

Headlines:

- **Afghanistan is Ready for Major U.S. Troop Reduction, Ghani says**
- **China Slams US for Spreading Rumors about BRI Investments in Pakistan**
- **US-China Phase One Deal is a 'disaster,' former Senior Economist at the White House Says**

Details:

Afghanistan is Ready for Major U.S. Troop Reduction, Ghani says

The Afghan leader said he had told President Trump that the United States could withdraw a third of its troops, even as a peace deal with Taliban remains elusive .Afghanistan is prepared for a major reduction in United States forces there, President Ashraf Ghani said on Thursday, adding that he had given that message to President Trump, a step toward winding down the costly American military presence as diplomats struggle to finalize a peace deal with the Taliban. About 12,000 American troops remain in Afghanistan, down from a peak of about 100,000 eight years ago. The eventual withdrawal of those forces has been one of the strongest pieces of leverage American negotiators have in talks with the Taliban to end the 18-year war. A gradual reduction in United States troops in the country has taken place since 2018, despite the absence of a settlement emerging from peace negotiations in the Gulf state of Qatar over the past year. Mr. Trump declared the talks "dead" in September, just as the two sides were on the verge of finalizing an agreement. They later resumed, but have since stalled. Mr. Ghani has been a vocal critic of the United States' negotiations with the insurgents, because the talks have excluded his government. But speaking on the sidelines of the World Economic Forum in Davos, Switzerland, on Thursday, he said he had told Mr. Trump that the Afghan government was ready for a further reduction of 4,000 American troops, one-third of those remaining. An official close to Mr. Ghani said his stance was in keeping with the Afghan government's longstanding efforts to offer cost savings to an American president who complains about the price of deployments overseas. In return, the official said, Mr. Ghani hopes the United States will reconsider what he sees as a rushed deal that legitimizes the Taliban and leaves the Washington-backed government to fend for itself. "We are totally ready for a withdrawal of 4,000 troops anytime the president decides," Mr. Ghani told reporters at the economic gathering, a day after he met with Mr. Trump. American negotiators have been in Qatar for the past several weeks, trying to kickstart the stalled peace process. In exchange for returning to the pact that they were close to approving in September, they have demanded that the Taliban agree to significantly reduce violence before the deal is signed. They are also seeking a Taliban commitment to open the way for negotiations between the insurgents and other Afghans, including Mr. Ghani's government, over power-sharing. [Source: NYT]

Ghani's main interest is faithfully serving his American handlers. Whatever Trumps wants Ghani will go out of his way to deliver.

China Slams US for Spreading Rumors About BRI Investments in Pakistan

China has defended its infrastructure development investments in Pakistan as "open and transparent," refuting renewed U.S. criticism of the ongoing multibillion-dollar economic collaboration under Beijing's global Belt and Road Initiative (BRI). The Chinese embassy in Islamabad issued the rebuttal Wednesday in response to comments in Pakistani media attributed to a visiting senior U.S. diplomat questioning the transparency and fairness of projects being implemented in what is known as the bilateral China-Pakistan Economic Corridor (CPEC), a flagship of the trillion-dollar BRI. "The entire process is open and transparent and is in line with the international norm. We keep in touch with the relative accountability agencies of Pakistan and it is agreed that the CPEC is clean," the Chinese diplomatic mission stressed in its statement.

Principal Deputy Assistant Secretary of State Alice Wells, who visited Pakistan this week, was also quoted as saying the CPEC-related financing was burdening Pakistan with expensive Chinese loans. She had raised similar concerns and questions while delivering a public speech in Washington last November. Critics in the U.S. and elsewhere see China's BRI program as a "debt trap" for countries like Pakistan, which have struggling economies that would make it difficult for them to make Chinese loan repayments. "The U.S. keeps fabricating the so-called debt story, their mathematics is bad, and their intention is worse," the Chinese Embassy asserted. "China has never forced other countries to pay debts, and will not make unreasonable demands on Pakistan." China has invested around \$30 billion, mostly in direct foreign investment, over the past five years in early harvest CPEC projects. The investment has significantly improved local transportation infrastructure and constructed power plants, effectively ending crippling nationwide electricity shortages. Chinese and Pakistani officials say the economic collaboration has also created more than 75,000 jobs directly for locals and contributed 1%-2% of the GDP growing in Pakistan. The Chinese embassy cited the Pakistani central bank's statistics, saying the total foreign debt of Pakistan stood at \$110 billion, with Western financial institutions, including the Paris Club and International Monetary Fund (IMF), being the largest creditors of the country. "Loan for the CPEC is about \$5.8 billion, accounting for 5.3% of Pakistan's total foreign debt, with a repayment period of 20-25 years and an interest rate of approximately 2%," the Chinese statement noted. The repayments will start in 2021, with annual repayments of about \$300 million, it explained. The embassy alleged the "negative propaganda" against CPEC by the U.S. was aimed at undermining Beijing's close relationship with Islamabad. [Source: Voice of America]

Pakistan is caught up in a vicious tussle for supremacy between two great powers and the country's civilian and military leadership is clueless on what to do.

US-China Phase One Deal is a 'disaster,' former Senior Economist at the White House Says

The U.S.-China phase one deal does not address structural problems in the bilateral trade relationship, a panel of trade experts at the World Economic Forum said Tuesday. After about two years of a tit-for-tat tariffs dispute, the two largest world economies seemed to have calmed the debate last week with the signing of an initial agreement. The deal didn't roll back all tariffs imposed between Washington D.C. and Beijing, but both parties agreed to discuss that during the next round of trade negotiations. However, experts speaking at the WEF said the deal is a "disaster" and simply an "intermediate step" to allow tensions to calm down. "While this deal is great in the sense that it has calmed things, additional tariffs aren't going on, aside from that the deal is essentially a disaster. It doesn't address any of the systemic issues," Chad Bown, senior fellow at the Peterson Institute for International Economics, said. Bown, who served as a senior economist for international trade in the White House, under Obama's leadership, said he is "very worried" about what's in the agreement. China agreed to buy an additional \$200 billion in U.S. goods over the next two years, as part of the deal. President Donald Trump, who addressed the Davos forum earlier on Tuesday, said the number of purchases could end up closer to \$300 billion. "These are unrealistic numbers, which puts the whole viability of the deal into question," Bown said, adding that the only way to reach these figures is by diverting trade away from other countries, such as soy beans away from Brazil and fish away from Canada. Among the additional purchases of U.S. goods, China has committed to buy at least \$40 billion worth of American farming products. However, a leading commodities expert at Goldman Sachs casted doubts over whether China will manage to do that. Speaking to CNBC earlier this month Jeff Currie said "there is still a lot of uncertainty about how you would achieve \$40 (billion) or potentially even \$50 billion of agricultural purchases." However, most trade experts argue that the most difficult trade negotiations between the U.S. and China have yet to begin. [Source: CNBC]

Trump's phase 1 deal is all about buying the necessary time for him to get re-elected. Once this is done, Trump will continue to wage trade wars against China.