2014 and \$3 billion in 2018.
- b. Saudi Arabia has signaled a potential \$11 billion lifeline to Pakistan.
- c. The Saudi Fund for Development is considering increasing the deposit in Pakistan's central bank to \$5 billion from \$3 billion.

### **3. Remittances**

- a. Almost two million Pakistanis live in Saudi Arabia and remit \$6.5 billion annually.
- b. Around 15 million Pakistanis depend on the Pakistani diaspora employed in Saudi Arabia.

### **4. Humanitarian Aid**

- a. Saudi Arabia announced a "generous donation of \$1 billion" for Pakistan's flood victims.

### **5. Defense and Security Cooperation**

#### **a. Military Personnel**

- i. Pakistan provided 15,000 soldiers for the defense of Saudi Arabia in the 1980s.
- ii. 13,000 Pakistani military personnel took part in the first Gulf War.
- iii. Around 1,800 Pakistani officers and soldiers are currently serving in Saudi Arabia as part of a military training mission.

#### **b. Joint Military Drills**

- i. Pakistan and Saudi Arabia frequently host joint military drills.

#### **Agreements signed between Pakistan and Saudi Arabia**

- c. Friendship Treaty (1951)
- d. Air Service Agreement
- e. Agreement between Saudi Press Agency (SPA) and Associate Press of Pakistan (APP)
- f. Extradition Agreement
- g. Cultural Agreement
- h. Agreement on Economic, Commercial & Technical Cooperation.
- i. Agreement on Security Cooperation (Military Cooperation)
- 6. Pak, KSA and Turkey discuss collaboration in defence technology on 9 January, 2024 in the second meeting of the Trilateral Defence Collaboration held at the GHQ.

### **7. Economic Relations**

#### **a. Bilateral Trade:**

- i. **Total Trade Volume:** Bilateral trade between Pakistan and Saudi

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Arabia reached approximately \$4.5 billion in 2023, up from \$4.0 billion in 2022. Pakistan's main exports to Saudi Arabia include textiles, rice, and meat, while imports from Saudi Arabia primarily consist of petroleum products, chemicals, and fertilizers.

- b. **Remittances:** Saudi Arabia remains the largest source of remittances to Pakistan, with Pakistani workers sending home approximately \$7.5 billion in 2023, accounting for nearly 30% of Pakistan's total remittances.

## 8. Investment:

- a. **Saudi Investment in Pakistan:** Saudi Arabia committed to investing \$10 billion in various sectors in Pakistan, including energy, petrochemicals, and infrastructure, as part of a long-term economic partnership. As of 2024, about \$2 billion of this commitment has been invested, with projects underway in Gwadar and the renewable energy sector.

## 9. Energy Cooperation

### a. Oil Supply:

- i. **Oil Imports:** Saudi Arabia continues to be a major supplier of crude oil to Pakistan. In 2023, Pakistan imported around 110,000 barrels of oil per day from Saudi Arabia, under a deferred payment facility valued at approximately \$1.2 billion.
- ii. **Refinery Project:** A major oil refinery project in Gwadar, backed by a \$10 billion Saudi investment, is set to begin construction in 2024. This project aims to enhance Pakistan's refining capacity and reduce its dependence on imported refined petroleum products.

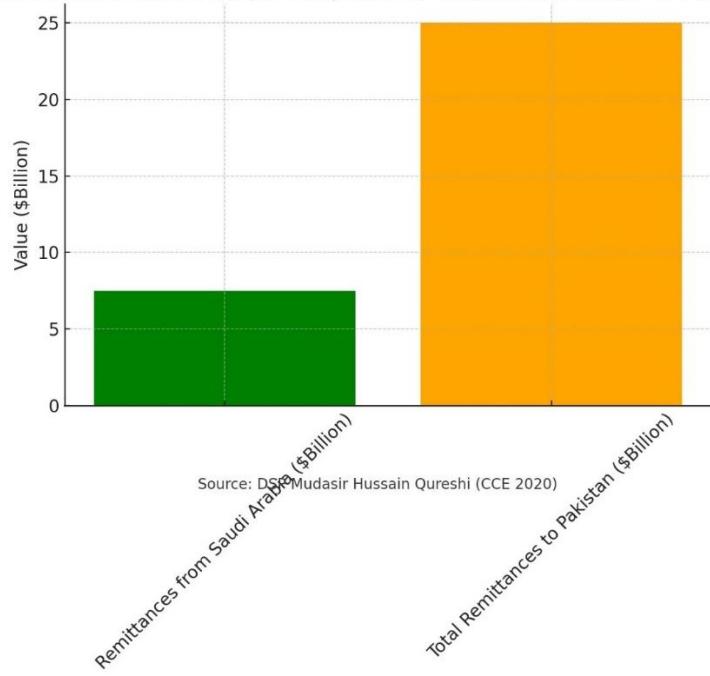
## 10. Defense and Security Cooperation

### a. Military Training and Cooperation:

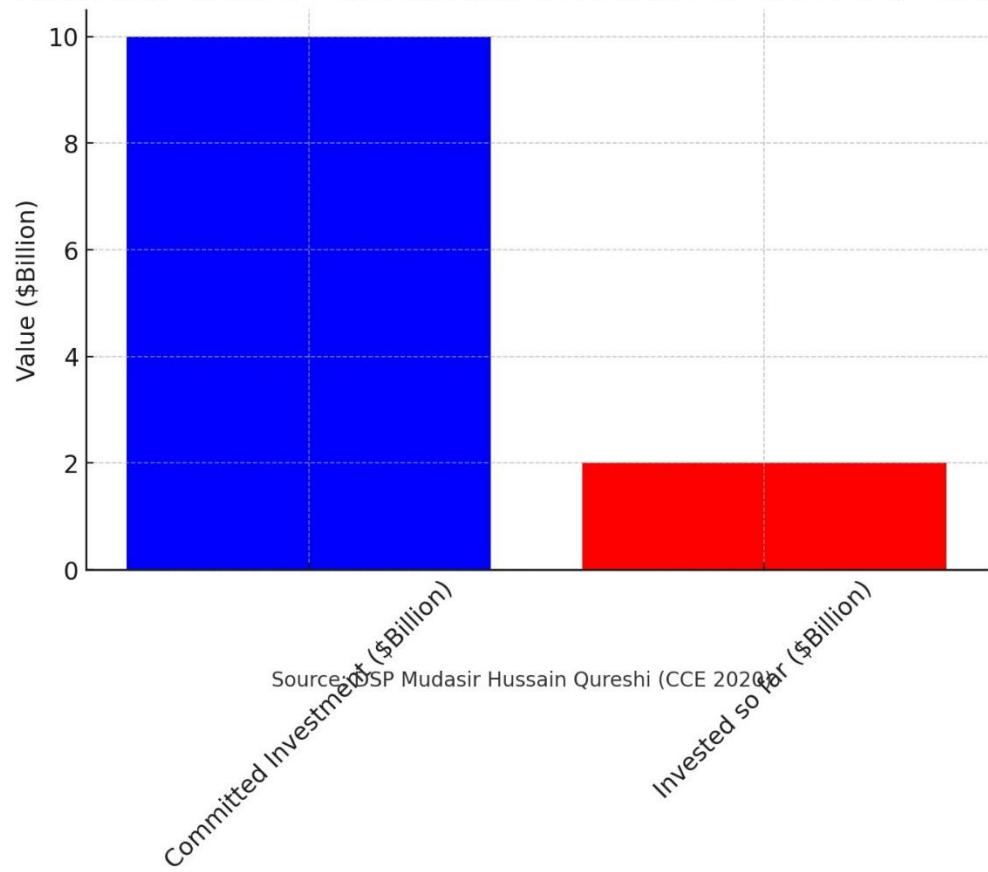
- i. Pakistan and Saudi Arabia have a longstanding defense relationship. In 2023, over 1,200 Pakistani military personnel were stationed in Saudi Arabia for training and advisory roles, particularly in counterterrorism and air defense.

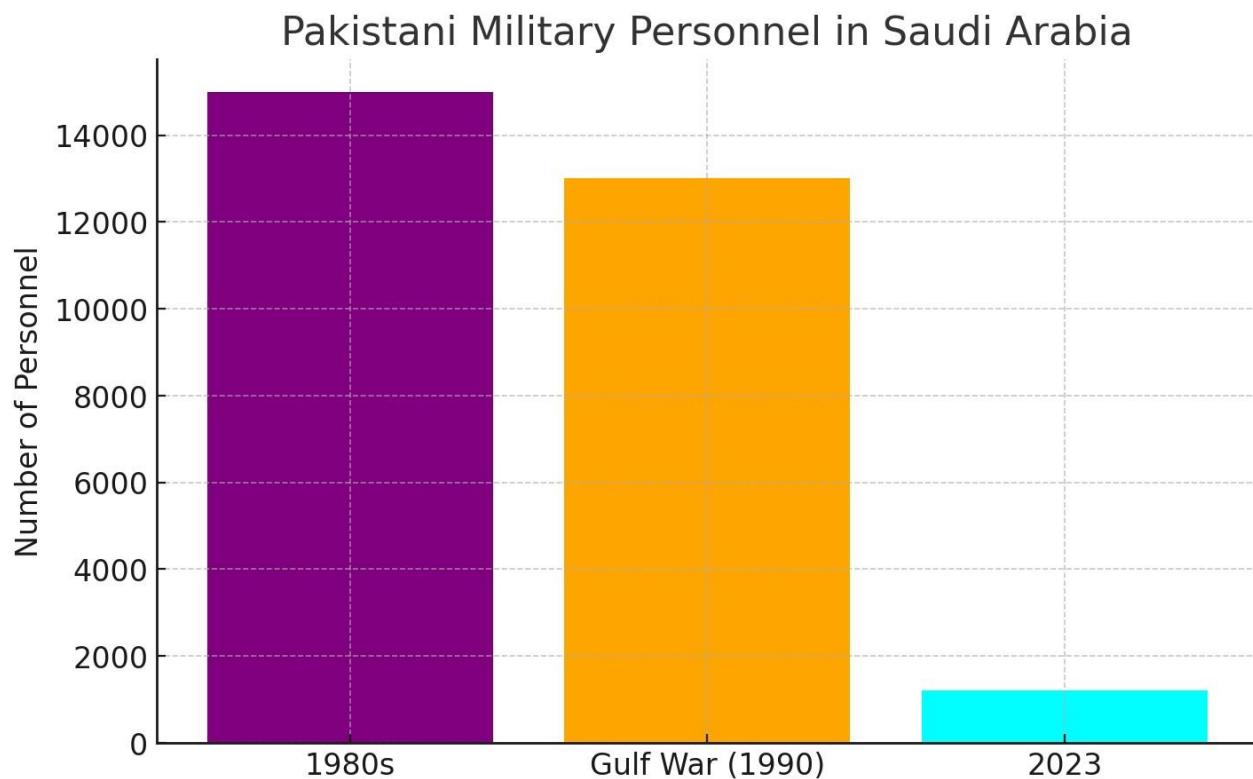
- b. **Joint Military Exercises:** The "Al-Samsam" series of joint military exercises continues to be a key component of defense cooperation. The latest exercise, "Al-Samsam VII," held in 2023, involved special forces from both countries focusing on counterterrorism operations and urban warfare.

Remittances from Saudi Arabia compared to Total Remittances to Pakistan (2023)



### Saudi Investment Commitment vs Actual Investment in Pakistan





Source: DSP Mudasir Hussain Qureshi (CCE 2020)



## **Pak-GCC**

1. The Gulf Cooperation Council (GCC), which consists of the UAE, Saudi Arabia, Qatar, Bahrain, Oman and Kuwait, was established under an agreement concluded on 25 May 1981 in Riyadh, Saudi Arabia.
2. All the GCC countries have come up with their visions like Saudi Arabia's Vision 2030, Kuwait's Vision 2035, Qatar's Vision 2030, Oman's Vision 2040 and Bahrain's Vision 2030. UAE has just completed Vision 2021 and is

now planning the future vision.

3. More than three million expatriates send in remittances to Pakistan to the tune of \$2 billion per month on an average.
4. The bulk of Pakistan's energy, be it oil or gas, comes from GCC countries.
5. Pakistan has been an active member of the Bahrain based Combined Task Force (CTF) 150 and CTF 151, both international naval contingents for promoting navigational security and countering threats at high seas.
6. The GCC bloc is highly deficient in food production. The current statistics show that the group heavily relies on imported food. For example, the import of food by Saudi Arabia is 80 percent, Kuwait at 90 percent, UAE at 85 percent and Qatar at 90 percent. Presently, the leading exporters to the region are western countries except India, Morocco and Egypt. Despite the huge potential and market of Pakistani commodities like mango, rice and halal meat, Pakistan does not fall in the category of major exporters at all.
7. Kuwait imports live animals from Australia and other countries. It is predicted that the halal food market will further grow in the coming years and Saudi Arabia will be leading the market in the region. It has been forecasted that Saudi Arabia's halal food market size would be around USD 6 billion in the next five years. Pakistan, being a Muslim country with a huge livestock production base, can be a natural choice in this category.

## **8. Remittances**

9. In 2023, Pakistani workers in GCC countries sent home approximately \$14 billion in remittances, which accounts for about 55% of Pakistan's total remittances. The UAE was the largest source, contributing around \$5 billion, followed by Saudi Arabia with \$7.5 billion.

## **10. Defense and Security Cooperation**

### **11. Military Training and Cooperation:**

- ✓ Pakistan has ongoing defense cooperation with several GCC states, providing military training and technical assistance. In 2023, over 1,500 Pakistani military personnel were stationed in GCC countries, primarily in Saudi Arabia and the UAE.

12. **Joint Military Exercises:** Pakistan participated in several joint military exercises with GCC countries in 2023, including the "Gulf Shield" exercise hosted by Saudi Arabia, focusing on counterterrorism, naval defense, and air defense.

### **13. Energy Cooperation**

✓ **Oil and Gas Imports:**

- Pakistan remains heavily reliant on GCC countries for its energy needs. In 2023, about 60% of Pakistan's crude oil imports came from Saudi Arabia, while Qatar supplied around 40% of Pakistan's LNG requirements.

**14. Long-Term Energy Agreements:** Pakistan signed a new 10-year LNG supply agreement with Qatar in 2023, valued at approximately \$3 billion, to ensure a stable supply of energy amid growing demand.

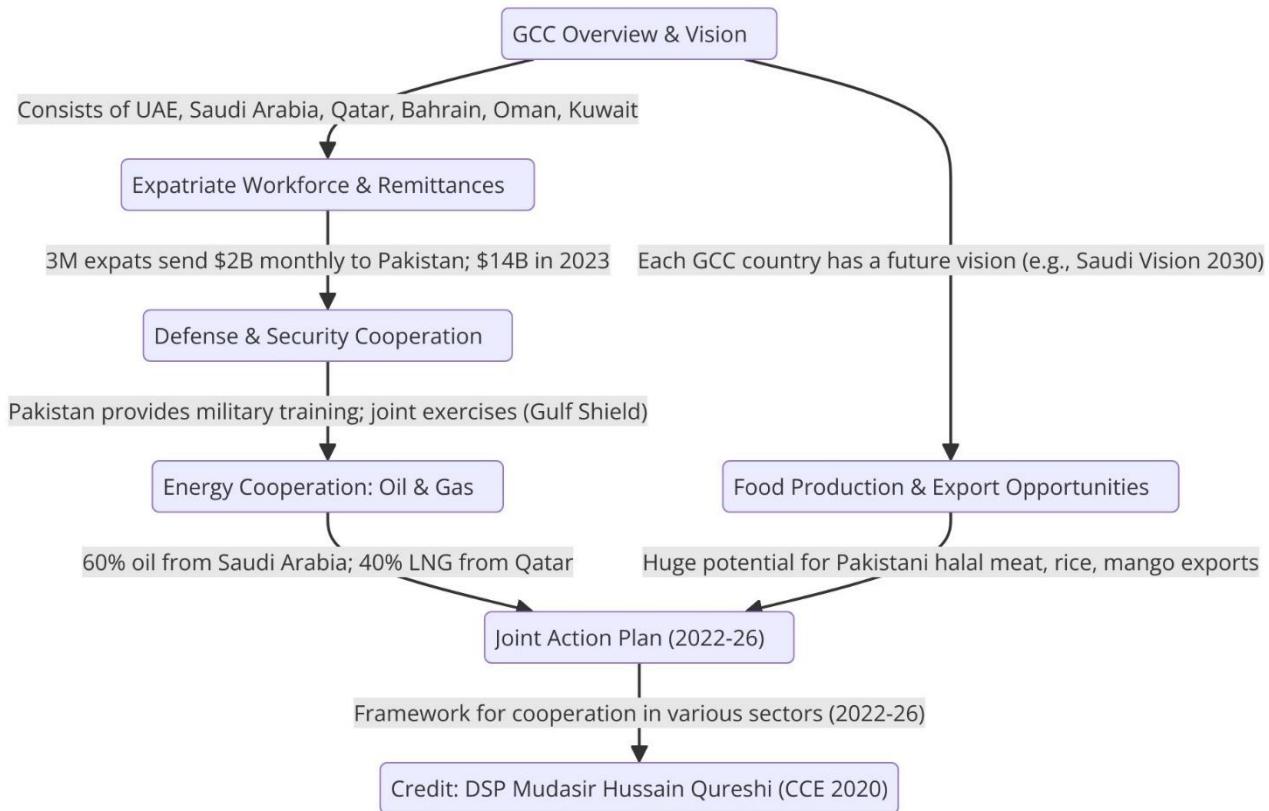
**15. Labor and Workforce**

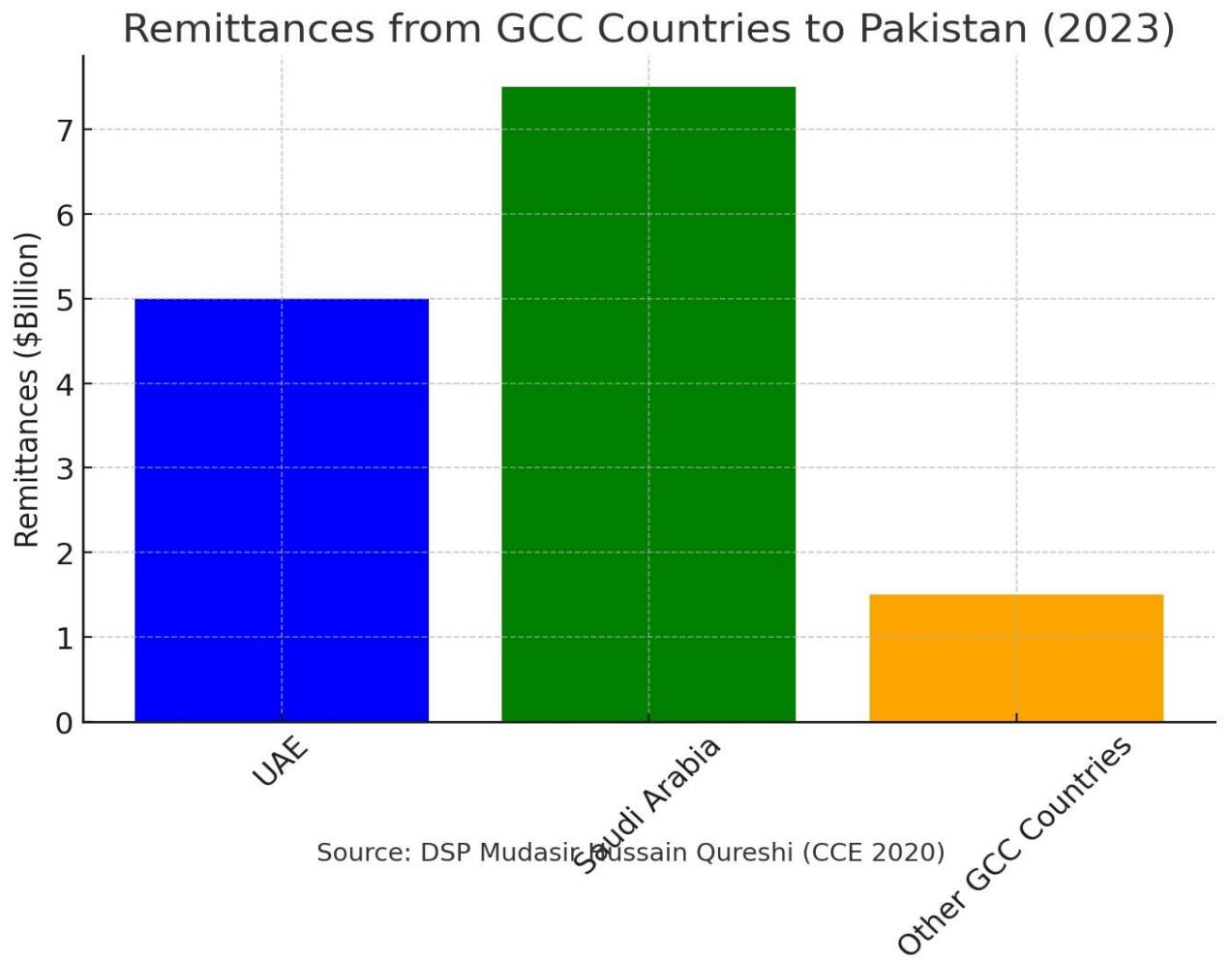
**16. Pakistani Workforce in GCC:**

17. As of 2024, there are approximately 4.5 million Pakistanis working in GCC countries, contributing significantly to both the local economies and remittances sent back to Pakistan. The UAE and Saudi Arabia host the largest Pakistani expatriate populations, with around 1.6 million and 2.7 million workers, respectively.

18. The Joint Action Plan for Strategic Dialogue (2022-26) between Pakistan and the Gulf Cooperation Council (GCC) is a comprehensive framework for cooperation in a wide range of areas, including:

- ✓ Political and diplomatic affairs
- ✓ Economic and trade relations
- ✓ Security and defense
- ✓ Science and technology
- ✓ Education and culture
- ✓ Agriculture and food security
- ✓ Transportation
- ✓ Energy
- ✓ Environment
- ✓ Health
- ✓ Tourism





## **Pak-UN**

1. Pakistan joined the United Nations on September 30, 1947, just over a month after its independence.
2. Pakistan is the largest troop contributing country to the UN peacekeeping operations.
3. Currently, Pakistan is one of the largest troop contributors, with 8,230 peacekeepers, constituting over 9% of UN's total deployment.
4. Pakistan is also the sixth largest police contributor.
14. Pakistan was the first country to send female peacekeepers to that African nation.

### **15. Peacekeeping Contributions**

- **Troop Contributions:** As of 2024, Pakistan is the 6th largest contributor to UN peacekeeping missions, with approximately

4,200 troops and personnel deployed in various UN missions around the world. This includes missions in Congo (MONUSCO), the Central African Republic (MINUSCA), and South Sudan (UNMISS).

**16. Historical Contribution:** Since 1960, Pakistan has contributed over 200,000 troops to 46 UN peacekeeping missions in 28 countries, making it one of the largest and longest-serving contributors to UN peacekeeping.

## 17. Humanitarian Assistance and Development

- **UN Humanitarian Aid to Pakistan:** In response to the 2022 floods in Pakistan, the UN provided around \$350 million in humanitarian assistance through various agencies, including the World Food Programme (WFP), UNICEF, and UNHCR. This aid focused on food security, shelter, and healthcare for affected populations.
- **Development Assistance:** The UN Development Programme (UNDP) has ongoing projects in Pakistan worth approximately \$100 million as of 2024. These projects focus on poverty reduction, governance, climate change, and sustainable development goals (SDGs).
- **Education and Health:** UNICEF is implementing education and health programs in Pakistan valued at \$75 million in 2023-2024, targeting child nutrition, vaccination campaigns, and increasing school enrollment rates in rural areas.

## 18. Climate Change and Environmental Initiatives

- **UN Climate Initiatives:** Pakistan is an active participant in UN climate change initiatives. In 2023, the UN supported Pakistan with \$50 million for projects aimed at climate resilience, reforestation, and sustainable agriculture under the UN's Green Climate Fund.
- **Disaster Risk Reduction:** Through the UN Office for Disaster Risk Reduction (UNDRR), Pakistan received \$20 million in 2023 to improve disaster preparedness and response mechanisms, particularly in flood-prone areas.

## 19. Human Rights and Governance

- **Universal Periodic Review (UPR):** Pakistan underwent its 4th Universal Periodic Review (UPR) by the UN Human Rights Council in early 2024. The review focused on issues such as

freedom of expression, minority rights, and women's empowerment. Pakistan received over 250 recommendations, with commitments to implement reforms in these areas.

- **UN Women:** The UN Women Pakistan office managed projects worth \$15 million in 2023-2024, focusing on gender equality, women's economic empowerment, and combating gender-based violence.

## 20. UN and Pakistan's Role in International Forums

- **Security Council Candidacy:** Pakistan has expressed its intention to seek a non-permanent seat on the UN Security Council for the 2025-2026 term. As part of its campaign, Pakistan has emphasized its contributions to global peacekeeping and its role in regional stability.
- **International Court of Justice (ICJ):** Pakistan continues to be involved in cases at the ICJ, including the ongoing Kulbhushan Jadhav case, where Pakistan has engaged with the UN's judicial arm to address legal disputes with India.

## 21. UN-Pakistan Joint Programs

- **UN Sustainable Development Cooperation Framework (UNSDCF):** The UNSDCF 2023-2027 is a joint program between Pakistan and the UN, with a budget of \$2 billion. The program focuses on achieving the Sustainable Development Goals (SDGs) in areas such as health, education, poverty alleviation, and climate action.
- **Polio Eradication:** Pakistan, with support from WHO and UNICEF, continues its efforts to eradicate polio. In 2023, the UN provided \$50 million for polio vaccination campaigns, contributing to a significant reduction in polio cases.

| Aspect                     | Details                               |
|----------------------------|---------------------------------------|
| UN Membership              | Joined: 1947                          |
| Troop Contributions        | 6th Largest Contributor, 4,200 troops |
| Police Contributions       | 6th Largest Contributor               |
| 2022 Flood Aid             | \$350M Aid                            |
| Development Assistance     | \$100M Projects                       |
| Education & Health         | \$75M Programs                        |
| Climate Initiatives        | \$50M Climate Support                 |
| Disaster Risk Reduction    | \$20M Preparedness                    |
| UPR Review                 | 250 Recommendations                   |
| Gender Projects (UN Women) | \$15M Gender Projects                 |
| Security Council Candidacy | 2025-2026 Candidacy                   |
| ICJ Involvement            | Kulbhushan Case                       |
| UNSDCF Framework           | \$2B Budget (2023-2027)               |
| Polio Eradication          | \$50M Polio Campaign                  |

## International Organizations

### SAARC

1. Article 10 of the Charter Prohibits discussion on contentious bilateral issues
2. No functional experts or independent commissions to oversee SAARC functions
  - a. India-Pak water issue (outside SAARC Framework)
  - b. EU works on this approach = different expert meetings on d/f issues

(food security, immigration etc.)

3. India as geographically, militarily, economically and populous largest (so hegemonic)
  - a. More than 75% land area
  - b. More than 80% GDP
  - c. 75% population
  - d. Largest army and economy
4. Lack of empowerment of SAARC Secretariat
  - a. No force to implement initiatives (SAFMA, SAPTA, etc.)
5. No decision-making authority on political and security-related matters.
6. Secretariat
  - a. Located in Kathmandu, Nepal.
  - b. Functions as the administrative and coordinating body of SAARC.
  - c. Led by the Secretary-General, who is appointed by member countries.

| Aspect                          | Details                                   |
|---------------------------------|-------------------------------------------|
| Article 10 - Charter            | No discussion on bilateral issues         |
| No Functional Experts           | Lacks experts, no independent commissions |
| India's Dominance               | 75% Land Area, 80% GDP, 75% Population    |
| SAARC Secretariat Power         | No force for initiative implementation    |
| No Political Decision Authority | No say on political/security matters      |
| Secretariat Details             | Located: Kathmandu, Nepal                 |

## **SCO**

1. The Shanghai Cooperation Organisation (SCO) is a permanent international intergovernmental organization established by China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan.
2. It is the world's largest regional organization in terms of geographic scope

and population, covering approximately 80% of the area of Eurasia and 40% of the world population.

3. The SCO covers 40% of the global population, nearly 20% of the global GDP, and 22% of the world's land mass
4. Founded: 2001
5. Members: China, Russia, India, Pakistan, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan
6. Observer states: Afghanistan, Belarus, Iran, Mongolia, and Myanmar
7. Associate members: Azerbaijan, Armenia, Cambodia, Nepal, Sri Lanka, and Thailand
8. Headquarters: Beijing, China
9. The SCO member states have a combined trade volume of over US\$6 trillion.
10. The SCO member states have a combined investment potential of over US\$1 trillion.
11. It has been involved in a number of initiatives, including:
  - The Counter-Terrorism Center in Tashkent, Uzbekistan
  - The Regional Anti-Drug Center in Bishkek, Kyrgyzstan
  - The SCO Peacekeeping Force
  - The SCO Business Council
  - The SCO University of Shanghai
12. The combined GDP of its member states is over US\$23 trillion.

| Aspect              | Details                                     |
|---------------------|---------------------------------------------|
| Overview            | Largest Regional Org.                       |
| Geographic Scope    | 80% Eurasia, 40% World Pop.                 |
| Key Stats           | 40% Pop., 20% GDP, 22% Land Mass            |
| Founded             | 2001                                        |
| Members & Observers | Members: China, Russia, India, Pak, etc.    |
| HQ                  | Beijing, China                              |
| Key Initiatives     | Anti-Terror Center, Peacekeeping, SCO Univ. |

## **ECO**

1. The Economic Cooperation Organization (ECO) is an intergovernmental organization that was founded in 1985 by Iran, Pakistan, and Turkey.
2. In 1992, Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan joined the ECO. The ECO now has ten member states, which represent a combined population of over 500 million people and a total GDP of over US\$2 trillion.
3. Founded: 1985
4. Members: Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkmenistan, Turkey, and Uzbekistan
5. Observer states: Egypt, Guinea-Bissau, Morocco, Mozambique, and Tunisia
6. Headquarters: Tehran, Iran
7. The ECO member states have a combined trade volume of over US\$300 billion.

| Aspect              | Details                                             |
|---------------------|-----------------------------------------------------|
| Overview            | Intergovernmental Org. Founded by Iran, Pak, Turkey |
| Founded             | 1985                                                |
| Members & Observers | Members: 10 incl. Afghanistan, Iran, Pak.           |
| Population & GDP    | 500M Pop., \$2 Trillion GDP                         |
| Trade Volume        | \$300 Billion Trade                                 |
| HQ                  | Tehran, Iran                                        |

## **GCC**

1. Founded: 1981
2. Members: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates
3. Headquarters: Riyadh, Saudi Arabia
4. Population: 57 million
5. GDP: US\$2.1 trillion
6. Area: 1.7 million square kilometers
7. The GCC member states have a combined trade volume of over US\$1.5 trillion.

| Aspect       | Details                                         |
|--------------|-------------------------------------------------|
| Founded      | 1981                                            |
| Members      | Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE |
| Headquarters | Riyadh, Saudi Arabia                            |
| Population   | 57M                                             |
| GDP          | \$2.1 Trillion                                  |
| Trade Volume | \$1.5 Trillion                                  |

## **OIC**

1. The Organisation of Islamic Cooperation (OIC) is the second largest intergovernmental organization after the United Nations.
2. Founded: 1969, in Rabat, Morocco, following the arson of the Al-Aqsa Mosque in Jerusalem.
3. Members: 57
4. Headquarters: Jeddah, Saudi Arabia
5. Population: Over 1.8 billion
6. GDP: Over US\$20 trillion
7. The OIC member states account for over 24% of the world's population.
8. The OIC member states have a combined trade volume of over US\$5 trillion.

| Aspect       | Details                    |
|--------------|----------------------------|
| Overview     | 2nd Largest Intergovt Org. |
| Founded      | 1969 (Rabat, Morocco)      |
| Members      | 57                         |
| HQ           | Jeddah, Saudi Arabia       |
| Population   | 1.8 Billion                |
| GDP          | \$20 Trillion              |
| Trade Volume | \$5 Trillion               |

## Organization (Global)

### UNO

1. It was founded in 1945 at the end of World War II by 51 countries.  
Today, the UN has 193 member states.
2. Founded: 1945
3. Headquarters: New York City, United States
4. Members: 193 countries
5. Budget: US\$3.2 billion (2022-2023)
6. Staff: 44,000 (2022-2023)
7. The official languages of the UN are Arabic, Chinese, English, French, Russian, and Spanish.
8. The UN has won the Nobel Peace Prize three times: in 1950, 1988, and 2001.
9. The UN has 65 field missions around the world, working on a wide range of issues, including peacekeeping, humanitarian assistance, and development.
10. The UN has over 20 specialized agencies and programs, each with its own specific focus.
11. The UN employs over 44,000 people from all over the world.

| Aspect             | Details                                            |
|--------------------|----------------------------------------------------|
| Founded            | 1945                                               |
| Members            | 193 countries                                      |
| Headquarters       | NYC, USA                                           |
| Budget (2022-23)   | \$3.2 Billion                                      |
| Staff              | 44,000                                             |
| Languages          | Arabic, Chinese, English, French, Russian, Spanish |
| Nobel Peace Prizes | 3 Times (1950, 1988, 2001)                         |

## **IMF**

1. It defies logic to believe the small group of **1,000 economists on 19th Street in Washington** should dictate the economic conditions of life to **75 developing countries** with around **1.5 billion people**. - **Jeffrey Sachs**, the head of the Harvard Institute for International Development
2. **IMF Membership:**
  - a. Established in 1944, started operations on December 27, 1945.
  - b. Initially had 29 founding members, now expanded to 190 countries.
  - c. Financing capacity of approximately **\$700 billion**.
  - d. Total assets: US\$1.1 trillion
  - e. Annual lending: US\$50-100 billion
3. Quota subscriptions: Each member country is assigned a quota subscription, which is based on the size of its economy. Quota subscriptions are the IMF's primary source of income.

| Aspect             | Details                             |
|--------------------|-------------------------------------|
| Overview           | International Financial Institution |
| Founded            | 1944, Ops Start: 1945               |
| Members            | 190 Countries                       |
| Assets             | \$1.1 Trillion                      |
| Annual Lending     | \$50-100 Billion                    |
| Financing Capacity | \$700 Billion                       |

## Case Studies: Lessons For Pakistan From Other Countries

### Bangladesh Student Crisis 2024

#### Incident in Bangladesh

In August 2024, a major crackdown on student protests in Bangladesh led to the death of approximately 300 students. These protests were sparked by frustration over a government job quota system favoring the descendants of independence fighters. Despite the economic growth in Bangladesh, the nepotistic practices and suppression of dissent led to widespread discontent, especially among the youth.

#### Relevance to Pakistan

The incident in Bangladesh is relevant to Pakistan as it highlights the dangers of ignoring meritocracy, repressing political dissent, and relying on authoritarian

governance to maintain control. Similar frustrations could arise in Pakistan if issues of unemployment, nepotism, and lack of political freedoms persist.

## **Lessons for Pakistan**

1. **Meritocracy vs. Nepotism:** Pakistan must ensure that public sector opportunities are based on merit to prevent frustration among educated youth, similar to what was seen in Bangladesh.
2. **Economic Growth and Political Stability:** Economic growth alone cannot sustain political stability if it is not accompanied by equitable distribution of resources and respect for basic rights.
3. **Impact of Digital Repression:** Suppressing digital freedom and controlling the press is counterproductive in the modern era, as seen in Bangladesh's failed attempts to quell protests.
4. **Military's Role:** The military should not be used against its own citizens, as patriotism should not be defined by suppressing legitimate demands for rights.
5. **Legitimacy of Governance:** Political legitimacy is crucial for stability. Governance through repression or rigged elections is unsustainable, as demonstrated by the downfall of Bangladesh's government.

## **Singapore:**

1. Comparison
  - a. **Population:** Singapore has a population of about 5 million, which is about one-fourth of Karachi's population.
  - b. **Exports:** Singapore has annual exports of approximately \$400 million, while Pakistan's exports stand at about \$32 million.
  - c. **Education Budget:** Singapore invests about 20% of its annual budget in education.
  - d. **Global Rankings:** According to the World Economic Forum's Global Competitiveness Report, Singapore ranks first in the world for the quality of its education system.
  - e. **Foreign Direct Investment (FDI):** According to the United Nations Conference on Trade and Development, Singapore was the third-largest recipient of FDI in the world in 2020, after the US and China
2. Success factors
  - a. **Education and Human Capital:** Singapore invested heavily in education, emphasizing STEM (Science, Technology, Engineering, and Mathematics) and lifelong learning.
    - i. **Teacher Training:** Singapore invests in continuous professional

development opportunities for teachers, including training on the use of technology in teaching and learning.

- ii. **Centralized Education System:** The government ensures that all students receive quality education regardless of their socio-economic background.
- iii. **Vocational Education and Training (VET):** Singapore has invested in VET to prepare students for the workforce, aligning the skills taught with the needs of the industry.
- iv. **World-Class Universities:** Singapore has high-ranking universities that attract top talent from around the world.
- v. **Research and Development:** The government provides funding for R&D to ensure that universities can conduct cutting-edge research. Collaboration between universities and businesses is encouraged

b. **Business-Friendly Environment:** The government streamlined business registration processes and offered tax incentives to attract foreign investment.

- i. **Pro-Business Environment:** Singapore has established economic zones and industrial parks, offering incentives for companies to set up operations.
- ii. **Global Partnerships:** Singapore has concluded free trade agreements with other countries, making it easier for companies to do business and access markets.

c. **Innovation and Entrepreneurship:** Singapore has created a pro-business environment that encourages innovation. The government provides tax incentives for start-ups, grants for R&D, and has established innovation clusters and incubators for new businesses.

d. **Foreign Direct Investment (FDI):** Singapore has been successful in attracting FDI, which has been a key driver in its economic development. The country offers a stable and predictable business environment with minimal corruption and efficient regulatory frameworks.

e. **Export-Oriented Economy:** Singapore transformed itself into an export-oriented economy, supporting industries like textiles and electronics.

f. **Social Protection:** A comprehensive social protection system was implemented, financed through a mandatory savings scheme called

the Central Provident Fund.

- g. **Good Governance:** Strong governance and political leadership played a crucial role in Singapore's development.

### 3. Lessons for Pakistan

- a. Invest in Education: Pakistan should focus on human capital development, including teacher training and STEM education.
- b. Encourage Foreign Investment: A business-friendly environment with tax incentives and simplified registration processes should be created.
- c. Develop Export-Oriented Economy: Investment in infrastructure and education to support industries like textiles and minerals is needed.
- d. Social Protection: A comprehensive social protection system should be implemented, providing support in healthcare, housing, and education.
- e. Good Governance: Strengthen governance to combat corruption and encourage public-private partnerships

## South Korea:

### 1. Success factors

#### a. Public-Private Partnerships

- The government partnered with the private sector to convert research into commercially viable products.
- Companies like Samsung became global giants due to cutting-edge research and development.

#### b. Science Parks and Initiatives

- South Korea established science parks to promote research and development, attracting private sector R&D centers with tax breaks and other financial incentives.
- Initiatives like the Technology Development Program (TDP) and the Industrial Technology Innovation Program (ITIP) were launched to fund research and development projects with commercial potential.

#### c. Higher Education and Anti-Corruption Measures

- The government invested heavily in higher education and encouraged students to study abroad to gain international experience.
- Steps were taken to root out corruption from the government

### 2. Lessons for Pakistan

- a. Pakistan's exports stagnate at around \$32 billion, while Singapore, with fewer natural resources and a smaller population, has exports of over \$400 billion.
- b. Pakistan should focus on manufacturing and exporting high-tech goods.
- c. Pakistan must launch similar programs to South Korea, focusing on high technology manufacturing and exports.
- d. A powerful, efficient, and fair judicial system should also be emphasized as a prerequisite for socio-economic development.

## **Bangladesh:**

- 1. Comparison of Pakistan and Bangladesh
  - a. Bangladesh's GDP growth rate is 7.9%, compared to Pakistan's 1.5%.
  - b. Bangladesh's foreign exchange reserves are \$41 billion, while Pakistan's are \$20 billion.
  - c. Bangladesh's exports are twice as much as Pakistan's.
  - d. Bangladesh's currency, the taka, has nearly doubled in value compared to Pakistan's rupee.
  - e. Bangladesh has a better ranking in terms of passport index, literacy ratio, micro-credit financing, and women empowerment compared to Pakistan.
- 2. Success factors
  - a. **Leadership:** Strong and focused leadership has been crucial.
  - b. **Innovation:** Bangladesh has been innovative, especially in the garment industry.
  - c. **Planning:** Strategic planning has been a cornerstone of Bangladesh's economic policies.
  - d. **Ownership:** There is a sense of ownership and responsibility towards the country's development.
  - e. **Women Empowerment**
    - i. Bangladesh has increased women's participation in the workforce to 35% in recent years.
    - ii. Bangladesh has directed international aid towards Gender In Development (GID) and Gender And Development (GAD) projects focusing on girl's education, family planning, and

micro-financing for women-run MSMEs.

- iii. As a result, Bangladesh has seen widespread successes both for the personal welfare of women and for its economy overall.

### **3. Lessons for Pakistan**

- a. **Innovation and Skills:** Bangladesh's growth in exports, population control, literacy, poverty alleviation, and women empowerment are due to innovative and creative skills.
- b. **Focus on Economy and Governance:** Despite political polarization, the focus has been on the economy, governance, and social and human development.
- c. **Lack of Leadership:** Pakistan suffers from economic degradation, political instability, bad governance, and societal breakdown due to a lack of effective leadership
- d. Developmental strategy focusing on women's education and healthcare.
  - i. Pakistan can replicate Bangladesh's developmental strategy focusing on women's education and healthcare.
  - ii. One promising area for growth and innovation is the agricultural sector, which employs 65% of women working in Pakistan and contributes 18.9% to Pakistan's GDP.
  - iii. Pakistan has already signaled its focus on expanding its export base through the recent Strategic Trade Policy Framework (STPF 2020-2025), which also aims to include local women in every sector and support female entrepreneurs.

## **East Asian Economies:**

### 1. Success factors

- a. **State's Capability:** These nations developed strong state capacity to develop and implement policies. The quality of public service, especially bureaucracy, played a critical role in fostering state capitalism or ensuring property rights and contract enforcement for private sector growth.
- b. **Market of Businesses and Professionals:** East Asian countries created a thick market of businesses and professionals through massive public investments and facilitation. Investment to GDP remained in the range of 25-45% of GDP during the last quarter of the 20th century.

- c. **State-Owned Enterprises:** These enterprises played a pivotal role in making heavy investments in sectors where the private sector did not have the capability. Examples include Chaebol in South Korea, Sony and Mitsubishi in Japan, Temasek in Singapore, and SOEs Board in China.
- d. **Urbanization and Quality of Cities:** These nations developed cities as engines of growth, innovation, and culture. Cities like Tokyo, Shenzhen, Hong Kong, Singapore, and Seoul share common characteristics like population density, local decision-making, and entrepreneurial culture.
- e. **Provision of Public Goods:** East Asian nations invested heavily in the provision of public goods and social insurance in areas like education, health, water/sanitation, public transport, public safety, and public housing

## 2. Lessons for Pakistan

- a. State capability
- b. Fostering a market of businesses and professionals
- c. Investing in public goods and social infrastructure.

# Turkey: Electoral Resilience

## 1. Success factors

### a. Turkey's Electoral Resilience

- Despite a massive earthquake that killed about 55,000 people and displaced 14 million, Turkey held its elections as scheduled.
- The turnout in the first round of the presidential election was nearly 90%, indicating a high level of trust in the electoral system, judiciary, and governance.

### b. Overseas Voting

- Turkey has successfully facilitated voting for its citizens living abroad, with 50% of Turks living abroad participating in the polling.

### c. Second Round of Elections

- In Turkey, a second round of polling became mandatory because no candidate could win 50% plus votes. This contrasts with Pakistan, where it suggests that manipulation would likely have occurred to avoid a second round.

#### **d. Political Culture**

- There is a huge difference in political culture between Turkey and Pakistan. In Turkey, even opposition parties sided with President Erdogan during a coup attempt, showing their commitment to democracy.

#### **2. Lessons for Pakistan**

- a. The nature of politicians and political parties in Turkey seems to be radically different from those in Pakistan

### **Indonesia: Reducing Military Interference**

#### **1. Success factors**

- a. Indonesia underwent significant security sector reforms after the Asian Financial Crisis in 1998. The reforms led to a reduction in the military's political influence, although the military remained entrenched in society.
- b. Conflict among civilian elites became a barrier to the continuation of reforms

#### **2. Lessons for Pakistan**

- a. **Civilian Elite Conflict:** Conflict within the civilian elite has a direct bearing on the military's ability to exert influence.
- b. **Continuity and Consensus:** Political stability and cooperation are key for maintaining a stable trajectory of reforms.
- c. **Military's Own Agenda:** Allowing the military to dictate its own pace for reforms leads to suboptimal progress.
- d. **Civilian Legitimacy:** Civilian rulers need to improve their standing and institutional legitimacy to create the political space for tough reforms

### **Summary of Economic Survey of**

### **Pakistan 2022-23 &**

### **2023-24**

| <b>Sr. No</b> | <b>Economic Indicator</b> | <b>2022-23</b> | <b>2023-24</b> |
|---------------|---------------------------|----------------|----------------|
|               |                           |                |                |

|     |                                           |                                    |                                 |
|-----|-------------------------------------------|------------------------------------|---------------------------------|
| 1.  | GDP Growth Rate                           | 0.29 %                             | 2.38%                           |
| 2.  | GDP Volume in Rs                          | 84.7 trillion rupees               | 106.0 trillion                  |
| 3.  | GDP Growth in Dollars                     | \$ 341.6 billion                   | \$ 375 billion                  |
| 4.  | Nominal GDP                               | Rs 84,658 bn                       | Rs 106,045 billion              |
| 5.  | Headline Inflation                        | 29.2%                              | 24.5%                           |
| 6.  | Industry Growth Rate                      | -3 %                               | 1.21%                           |
| 7.  | Agriculture Growth Rate                   | 1.6%                               | 6.25%                           |
| 8.  | Services Growth Rate                      | 0.86%                              | 1.21%                           |
| 9.  | Per Capita Income                         | \$1,568                            | \$1,680                         |
| 10. | Investment-to-GDP ratio                   | 13.6%                              | 13.14%                          |
| 11. | savings-to-GDP ratio                      | 12.6%                              | 13.0%                           |
| 12. | Fiscal Deficit                            | 4.6% of GDP<br>(Rs3,929.3 billion) | 3.7% of GDP                     |
| 13. | Total Revenues                            | Rs6.934 trillion (8.2% ofGDP)      | Rs 9.8 trillion                 |
| 14. | Total Expenditure                         | Rs10 trillion                      | Rs 13.7 trillion                |
| 15. | Current Account Deficit                   | \$3.3 billion                      | \$200 million (shrank by 94.8%) |
| 16. | Workers Remittances                       | \$22.7 billion                     | \$23.9 billion                  |
| 17. | Foreign Exchange Reserves                 | \$4.5 billion by end of April 2023 | \$4.5 billion As of April 2024  |
| 18. | Education Expenditure as Percentage ofGDP | 1.77 percent of GDP                | 1.5% of GDP                     |
| 19. | Overall Literacy Rate                     | 62.8 percent                       | 62.8 percent                    |
| 20. | Literacy Rate in Males                    | 73.4 percent                       | 73.4 percent                    |
| 21. | Literacy Rate in Females                  | 51.9 per cent                      | 51.9 per cent                   |
| 22. | Unemployment Rate                         | 6.3 percent                        | 6.3 percent                     |
| 23. | LSM Growth                                | -8.1 percent                       | -8.1 percent                    |
| 24. | Total Labour Force                        | 71.76 million                      | 71.76 million                   |
| 25. | Employed Labour Force                     | 67.25 million                      | 67.25 million                   |
| 26. | Unemployed Labour Force                   | 4.51 million                       | 4.51 million                    |
| 27. | Pakistanis Moved Abroad                   | 12.4 million                       | 12.4 million                    |
| 28. | Health Expenditure as Percentage ofGDP    | 1.4% of GDP                        | 1.0% of GDP                     |

|     |                                                                            |                                  |                                   |
|-----|----------------------------------------------------------------------------|----------------------------------|-----------------------------------|
| 29. | Population of Pakistan                                                     | 229.22 million                   | 241.5 million                     |
| 30. | Population in Urban Areas                                                  | 84.69 million (37%)              | 147.75 million                    |
| 31. | Population in Rural Areas                                                  | 144.53 million (63%)             | 93.75 million                     |
| 32. | Population density of Pakistan                                             | 287.93 per kilometer square      | 303 people per kilometer square   |
| 33. | Total Public Debt                                                          | Rs59,247 billion (70% of GDP)    | Rs 67.5 trillion (74.8% of GDP)   |
| 34. | External debt                                                              | Rs. 24,171 bn or \$ 85.2 billion | Rs 24.1 trillion (\$86.7 billion) |
| 35. | Domestic debt                                                              | Rs. 35,076 bn                    | Rs 43.4 trillion                  |
| 36. | Rupee Depreciation                                                         | around 39 per cent               |                                   |
| 38. | Tax-to-GDP Ratio                                                           | 6.6%                             |                                   |
| 42. | Trade Deficit                                                              | \$25.8 bn                        | US \$ 15.8 billion                |
| 43. | Imports                                                                    | \$ 51.2 bn                       | US \$ 38.8 billion                |
| 44. | Exports                                                                    | \$ 25.4 bn                       | US\$23.0 billion                  |
| 45. | Foreign Direct Investment                                                  | \$ 1.17 bn                       | US \$ 1.1 billion                 |
| 46. | Total installed capacity of electricity                                    | 41,000 MW                        | 42,131 MW                         |
| 47. | Contribution of Hydel Power to Total Installed Capacity of Electricity     | 25.8%                            | 25.35%                            |
| 48. | Contribution of Thermal Power to Total Installed Capacity of Electricity   | 58.8%                            | 59.45%                            |
| 49. | Contribution of Renewable Power to Total Installed Capacity of Electricity | 6.8%                             | 6.8%                              |
| 50. | Contribution of Nuclear Power to Total Installed Capacity of Electricity   | 8.6%                             | 8.41%                             |

|     | Electricity                                                     |            |            |
|-----|-----------------------------------------------------------------|------------|------------|
| 51. | Total electricity generation                                    | 94,121 GWh | 92,091 GWh |
| 52. | Contribution of Hydel Power to Total Electricity Generation     | 28.6%      | 31.67%     |
| 53. | Contribution of Thermal Power to Total Electricity Generation   | 46.2%      | 45.88%     |
| 54. | Contribution of Renewable Power to Total Electricity Generation | 4.2%       | 4.26%      |

# PAKISTAN INTERNATIONAL RANKINGS

## **1. Freedom in the World Index 2024 by Freedom House**

- a. Status: Partly Free
- b. Score: 35 out of 100
- c. Pakistan remains in the bottom third of all countries ranked.

## **2. The Economist Intelligence Unit's Democracy Index 2023**

- a. 118th out of 167 countries
- b. Categorized as an authoritarian regime, showing a decline from its previous position as a hybrid regime
- c. The Democracy Index is based on five categories:
  - i. Electoral process and pluralism
  - ii. Functioning of government
  - iii. Political participation
  - iv. Political culture
  - v. Civil liberties

## **3. Transparency International's Corruption Perceptions Index 2023**

- a. 133rd out of 180 countries
- b. Improved by seven spots from the previous year

## **4. World Justice Project Rule of Law Index 2023**

- a. 129<sup>th</sup> out of 140 countries

## **5. The Global Peace Index 2024 by Institute of Economics and Peace**

- a. 140<sup>th</sup> out of 163 countries

## **6. The Human Freedom Index 2022 by Cato Institute**

- a. 132<sup>nd</sup> out of 165 states

## **7. Bertelsmann Stiftung's Transformation Index (BTI) 2024**

- a. Overall ranking = 110<sup>th</sup>/137
- b. Our ranking on Governance Index is rated at 112/137, on Political Transformation Index 99/137, and on Economic Transformation Index, at 112/137.

## **8. The Press Freedom Index 2024 by Reporters Without Borders**

- a. 152<sup>nd</sup> out of 180 countries

## **9. The World Happiness Report 2024 by the UN**

- a. 108<sup>th</sup> out of 143 countries, climbing 18 spots compared to the previous list

**10. The Global Talent Competitiveness Index 2023 by INSEAD**

- a. 109<sup>th</sup> out of 134 countries

**11. The Environmental Performance Index 2024**

- a. 179<sup>th</sup> out of 180 countries

**12. The Global Gender Gap Report 2024**

- a. 145/146 countries (2<sup>nd</sup> last in the world)
- b. 142/146 in 2023

**13. The World Inequality Database**

- a. The top 1% of earners in Pakistan capture 24% of the country's income, while the bottom 50% of earners capture only 13% of the country's income.

**14. The Global Innovation Index 2023 by World Intellectual Property Organisation**

- a. 88<sup>th</sup>/132 countries

**15. The Global Hunger Index 2023**

- a. 102<sup>nd</sup>/125

**16. The World Giving Index 2020**

- a. 91/144

**17. The Sustainable Development Goals (SDG) Index 2024**

- a. Pakistan = 137/ 167 (128<sup>th</sup> rank last year)
- b. Bangladesh = 107/ 167
- c. India = 109/167

**18. World Bank's Ease of Doing Business Index**

- a. 108/190

**19. Freedom on the Net 2021 Country Report by Freedom House**

- a. Pakistan is classified as "Not Free"

**20. Henley Passport Index 2024**

- a. 100<sup>th</sup>/103 countries (4<sup>th</sup> worst passport in the world)
- b. Pakistan is tied with Yemen at 100th place out of 103 spots in the rankings.

**21. The Legatum Prosperity Index**

- a. Overall prosperity = 138/167

**22. The Human Development Index (HDI) 2023 by the UN**

- a. 164/191
- b. Stagnant from 2019 to 2022 at 161/193 and now

declined to 164/193 countries.

**23. Travel and Tourism Development Index 2024 by WEF**

- a. 101<sup>st</sup>, an improvement of 20 ranks as compared to 2019.
- b. The report scored the country 3.41 out of 7, with a 3.6% improvement since 2019.

**24. The Cybersecurity Index 2022 by ITU (International Telecommunication Union)**

- a. 79/194

**25. Quality of Life Index 2024 by Numbeo**

- a. 69/201

**26. The Numbeo Crime Index Pakistan**

- a. 85/144
- b. 42.8 crime index

**27. The Global Health Security (GHS) Index**

- a. 130/195

**28. E-Government Development Index (EGDI) 2022**

- a. 150/193

**29. Nuclear Security Index 2023 by Nuclear Threat Initiative (NTI)**

- a. 19 out of 22 states
- b. The organization ranked Pakistan above India, Iran and North Korea in terms of its handling of hazardous material
- c. It also showed that Pakistan ranked 32 along with Russia and Israel in terms of the security of its nuclear facilities and was above India, Iran, Mexico, South Africa and several others on a list of 47 countries.

| Ranking Aspect                       | Ranking                        |
|--------------------------------------|--------------------------------|
| Freedom in the World Index 2024      | Partly Free (35/100)           |
| Democracy Index 2023                 | 118/167 (Authoritarian Regime) |
| Corruption Perceptions Index 2023    | 133/180                        |
| Rule of Law Index 2023               | 129/140                        |
| Global Peace Index 2024              | 140/163                        |
| Human Freedom Index 2022             | 132/165                        |
| BTI 2024 (Overall)                   | 110/137                        |
| Press Freedom Index 2024             | 152/180                        |
| World Happiness Report 2024          | 108/143 (+18)                  |
| Talent Competitiveness Index 2023    | 109/134                        |
| Environmental Performance Index 2024 | 179/180                        |
| Global Gender Gap Report 2024        | 145/146 (2nd Last)             |
| Global Innovation Index 2023         | 88/132                         |
| Global Hunger Index 2023             | 102/125                        |
| World Giving Index 2020              | 91/144                         |
| SDG Index 2024                       | 137/167                        |
| Ease of Doing Business               | 108/190                        |
| Freedom on the Net 2021              | Not Free                       |
| Henley Passport Index 2024           | 100/103 (4th Worst)            |
| Legatum Prosperity Index             | 138/167                        |
| HDI 2023                             | 164/191                        |
| Travel & Tourism Dev. Index 2024     | 101/140 (+20)                  |
| Cybersecurity Index 2022             | 79/194                         |
| Quality of Life Index 2024           | 69/201                         |
| Numbeo Crime Index                   | 85/144                         |
| GHS Index                            | 130/195                        |
| EGDI 2022                            | 150/193                        |
| Nuclear Security Index 2023          | 19/22 (Above India, Iran)      |

