

US CHINA TRADE DEAL

Over the past 17 months America and China have been trading blows through tariff on goods. The United States of America has imposed 25% tariff on every single Chinese product in US and that will further increase in future, the impact is being felt on industries worldwide. Whereas China decreases its imports from US. But recently a good step has been taken from both the countries in the form of "Trade Agreement".

The US and China signed a historic trade deal on 15th January 2020 and this deal could lead the future relation between both the countries. Both the countries are head-to-head from past couple of months and facing trade conflict, there are many circumstances when two world economic powers are creating hurdles for opponent. The deal that has been signed now could give relief to both the states.

Last year the president of the United States of America, Donald Trump, faced many challenges from the opposition to tough re-election bid. Mr. Trump called this deal as a "momentous" whereas the tariffs on the Chinese products in the US will stay the same leaving the Chinese product consumers with bare hands in the US. The deal was signed between Mr. Trump and Chinese Vice premier Lui He, who was negotiating with the representative of the US Robert Lighthizer and Treasury Secretary Steven Mnuchin.

This trade deal consists of different phases: Phase **"one"** includes that China have to purchase different products including the crops and technical Equipment's (technology) that will boost the American interest, as china is having a market of over a billion people. The US is always adopting the protectionism policies and constantly choosing self-interest over everything.

In the signing ceremony Mr. Trump said, "Today, we take a

momentous step, one that's never taken before with China," that will ensure "fair and reciprocal trade." The acceleration on trade boosted up the stock market rates around the globe, people are observing all this through the eyes of economics and expecting that the US will remove the tariffs from Chinese products in the future. Furthermore, he said thanks to Mr. Xi Jinping for his enormous effort in negotiation. It is the time to visit China for additional "Bilateral Agreements." But he also said he will only remove tariffs "if we're able to proceed towards phase **two**." "I'm leaving them on. Otherwise we have no cards to negotiate with."

According to the reports, Trump Administration compelled Beijing to import an additional \$200 billion in US products over two years, above the levels purchased in 2017, this was the time when Trump administration have not adopted offensive policies towards China, including an additional \$32 billion in agricultural goods. Trump pointed the trade pact as a trade boon for the people in the field of agriculture, especially farmers who have been the victim of tariff war. The deal includes significant commitments from China to buy agricultural products, as well as airplanes, pharmaceuticals and oil and gas.

Analyst say that The US-China phase-one deal is essentially a trade truce, with large state-directed purchases attached. On the other hand, economists giving their views by saying "we will continue to see the impact of this in slower investment and higher business costs." The deal was signed at the time when US is thinking to implement more tariffs on Chinese goods and this deal delayed that crucial phase for Chinese.

Although the American Business man and famers will get all the benefits from this trade deal. US can get bit relief after this agreement because in the previous year the US gave \$16 Billion to the US farmers to compensate in China- US trade

war. China is only agreeing to make purchases for the next two years and is vague about what happens after. The agreement says, the countries “project that the trajectory” of increased purchases would continue through 2025.

USA and Iran: Fog of War

Since the Islamic Revolution in Iran during 1979, the relations between Iran and the USA have been confrontational in nature. Iran was constantly identified as a support system to armed militants in Middle East by USA. The relations fell on a knife edge again when Maj Gen Qassem Soleimani, one of Iran's most protuberant and influential leaders and responsible for many covert Iranian intelligence operations, was brought to death by drone strike conducted by the USA on January 3rd. USA claimed that Soleimani was responsible for carrying out deadly attacks against USA troops and that the “*monster is dead.*” The carnage of Soleimani has brought USA and Tehran at the verge of war, making Iraq a front-line in tensions. It has become a point of concern that USA carried out an attack without informing the government official in Baghdad which is a clear violation of Iraq's sovereignty causing political vehemence and making a mockery of International Law. Soleimani's death is not entirely responsible for bringing two States against each other but punitive economic sanctions.

As per experts, neither State is willing for a full-blown war but the retaliatory conduct on both sides suggest otherwise.

Iran carried out dozens of ballistic missile attacks on air bases in Iraq, in Irbil and Al Asad, west of Baghdad, hosting US troops and causing casualties to retaliatory strikes by US killing of Maj Gen Qassem Soleimani. Iran's Supreme Leader Ayatollah Khamenei claimed that the attacks are no less than a slap in USA's face and he said that Iran will culminate USA's presence in the Middle East as an answer to the assassination of Maj Gen Qassem Soleimani. Iraq's Prime Minister Adel Abdul Mahdi confirmed that the attacks were carried out only to target bases of US troops and no Iraqi casualties took place during the process. The attacks on US bases in Iraq is one of the deadliest direct assault by Iran since the seizure of USA's embassy in Tehran in 1979.

This reciprocal performance led to an organized rally in front of USA's embassy in Baghdad and set it ablaze while chanting "*Death to America*" and "*Death to Trump.*" Former chief of Iranian Defense Department expressed that it will be no less than a hell on earth and that it will cause chaos beyond imagination. There are no direct communication lines between Iran and the USA. Due to lack of communication and tit-for-tat escalations, it has become difficult for both the opposing sides to deduce on each other's next move. The "guesswork" always have great potential of miscalculation on either side resulting in inadvertent collateral damage and civilian fatalities.

Few of the analysts have suggested that a full scale war against Iran could cost trillions of dollars. There can be a possibility of intensification of proxy militia in Iraq but both Iran and the USA are most likely to avoid direct confrontation. There is much greater possibility of resource shut off that world relies on oil. Iran exports half a million of 2 million barrels of oil to the world, any intense escalation might lead to global energy crisis. Israel and Saudi Arabia will not be willing to participate in war until they get directly hit by Iran. Even though Iran is a regional

power player, it's enclosed with strong USA allies from all around. Ilan Goldenberg stated that if war takes place, the USA will force Iran to submission through air and naval power by bombing warplanes, nuclear facilities, missile sites and launch a cyberattack. He went on saying that one should not just poke the beehive but take the whole thing down.

If a full scale war takes place between Iran and the United States, cities will burn to ashes and death toll will be to the point of insanity. There will be economic devastation on both sides and will give plenty of vacuum to insurgents to become active for their political sakes bringing more butchery. Iran could become failed State and become a new safe haven for extremists. Keeping the outcomes in mind, its wise of leadership on both sides to be willing to avoid any escalations towards serious conflict but a few more one-off attacks can lead to only carnage. World has seen what a war can do to nations, war is a path to mammoth hindrance among nations and it eventually destroys them. If peace prevails among major global powers, military power will become less relevant and States will bring their foreign policies in line delegitimizing the unilateral use of force.

Pakistan-Iran Trade: New Dimensions

The Pakistan-Iran relations have been progressing with the passage of time. Relations between the two States have been shaped bilaterally on the basis of security concerns that shadowed the economic and political engagement. Pakistan having strong ties with Saudi Arabia and Iran's tilted loyalties towards India only made the bad situation worse.

Iran has World's fourth largest oil and second largest gas reserves, it is the second largest economy in the MENA (Middle East and North Africa) region and the 18th largest in the world, only if Pakistan and Iran pursue to have stable ties this immense potential can be utilized for the development of the region. In Pakistan, there is averseness to augment political ties with countries that have strategic and defense partnerships with India because of its national security concerns. Recently, leadership on both sides have shown interest in increasing border security cooperation to maintain peace and possible escalations.

In May 2019 Pakistan Foreign Minister, Shah Mehmood Qureshi, explained that he had four meeting with Iranian leadership and discussed the situation between the two States. Pakistan premier Imran Khan's visit to Iran broke the ice between two countries and that's when they set-off to lay better ties with a clean slate. Both PM Khan and President Rauhani agreed to set up Joint Rapid Reaction Force to deal with terrorism and smuggling in order to promote bilateral relationship and economic activities. The meeting between Khan and Rauhani brought out some fundamental pronouncements; MoU signed for health sector cooperation, Railway line to connect Gwadar and Chabahar ports, Completion of gas pipeline to Pakistan and Iran showed willingness to tenfold electricity export to Pakistan. Leaving all the grumbles and grouses aside, leadership on both sides have decided to make efforts to look ahead for the sake of economic stability.

Pakistan and Iran agreed to promote barter trade at the concluding session of the eighth Iran-Pakistan Trade Committee under the delegation led by Adviser to the Prime Minister for Commerce Abdul Razzak Dawood while the Iranian side was led by Industries Minister Reza Rahmani. Barter trade can help Pakistan to enhance the export of wheat, sugar, rice and fruit to Iran. The entire banking sector is under sanctions, it is not possible to open branches of Iranian banks in Pakistan for

which the establishing a mechanism for barter trade will help do the business. Pakistan proposed the removal of various taxation measures such as road and freight taxes on vehicles/trucks crossing the borders to facilitate trade by establishing an exclusive desk at the Trade Development Authority of Pakistan in Islamabad, whereas, Iran showed interest in importing 500,000 tons of rice from Pakistan and to remove potential bottlenecks so that the trade volume can be enhanced.

Pakistan and Iran talked about opening a "Free Economic Zone" under Iranian Consul General Muhammad Rafiei at Mir Jawa to sell fuel to Pakistan on relatively lower prices. Both the countries have cultural, social and political relations for years and opening a tax-free border markets in Pakistan and Iran will boost political and economic ties. In today's world, trade is the most pivotal in strengthening and boosting the bilateral relations. Pakistan and Iran agreed to resolve issues including removing barriers which have made Pak-Iran Preferential Trade Agreement (2006) ineffective. States that have rivalry with another also shares a common interest as well. Pakistan and Iran have realized that economic ties and developments will bring prosperity to their own countries and this interest should be harbored to its best. To convert the negative public sentiment towards each other, trade can be the most appropriate way ahead and it will also overcome the communication barrier.

Is there an End to Yemen War?

Half of the Saudi's crude oil production was attacked on September 14th, when a drone hit the Aramco facility. The Houthi's accepted the responsibility of the attack but Iran is blamed for the drone attack by the United States as well as Saudi Arabia. The war in Yemen poses a serious threat to the regional security, as it can lead to a full scale war which will destabilize the region and eventually have dire consequences for the global economy. After the attacks, the risk is very much real that Yemen can be a participant in a full scale full between states, which is obviously not going to be proxy war, as it is now. Almost every family in Yemen has lost someone to the war, they have seen their relatives and friends dying due to the bombing.

In the future, if the anti-Houthi bloc, led by a Saudi coalition, which is composed of Sunni Islamists win the war and achieve its objective of capturing the northern territory, it will only result in a protracted conflict, resulting in more bloodshed and chaos in a situation of an already complex civil war. The prospects of peace are very bleak because the structure of talks is problematic as both parties are seeking to gain militarily thus unwilling to talk. The war has devastated the infrastructure in Yemen, that's why country needs not only a huge time to recover but also strong political arrangements and resources in order to prevent any conflict in future. But if the war doesn't come to a halt, the sectarian violence will intensify fragmenting the population which eventually can result into a territorial disintegration. In such a scenario, there will be a rise in new refugee crisis in Middle East which definitely undermine the security of Gulf States and other neighboring countries in the region. This will be an opportunity for the violent terrorist's forces to benefit from the situation, which will exacerbate the crisis and make it difficult to reach to a solution.

The future of Yemen is very gloomy and unpredictable, as since the very beginning Yemen was a poor country depending on its neighbors for support and there are many players involved in the conflict which makes it very complicated. Yemen is an example of world's worst humanitarian crisis and if the war doesn't reach an end, thousands of people will die from inadequate health facilities, unavailability of clean water can worsen the diseases and most of all malnutrition. The cost of proxy war in Yemen is being paid by the men, women and children. According to the UN stats the death toll in Yemen is 7,000. If the crisis prevail this can increase much more, and this will only lead to complex sectarian tensions. It is still unclear, whether at the end of crisis, if there will be any, Yemen will emerge as one country or divided into two territories. But what must be realized is that the government led by Hadi will have no future in the times of peace, as it is becoming increasingly unpopular. The only solution to achieve a peaceful and stable Yemen lies in negotiating a political settlement between the parties to the conflict.