



COUNTRY ANALYSIS REPORT JANUARY 2023

10th Edition

PREAMBLE

Accountability Lab Pakistan is examining Pakistan's social, political, and economic development indicators to analyze the impact of policy actions and highlights challenges concerning each sector. Amid current political uncertainty and a financial crisis, the Country Report gives an overview of developments in different sectors such as security, governance, and the rule of law. The report also focuses on human rights progress, including the rights of minorities, women, and children and examines the progress across various developmental indicators to promote citizen awareness of a socially connected, economically stable, and politically accountable Pakistan.

POLITICAL AFFAIRS

Punjab's politics is continuing to absorb Pakistan's attention- as it did in the foregoing year. In the month of January, Punjab has found itself again at the center of political tug of war.

Dissolution of Punjab And Khyber Pakhtunkhwa Assembly

Since being removed as Prime Minister last April, PTI leader, Imran Khan has been [calling for early elections](#) which are set for October 2023. According to Pakistan's constitution, new elections must take place within three months of the dissolution of a provincial legislature if the house is unable to establish an interim government. On January 12, the Chief Minister of Punjab, Chaudhry Pervaiz Elahi [signed](#) the summary for the dissolution of provincial legislature after he successfully secured the vote of confidence by [retaining the magic number](#) of 186. The summary was sent to the Governor of Punjab, Baligh-ur-Rehman, who had refused to sign it, and decided not to become a part of the process leading to the dissolution of Punjab government. However, under article 112(1) of the constitution, the assembly stood dissolved after passing 48 hours to the advice forwarded by the Chief Minister. Following the dissolution of Punjab government, the process to install a caretaker government in Punjab was set in motion. Mohsin Naqvi has been appointed as the caretaker Chief Minister of Punjab. PTI had rejected the appointment of caretaker chief minister and has announced protests against the ECP decision in all metropolitan cities. After the dissolution of Punjab government, Chief Minister of Khyber Pakhtunkhwa (KP), Mahmood Khan had also sent the summary for the dissolution of KP government to the Governor Haji Ghulam Ali and after his signature KP government stood dissolved. The Governor KP has appointed Muhammad Azam Khan as the caretaker Chief Minister of the KP government. Khan has previously served as the KP finance minister in the year 2007.



Mohsin Naqvi and Muhammad Azam Khan have been appointed as the caretaker Chief Ministers of the Punjab and KP government respectively.

Election Commission of Pakistan (ECP) Issued Arrest Warrants

On January 10, the Election Commission of Pakistan (ECP) issued [bailable arrest warrants](#) for PTI leadership, including the Chairman Imran Khan and leaders, Asad Umar and Fawad Chaudhry in cases related to the contempt of the electoral body. However, on January 16, the Lahore High Court [suspended](#) the ECP arrest warrants against Imran Khan and PTI leadership. The triad of accused had [challenged](#) the warrants and termed it as, "illegal, unlawful and devoid of cogent and plausible reasoning".



Sindh Local Government Elections

In the local government elections held on 15th January in Sindh, Pakistan People's Party (PPP) [emerged](#) as the biggest winner in Karachi with winning 93 seats, followed by Jamaat-i-Islami (JI) with 86 wins as announced by the ECP through a consolidated result of 235 union committees. Pakistan Tehreek-i-Insaf (PTI) is positioned at a [distant third](#) with 40 seats, followed by Pakistan Muslim League- Nawaz (PML-N) with 7 seats. However, PTI has accused the Provincial Government of massive rigging.



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PTI MNAs En Masse Resignations from National Assembly



On January 17th, 34 MNAs from PTI had [resigned](#) en masse from the lower house of the parliament, which were accepted by the Speaker of the National Assembly, Raja Pervaiz Ashraf. On January 20th, Speaker National Assembly [accepted](#) the resignation of 35 more PTI MNAs totaling 69 MNAs. Following the approval of these resignations, ECP was sent a summary to de-notify these PTI lawmakers. Since April, after Imran Khan was ousted through a no-confidence motion in April last year, a [total of 131 PTI MNAs](#) have resigned.

44 lawmakers from the Pakistan Tehreek-i-Insaf (PTI) submitted a request to the ECP stating that they are withdrawing resignations from National Assmably and that the National Assembly Secretariat and Speaker have been notified of this decision. However, the speaker dealt a significant setback to PTI by accepting the resignations of their 43 lawmakers, eliminating the possibility of the party being included in discussions surrounding the appointment of a caretaker Prime Minister in case of general elections.

ECONOMIC DEVELOPMENT AND INDICATOR

Report Issued by World Economic Forum

Pakistan's economy continues to show downward trends. In a report, titled, "Markets of Tomorrow Report 2023" issued by The World Economic Forum, the main [obstacles to the growth of new markets for Pakistan](#) have been identified as a lack of infrastructure, skills, and talent; a lack of demand to sustain a commercially viable market; a lack of clear market standards; a deficiency of mature firms to reliably produce products; a scarcity of fiscal space and private sector financing. The report identified agriculture, digital trade, and EdTech as important strategic factors in [creating new markets](#) and opportunities in Pakistan.



On the top 10 key sectors that can generate new markets in Pakistan have been identified as:

Information Technology Services	NGOs, professional bodies, and unions
<i>Media and Publishing</i>	International bilateral and multilateral organizations
Medical and Healthcare Services	Education
Production of Consumer Goods	Agriculture, forestry, and fishing
Employment, Education and Training Services	financial services and capital markets

Pakistan's GDP Growth Projection

The World Bank has [projected](#) Pakistan's Gross Domestic Product (GDP) at 2% for the year 2023, 2% less than the previous year in its Global Economic Prospects report. The primary reasons [cited for the revised projection](#) are low foreign exchange reserves and large fiscal and current account deficits. The report has also cited that the 2022 floods have further exacerbated the already precarious economic situation. Floods have [impaired](#) the country's economy by mainly causing notable damage to agricultural production that is responsible for the country's 23% GDP and also accounts to 37% employment to population.

The World Bank has forecasted Pakistan's economic growth as the lowest in the South Asian region. It has predicted the growth rate to improve by 3.2 percent in the year 2024. Amidst these crisis, seven million workers have been laid off as the country's textile sector reported series of closures.

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Will Pakistan be Able to Dodge Sovereign Default?

The fear of Pakistan's [teetering on brink of default](#) has been lingering over. According to the Bloomberg Economics, the next six months will be difficult for the country, however, it will dodge sovereign default. The finance minister, Ishaq Dar, has also [assured investors](#) at the Pakistan Stock Exchange (PSX) that Pakistan will not default while tackling the precarious economic situation.

Reserves Have Fallen Lowest Since 2014

Pakistan's foreign exchange [reserves have fallen](#) to \$4.3 billion, its lowest levels since February 2014, especially after the country has paid some of its external debt payments. To avert a default, the government is [hoping to receive a tranche](#) of \$1.1 billion loan from International Monetary Funds (IMF)

as part of the \$7 billion loan programme that Pakistan had entered in 2019. The United Arab Emirates (UAE) has [pledged a \\$1 billion loan](#) to Pakistan on the already rolled over \$2 billion loan. This measure is aimed at helping Pakistan to improve its economic crisis. In a fresh funding, Pakistan has [secured over \\$3 billion](#) from multilateral lenders on concessional terms at 1 percent interest rate with the repayment period of 40 years.



In a nutshell, Pakistan is facing a challenging economic situation with a lack of clear direction or plan for addressing these issues. This situation is further compounded by the absence of cohesive policies in the areas of security and politics. As a result, Pakistan is at the risk of becoming an "abnormal state", where political polarization has distracted the leadership's attention from the economic and security challenges.

SECURITY AND RULE OF LAW SITUATION

Imran's Administration Followed "Wrong Approach" Towards The Militant Group: FM Bilawal Bhutto

The Foreign Minister, Bilawal Bhutto Zardari, has [arraigned Imran Khan's administration](#) for what he believes is following a "wrong approach" towards the militant insurgent group, Tehreek-i-Taliban Pakistan (TTP). In an interview, Bilawal criticized the previous government of following the "[policy of appeasement](#)" towards the TTP, which has created problems for Pakistan's security apparatus. Earlier in January, the group has [threatened](#) the top political brass while explicitly naming the Premier Shahbaz Sharif and former President, Asif Zardari.

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Attack Carried Out By TTP

In a terrorist attack [carried out](#) by TTP on security check post of Khyber Pakhtunkhwa's (KP) Khyber district, two police officials have lost their lives while three officials have sustained injuries. TTP has claimed the responsibility for the attack.

Intelligence Based Operations In The Different Parts of The Country

According to Inter-Services Public Relations (ISPR), security forces, in an Intelligence Based Operation (IBO) [has killed around four terrorists](#) in Hoshab, Baluchistan. According to the media wing, the IBO was initiated "to clear a hideout linked with firing incidents on security forces along M-8, in general

area Talsar, Hoshab". In another IBO, a total of at least 11 terrorists including militant commander, Hafizullah aka Tor Hafiz and two suicide bombers have been killed in Wana, South Waziristan, according to military's Inter Services Public Relations (ISPR) department. In December, through an IBO, the Pakistani Army killed 4 terrorists while a Pakistan Army soldier was killed in Jani Khel, Bannu, Khyber Pakhtunkhwa (KP).



SOCIAL SECTOR INDICATORS AND DEVELOPMENT

Karachi Topped At The Global Worst Air Quality Ranking

According to the port's city air quality index, Karachi, the city of lights, has topped the global worst air quality ranking while [Lahore has been ranked 8th](#) on the list of most polluted cities in the world . The air quality of Karachi has been labelled as the most polluted among cities in the world. The [pollution particulates](#) found per meter were recorded at 250, which is considered dangerously harmful. Amidst this, in these winters, Lahore witnessed the worst [smog](#) due to the air quality of [one of the most polluted](#) country on this planet.



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Pakistan Secured \$10 billion For The Rehabilitation of Flood-Hit People

In the recent International donors' conference held at Geneva, Pakistan was able to [secure](#) over \$10 billion and Prime Minister Shahbaz Sharif has promised that every penny will be used towards the rehabilitation of the flood-hit people. The point to be taken in consideration is that these pledges are in form of loans. However, [experts believe](#) that these funds should have been climate grants rather than loans.

The effects of severe catastrophic 2022 monsoon flash floods are still haunting the affected population. Abdullah Fadil, UNICEF Representative in Pakistan, argues that the children living in flood-affected areas have been pushed to [the brink](#). Four months since Pakistan has declared a national state of emergency due to the flooding, till now up to [4 million children](#) are living near contaminated and stagnant waters, which poses a great threat to their survival and well-being.

Floods have pushed children to the brink, says UNICEF

Diphtheria Outbreak



The National Institute of Health (NIH) has [warned of possible Diphtheria outbreak](#) in Pakistan and has issued an advisory, urging provinces to stay alert. The NIH has also said that the bacterial disease is life-threatening and the cases could increase till February. 26 cases have been reported of this bacterial disease. It is a contagious disease and can be transmitted from person-to-person. The incubation period of this disease is usually two to five days and can be detected through PCR test.

STATUS OF HUMAN RIGHTS

Need For Legislation On The Fundamental Rights of Children

Lahore High Court Rawalpindi bench has [urged the concerned](#) quarters to form the needed legislation on the fundamental rights of children in the light of appropriate provisions of the Federal Rules of Business, 1973 and the Punjab Government Rules of Business, 2011. In a similar occurrence, National Assembly Human Rights committee has [reprimanded](#) the national child rights panel over “zero” performance on the matters relating to children’s rights.



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Pakistan Urged to Act Against Forced Child Marriages

The UN rights experts have asked Pakistan [to act against forced child marriages](#) and conversions. UN rights experts have not only [deplored](#) violence against women, including; abductions, forced marriages and conversions of girls from Pakistan but also has urged the Pakistani government to put a stop to such practices.



FOREIGN RELATIONS



Indo-Pak

With the beginning of the New Year, India and Pakistan have [shared](#) their nuclear installation and facilities information with each other to the respective missions in New Delhi and Islamabad. The practice has been in place since 1992 under the nuclear exchange agreement which requires the two nuclear-armed rivals to exchange the lists of their nuclear facilities annually on January 1st.

India has turned down Pakistan's offer for talks after Premier Sharif called for talks over outstanding issues, including Kashmir.

Afghanistan-Pak

Pakistan's Defence Minister, Khawaja Asif, has alleged that Afghan soil has been used to perpetuate cross-border terrorism against Pakistan by the Tehrik-e-Taliban Pakistan (TTP). Kabul has termed these allegations as "incorrect" and "regrettable". The remarks came after the National Security Committee (NSC) issued a statement stating that "no country will be allowed to provide sanctuaries to terrorists" and that terrorists "will be dealt with the full force of the state". At the World Economic Forum (WEF) in Davos, Foreign Minister Bilawal Bhutto rejected any possibility of a cross-border military operation and argued that Islamabad is "not interested" in carrying out a cross-border military operation in Afghanistan.



Pakistan is not interested in carrying out a cross-border military operations in Afghanistan.

Sino-Pak

On the sidelines of WEF meeting in Davos, the FM Bilawal Bhutto has said that the bilateral trade between Pakistan and China is expected to flourish further and the relationship is based on mutual respect, trust and understanding. The minister added, that it will be done under the umbrella of vast range of projects including; combating the climate change and investments in renewable energy. On the eve of China's New Year, China's Acting General Counsel Mr Zhang Hao inaugurated the construction of Pak-China Friendship Park in Karachi. The Park will host a range of athletic and recreational facilities and will boost relations between the countries.

Iran-Pak

After an attack that killed four Pakistani security personnel in Southwestern Baluchistan province by the militants hiding in the neighboring country, Iran, PM Shahbaz Sharif called on Iran not to allow its territory to be used for "cross-border attacks". Iran and Pakistan have repeatedly accused each other of failing to effectively address the issue of militants allegedly finding refuge along their 909 kilometer long shared border. Pak-Iran border has a history of unrest caused by drug traffickers, separatist groups, and religious militants.

U.S-Pak

Highlighting the significance of the United States as the largest export market for Pakistan, Pakistan's ambassador to the U.S. Masood Khan has expressed confidence that business relations between the two countries are growing. The State Department Official has reiterated America's position on ties with Pakistan and India, stating that relations with the South Asian neighbors "stands on their own". After Pakistan witnessed the second major nationwide blackout in nearly four months, the Biden administration has offered assistance to Pakistan in resolving its energy crisis and power woes. During his visit to the Lahore Chamber of Commerce and Industry (LCCI), Donald Blome, the U.S. ambassador to Pakistan stated that the U.S. investment in Pakistan has increased by 50% in the last few years. Ambassador Blome also suggested fundamental economic reforms to encourage new investment and boost regional trade.

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