The Story of Pakistan’s External Debt

What is a debt trap?

Delhi, Mar 17: It is very likely that you do know what debt is. But let’s start by understanding that. Anu wants to host a party for her birthday. Her birthday is on the 27th. But she will get her pocket money only on the 1st – a good 3 days later. Anu can either postpone her birthday party or borrow money from a friend to throw her birthday party. If she borrows money, that is her debt. Debt is the money we borrow from someone.

Can countries be in debt?

Yes! In fact, most countries are! The money that a government borrows from lenders outside its own country is called its external debt.

What is a debt trap?

When a person (or a country) takes a fresh debt specifically to pay off an old debt, the person is returning old loans by taking new loans. i.e., they are replacing old loans with new loans. Now, they may have borrowed 100 rs, but with interest, they have to repay 120 rs. So, now, they have to borrow, not 100, but 120 rs. This means that their new debt is higher than their old debt, and they are getting ‘trapped’ into borrowing more and more.

Is Pakistan doing this?

Pakistan has got loans from Saudi Arabia, UAE, the World Bank, and several other countries. In recent times, China has given large loans to Pakistan, including the most recent advance that Pakistan needed to repay some of its earlier loans.

In December 2020, Pakistan returned $1 billion to Saudi Arabia (out of a total loan of $3 billion). In March, UAE asked for its 1 billion dollars back, as the amount was due on March 12th. In December 2020, Pakistan also negotiated a $1.7 billion debt relief (when the borrower does not need to pay the money back immediately). According to the Pakistani news website Dawn.com, 87% of the loans taken from August – Dec 2020 were to pay interest on the previous loans. Contd. on Page 3
Meme by Amey Haldankar

Nature

Blooming from the bud
Spreading like sunshine,
Having its own beauty
Having the grace of dance.
Exquisite like love!
Colourful like life!
Mood changing aroma.

Flower all tired by sunset
Wanting to go to bed,
Shuts all curtains
Never opens again the same.

After all the patience
It becomes sweet and edible!
Then one day, not long after
The stem on which once the
Bud grew, dried, died.

The tree disintegrated
The saplings reborn
from ashes like phoenix,
Once again to catch fire!
And grab attention!

- Urvi Prakash

Quote of the Day

Often, the best way to win, is to forget to keep the score.

- Marianne Espinosa
**Editorial**

My Dear Little Stars

Today is the 77th day of the year. That is a multiple of 2 prime numbers. Can you quickly think of at least 3 other such numbers with two OTHER prime numbers (not 7 and 11)?

Be honest, how long did that take? A minute? 2 minutes? 5 minutes? Fun, isn’t it?

Also, I have made some changes to the paper this week. Let me know if you like them. I will change things or keep them, based on your feedback. So, write in 😊

Here are your answers for last week:

**Picture Puzzle**
This one was so easy! D – the map of Asia, the only continent. (Australia is a continent, but its not made up of just Australia, the country. The continent also includes some other countries).

Urvi Prakash also sends us a different perspective – only Australia is located in the southern hemisphere.

**Vocabulary Whiz**
I just knew how to do this! It was:

- A. Intuitive
- B. Automatic
- C. Easy

All of these are right!

**Riddle**
सर्वे भर्वन्तु सुखिनः:  
May everyone be happy!

Enjoy the edition. Love,

*Nidhi aunty*

nidhiarora@hotmail.com

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**Veervaar Vijeta**

**Picture Puzzle**
Shubhangi Dash, Swasti Priya Swain, Dhruv

**Special Mention:** Urvi Prakash,

**Vocabulary Whiz**
Chinmay Balani, A Lathika Sree, Chandra Shekar, Khanak Singh

**Riddle**
Shubhangi Dash

**All 3**
Manasvini B Patel, Aashi Gupta, Sneha Vikram Vedpathak, Amey Haldankar

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**Pakistan’s Loan**

Contd. from Page 1

Pakistan is now heavily dependent on China for future loans. This is because:

A. Traditional friends like UAE and Saudi Arabia have not been as forthcoming with easy loans.

B. Its internal economy and/or foreign investment is not producing enough money for it to pay off the loans.

C. IMF and World Bank have also limited the funds that are released to Pakistan.

**What debt trap does to countries**

When the cycle of taking new loans to repay old loans spirals, countries lose control of the situation and have to follow the wishes of their lenders. Due to such circumstances in the past, China now owns the Hambantota port in Sri Lanka. Currently, China has funded some important projects in Pakistan and is also investing in cultural exchange projects.

**Questions for you:**

1. Why is India interested in a financially stable Pakistan?
2. What would a debt trap for countries do?

Send your answers to tcpedit@gmail.com
Three of these images form a set. One is not a part of that set. Which is the odd one out. Why?

Send your answers for all Veervar Vijeta challenges to tcpedit@gmail.com

The word obnoxious is the opposite of:

A. Horrid  
B. Obstreperous  
C. Ostentatious  
D. Likeable

To be a Veervar Vijeta in this category, you just have to send us a guess. It doesn’t have to be right! Just guess and send!

What do you think this means:

अति दर्प हता लंका:
Delhi, Mar 17: Tent-pegging or lancing is an equestrian sport in which a rider rides a horse at full gallop and stabs various objects along the way. These objects can include lemons, mannequins, or even rings! All of these activities are done with a lance or sword the rider carries on the horse. It usually happens on a 100-meter course.

India clinched gold in the team lance event with 126.5 points. Pakistan and Nepal grabbed the second and third positions with 124 and 121 points respectively. Besides these three, riders from Belarus and USA also participated in the 3-day event. Out of all these teams, only one will qualify for the World Cup, which will be held in South Africa in 2023.

Apart from the team lance competition, an individual lance competition was also held on Tuesday. In this competition, Muhammad Imtiaz of Pakistan bagged the gold medal with 42 points, Kepil from Nepal won silver with 38 points and Jena of India with 34.5 points won bronze.

Tamil Proverbs

By Vanitha Ananthan

அகம் குளிர் முகம் மலரும்.

Agam kulira mugam malarum.

When the mind is at peace, the face will blossom.