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Country Analysis Report

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Executive Summary

This report provides a critical overview of Pakistan's current economic, diplomatic, and social landscape. The report highlights the shelving of a proposed Export Processing Zone (EPZ) in Balochistan due to International Monetary Fund (IMF) conditions, which underscores the tension between economic autonomy and fiscal discipline. This decision reflects the broader implications of Pakistan's commitments under the IMF's Extended Fund Facility, raising concerns about the country's ability to leverage its natural resources for growth amid stringent financial constraints.

The report also notes a troubling trend of multinational corporations exiting Pakistan, driven by unfavorable business conditions and high operational costs. This exodus not only diminishes immediate economic activity but also threatens long-term growth prospects, as these firms historically contributed management expertise and technology transfer. In contrast, the Asian Development Bank's approval of a \$320 million loan for rural road rehabilitation in Khyber Pakhtunkhwa represents a positive step towards improving infrastructure and fostering economic development in underserved regions.

In the banking sector, despite impressive growth figures, there is a concerning reliance on non-deposit funding and low advances-to-deposits ratios, indicating fragility within the financial system. The report emphasizes the need for reforms to promote financial inclusion and sustainable practices.

Diplomatically, U.S. sanctions against Chinese firms involved in Pakistan's missile program have complicated U.S.-Pakistan relations, while a renewed commitment to partnership is evident through recent diplomatic engagements. Additionally, a memorandum of understanding with a Chinese textile firm aims to enhance economic collaboration, signaling potential benefits in job creation and exports.

The report also addresses security concerns, particularly the rising influence of the Tehreek-i-Taliban Pakistan (TTP) and its implications for regional stability. Pakistan's UN Ambassador has called for global action against this threat while highlighting the humanitarian crisis in Afghanistan as interconnected with security dynamics. Especially highlighted are the recent developments in policies.

In summary, while there are positive developments in infrastructure investment and international partnerships, significant challenges remain in governance, economic stability, and security. The report calls for systemic reforms to ensure sustainable growth and effective management of both domestic and international pressures facing Pakistan.

Economic Outlook

IMF Mandates Stall Balochistan's Copper Dreams: EPZ Plan Scrapped

The federal government has shelved a proposal to establish an Export Processing Zone (EPZ) in Balochistan, intended to promote copper exports from the Siah Diq mine, due to conditions imposed by the International Monetary Fund (IMF) under its \$7 billion Extended Fund Facility (EFF).

The Ministry of Industry and Production had advocated for the EPZ, but the Ministry of Finance opposed the plan, leading to its withdrawal during an Economic Coordination Committee (ECC) meeting chaired by Finance Minister Senator Muhammad Aurangzeb. The IMF has prohibited the creation of new EPZs or Special Economic Zones (SEZs), with existing incentives set to expire by 2035.

The shelving of the Export Processing Zone (EPZ) in Balochistan highlights the far-reaching implications of Pakistan's commitments under the IMF's \$7 billion Extended Fund Facility (EFF).

While the EPZ could have bolstered economic activity and exports from the resource-rich region, the IMF's restrictions, barring new SEZs or EPZs, reveal the delicate balance between economic autonomy and fiscal discipline.

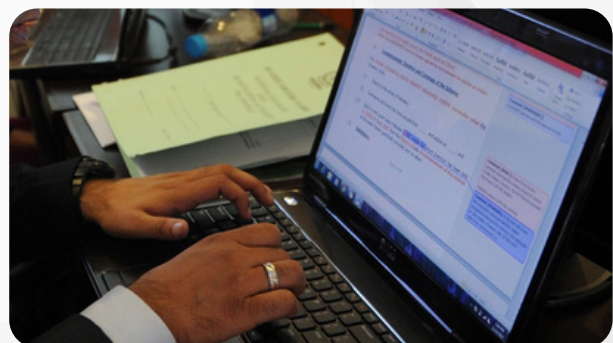
The federal government's compliance, despite provincial objections from Khyber-Pakhtunkhwa, underscores the pressure Pakistan faces to adhere to austerity measures that may limit long-term industrial development for short-term financial stability. This raises questions about the country's ability to leverage its natural resources for growth amid global financial constraints.

MNCs Leave Pakistan in Search of Stability:

Multinational Corporations (MNCs) are steadily exiting Pakistan, driven by a combination of strategic planning, unfavorable long-term projections, and the high cost of doing business. These powerful entities, often wealthier than sovereign nations, re-evaluate their investments based on geographical viability and future profitability, and Pakistan's outlook over the next 15-20 years does not meet their expectations.

Additionally, financial, social, and reputational costs are proving too high for these companies. Furthermore, the wave of mergers and acquisitions since the 1990s has reduced the number of players in key sectors like pharmaceuticals and finance.

Historical contributions of MNCs to Pakistan's economy include management expertise, corporate lifestyles, and limited technology transfer. However, local autonomy was often constrained by foreign control, leading to less innovation. The departure of MNCs today marks a reversal of their 1950s-60s boom in Pakistan, influenced by factors such as the nationalization policies of the 1970s and current economic challenges. The departure of MNCs from Pakistan signals a troubling economic trajectory, driven by both external factors, such as IMF-mandated reforms, and internal barriers, including high operational costs and limited autonomy for local managers.



Source: Brecorder



MNCs typically plan for the long-term, and Pakistan's current economic instability, compounded by social and security issues, has rendered the country less attractive for continued investments. The exit of these corporations weakens not only immediate economic activity but also long-term prospects, as MNCs were once a source of crucial management expertise and technology transfer.

The exodus of MNCs also highlights a deeper issue of economic governance in Pakistan. Past policies, such as nationalization, which eroded private sector confidence, coupled with ongoing bureaucratic inefficiencies, have made the business environment less hospitable. To regain the interest of MNCs, Pakistan must address these systemic issues, enact reforms, and present a clearer roadmap for economic recovery and growth. However, given the current trends, it may be a long time before global corporations re-evaluate Pakistan as a viable investment destination.

ADB Approves \$320 Million Loan for Khyber Pakhtunkhwa Road Rehabilitation Program:

The Asian Development Bank (ADB) has approved a \$320 million loan aimed at rehabilitating approximately 900 kilometers of rural roads in Khyber Pakhtunkhwa (KP), Pakistan. This initiative, known as the Khyber Pakhtunkhwa Rural Roads Development Project, focuses on upgrading roads that are prone to flooding and in poor condition, enhancing their safety and climate resilience.

ADB officials emphasized that improved road transport will significantly benefit local communities by reducing travel time, lowering transportation costs, and increasing access to essential services like education and healthcare. The project also includes technical and financial support for long-term interventions to sustain the province's road network and address disaster impacts.

This substantial investment from the ADB reflects a crucial step towards improving infrastructure in one of Pakistan's most underserved regions. By prioritizing climate-resilient designs and road safety, the project aims not only to enhance mobility but also to foster economic growth and community empowerment. The focus on comprehensive studies to assess flood susceptibility and landslide vulnerability indicates a proactive approach to disaster management, essential for mitigating the adverse effects of climate change in the area. Overall, this initiative is poised to create a ripple effect, facilitating better access to markets and services, and ultimately contributing to inclusive development in Khyber Pakhtunkhwa.

The Illusion of Growth in Pakistan's Banking Sector:

The banking sector in Pakistan is currently experiencing unprecedented growth, with assets rising by Rs23.5 trillion to Rs51.7 trillion from FY21 to FY24—a remarkable average annual growth rate of 22.3%. However, this expansion reveals a troubling reliance on non-deposit funding. While deposits increased by Rs10.1 trillion, borrowings from financial institutions, including the State Bank, surged by Rs8.9 trillion, indicating fragility in the system.

In Q2 FY24, banks reported a profit after tax of Rs119.4 billion, reflecting a 13% year-on-year decline and the lowest profit since Q3 FY22. Despite a 30.2% increase in gross markup to Rs1.96 trillion, the banking sector struggles with low advances-to-deposits ratios, which linger below 40%, while the investments-to-deposits ratio stands at a concerning 97%. The deposits-to-GDP ratio has also dropped to 29.4% by FY24, the lowest since FY16, signaling weak financial infrastructure compared to regional peers like Egypt (80.8%) and Bangladesh (41%). Compounding these issues are the bureaucratic obstacles faced by customers, making it challenging to open accounts and deposit funds.



This disconnect between banking executives and clients highlights the need for reforms that promote financial inclusion and responsible practices.

Ultimately, while the banking sector may boast impressive growth figures, the underlying trends suggest a precarious situation that calls for urgent attention to ensure sustainable development and genuine economic stability.

Economic Autonomy and Pakistan's Strategic Exit from IMF Reliance:

Pakistan's ongoing negotiations for a new Extended Fund Facility (EFF) with the International Monetary Fund (IMF) illuminate the complex interplay between economic autonomy and financial necessity. The past 23 agreements with the IMF have often left the country in a precarious position, sacrificing sovereign decision-making for short-term fiscal relief.

This pattern of dependency raises critical questions about the effectiveness of such engagements in fostering sustainable economic growth. Analysts argue that genuine progress hinges on the country's ability to achieve political stability and prioritize long-term developmental strategies over reactive measures that merely satisfy IMF conditions.

To transition away from this cycle of reliance, Pakistan must establish a robust framework for enhancing its export capacity and generating sustainable foreign exchange earnings. The ambitious target of achieving a current account surplus of \$6-9 billion by FY28 necessitates a multifaceted approach: resolving exporters' challenges, diversifying the export base, and facilitating foreign direct investment.

Key sectors such as textiles and information technology can drive this transformation, but success will depend on the government's commitment to implementing regulatory reforms and creating a competitive business environment. Ultimately, the efficacy of Pakistan's economic strategy will be measured not by mere rhetoric but by tangible actions that inspire investor confidence and foster a resilient, self-sustaining economy.



Source: DAWN

The Diplomatic Landscape

U.S. Sanctions Hit China for Aiding Pakistan's Missile Program:

The U.S. State Department [imposed sanctions](#) on the Beijing Research Institute of Automation for Machine Building Industry and several firms for their involvement in Pakistan's ballistic missile program. This follows previous sanctions on three Chinese companies for supplying missile-related materials. Spokesperson Matthew Miller stated that the Beijing Institute aided Pakistan in procuring equipment for testing rocket motors

for the Shaheen-3 and Ababeel missile systems. Other targeted entities include Hubei Huachangda Intelligent Equipment Co, Universal Enterprise, Xi'an Longde Technology Development Co, as well as Pakistan-based Innovative Equipment and a Chinese national for violating missile technology transfer restrictions. By targeting both Chinese and Pakistani entities, the U.S. aims to limit Pakistan's missile capabilities while signaling disapproval of China's



role in military technology transfers. This move could exacerbate tensions in U.S.-China-Pakistan relations and push Pakistan to deepen its defense ties with China, complicating the security dynamics in the region.

The muted response from the embassies of China and Pakistan reflects the sensitivity of the situation as they navigate the fallout from these sanctions.

A Renewed Commitment Amid Challenges - Pak-US Relations:

In a significant diplomatic moment, President Joe Biden's acceptance of the letter of credence from Pakistan's new ambassador, Rizwan Saeed Sheikh, underscores a pivotal reaffirmation of the US-Pakistan partnership. Biden's emphasis on the importance of this [relationship for global and regional stability](#) highlights an enduring recognition of Pakistan's strategic role in addressing pressing challenges such as climate change, security threats, and public health issues.

The commitment to collaboration comes at a crucial time, especially given the backdrop of recent US sanctions against firms linked to Pakistan's missile program, which reflects the complex nature of the bilateral ties that navigate cooperation and regulatory constraints.

Ambassador Sheikh's remarks reinforced the depth of bilateral cooperation, spotlighting economic engagement as a cornerstone of the relationship. His call for increased investments in areas like alternative energy and digital technology signals Pakistan's proactive stance in enhancing economic ties, particularly as the US remains a vital market for Pakistani exports.

By highlighting the contributions of the Pakistani diaspora, Sheikh seeks to leverage this community as a bridge for enhanced collaboration, emphasizing the need for structured dialogues that extend beyond traditional security concerns to encompass a broader spectrum of cooperative efforts.

The ceremony at Blair House symbolizes not only a fresh chapter in Pakistan's diplomatic mission in Washington but also a renewed focus on strategic dialogues aimed at addressing mutual challenges. As both nations navigate an intricate landscape marked by geopolitical shifts and internal challenges, the commitment to strengthening ties represents a crucial step towards fostering stability and economic growth in the region.

Chinese Investment in Pakistan's Textile Sector:

The recent signing of a Memorandum of Understanding (MoU) between Pakistan's Board of Investment and Chinese textile firm RUYI Shangdong marks a significant step towards enhancing economic collaboration between the two nations.

With the establishment of textile parks aimed at attracting around 100 Chinese textile firms, this initiative is poised to generate substantial economic benefits for Pakistan.

The projected \$2 billion in exports from the first phase and an additional \$5 billion from the second phase not only signal a robust inflow of foreign investment but also promise to create between 300,000 to 500,000 local jobs.

This venture aligns with Pakistan's broader economic strategy to leverage Chinese investments for industrial growth while transitioning towards sustainable practices through the adoption of zero-carbon technology.

Furthermore, the invitation extended to Shaanxi province firms to invest in Pakistan's energy sector highlights the multifaceted nature of Sino-Pakistani cooperation.

The emphasis on joint ventures and technology transfer in the petroleum and coal industries illustrates Pakistan's commitment to diversifying its energy sources and enhancing infrastructure development under the China-Pakistan Economic Corridor (CPEC).



As both nations navigate an increasingly interconnected global economy, these developments not only solidify bilateral ties but also position Pakistan as a vital player in the regional supply chain, particularly in the textile and energy sectors, thereby fostering greater economic resilience and growth.

India Requests Review of Indus Water Treaty: Key Implications

In a significant diplomatic development, India has notified Pakistan of its intent to review the Indus Water Treaty (IWT), established in 1960 after extensive negotiations facilitated by the World Bank. This treaty outlines the framework for cooperation and information exchange regarding the usage of shared water from the Indus River system, which is vital for both countries. India's request stems from concerns about changing circumstances, including climate change, population growth, and new infrastructure projects, which may impact water distribution. The Indian government argues that these factors necessitate a reassessment of the treaty to ensure equitable water usage amid growing water scarcity challenges.

Pakistan views this notice with alarm, as the IWT is foundational to its water management strategy, especially for agriculture. Any revision could alter water flow dynamics, exacerbating existing tensions over water resource management and raising concerns about sovereignty and security. While this request signifies heightened tensions, it also opens the door for dialogue. Renewed discussions on water management and cooperation could lead to more collaborative approaches to shared resources. The World Bank's role as a mediator will be critical in ensuring equitable solutions that respect both nations' interests.

India's notice to review the Indus Water Treaty highlights the complexities of water diplomacy in South Asia. A well-managed review process could foster collaboration, ultimately contributing to stability and peace in the region.

Pakistan-Russia Relations: A Focus on Trade, Energy, and Defense Cooperation

Pakistan and Russia have reaffirmed their commitment to enhancing bilateral relations during a recent joint press conference featuring Deputy Prime Minister Ishaq Dar and Russian Deputy Prime Minister Alexei Overchuk.

The talks encompassed a range of critical areas, including trade, energy cooperation, regional connectivity, and defense ties, painting a picture of a rapidly evolving partnership.

A notable highlight of their discussions was the impressive growth in bilateral trade, which has reached \$1 billion in the last fiscal year.

Both leaders acknowledged the necessity of overcoming logistical hurdles and international sanctions that have historically impeded trade growth. Pakistan's interest in importing liquefied natural gas (LNG) and oil from Russia underscores the importance of energy cooperation as both countries navigate global energy challenges.

The establishment of a memorandum of understanding on international transport corridors further signifies a commitment to improving logistical frameworks, thereby facilitating enhanced trade routes between Pakistan, Russia, and Central Asia.

Incorporating strategic connections to China's Belt and Road Initiative, the dialogue reflects a broader vision for collaboration aimed at integrating economic initiatives and improving regional infrastructure.

The potential for a free trade agreement between Pakistan and the Eurasian Economic Union (EAEU) showcases a proactive approach toward deepening economic ties. Such an agreement would provide a structured framework for expanding trade relations, potentially alleviating the burdens posed by existing sanctions.



Cultural and educational exchanges are also taking center stage in this burgeoning relationship. Overchuk emphasized plans to bolster collaboration between universities and initiatives promoting the Russian language within Pakistan, fostering a better understanding between the two nations. This focus on education and cultural diplomacy is essential for nurturing a long-term partnership, as it allows for a deeper societal connection beyond mere economic transactions.

The anticipated visit of Russian Prime Minister Mikhail Mishustin for the Shanghai Cooperation Organisation (SCO) meeting in Islamabad and the upcoming Trade and Investment Forum in Moscow presents further opportunities for cementing these ties. Such high-level interactions are expected to catalyze bilateral cooperation across various sectors, from trade to security.

Moreover, the discussions on defense cooperation indicate a growing military partnership, highlighting a multifaceted approach to Pakistan-Russia relations that encompasses not just economic and cultural dimensions but also security considerations. This alignment comes amid shifting geopolitical landscapes, where both countries seek to strengthen their positions through strategic partnerships.

In conclusion, the developments in Pakistan-Russia relations suggest a promising trajectory characterized by increased trade, enhanced cultural exchanges, and a commitment to collaborative security initiatives. As both nations navigate the complexities of the global economy and regional politics, their efforts to foster a robust and mutually beneficial partnership will be crucial for achieving long-term stability and growth in the region.

Security and Governance

Tragic Vigilante Justice: Police Officer Kills Blasphemy Accused in Quetta

A police officer in Quetta, Pakistan, [shot and killed a man](#) who was in custody on suspicion of blasphemy. The officer, who was not named, gained access to the police station by pretending to be a relative of the accused before opening fire. Senior Superintendent of Police Muhammad Baloch confirmed the officer's arrest. The man had been moved to a fortified station earlier in the week due to a mob that demanded his release. Blasphemy is a crime punishable by death in Pakistan, and while there have been no state executions, mob violence against the accused is common. This tragic incident highlights the dangerous intersection of law enforcement and mob justice in Pakistan. Blasphemy accusations create a volatile environment where individuals can face lethal consequences, not only from the legal system but also from enraged crowds.

The police officer's act of violence raises critical questions about the integrity and safety of the justice system, as it reveals a potential collusion with the very societal pressures that lead to mob violence. Moreover, it reflects the inadequacies in protecting individuals accused of blasphemy, who often become targets in a society that can swiftly turn to vigilantism. This situation underscores the urgent need for legal reforms and greater protections for the accused to mitigate the risks posed by public outrage.



Source: Unsplash



Pakistan's Call for Global Action Against the TTP:

Pakistan's UN Ambassador Munir Akram has raised alarms at the UN Security Council regarding the escalating threat of terrorism emanating from Afghanistan, particularly emphasizing the rising influence of the Tehreek-i-Taliban Pakistan (TTP). This warning comes in the wake of a significant uptick in terrorist attacks in Pakistan, which have surged from 38 in July to 59 in August, highlighting the deteriorating security landscape. Akram characterized the TTP as an "umbrella organization," capable of destabilizing the region and coordinating with various militant groups, including secessionist factions. His assertion underscores not only Pakistan's immediate security concerns but also the potential for broader implications on regional stability, as the TTP appears to be reasserting its capabilities with the backing of the Afghan Interim Government.

Ambassador Akram's statements serve as a clarion call for the international community to recognize and address the multifaceted threats posed by the TTP and its affiliates. He condemned the Afghan government's failure to control these militant groups and warned of the TTP's historical ties with Al-Qaeda, suggesting that this relationship could propel it to the forefront of global terrorism efforts. While expressing Pakistan's commitment to combat this menace through national and international cooperation, Akram also reiterated the necessity of addressing the dire humanitarian crisis facing Afghanistan.

With millions in need of assistance and insufficient international funding for relief efforts, Pakistan advocates for an unconditioned humanitarian response to alleviate suffering and restore some level of stability. This dual approach of counter-terrorism and humanitarian engagement is critical for fostering a sustainable path forward in the volatile landscape of Afghanistan and its impact on regional dynamics.

Deadly Attack Targets Polio Team in Pakistan:

In a tragic incident on Wednesday, gunmen on motorcycles attacked a polio vaccination team in the Bajur district of northwestern Pakistan, killing a police officer and a health worker. The attack occurred as the team conducted a door-to-door vaccination campaign, according to local police chief Abdul Aziz.

No group has claimed responsibility for the assault, which took place in an area once dominated by the Pakistani Taliban. The deadly incident comes amid a nationwide polio eradication drive launched earlier this week, following an uptick in militant attacks.

On the same day, a roadside bomb injured several police officers in the South Waziristan district, another region known for militant activity, with the Islamic State group later claiming responsibility for the bombing. Pakistan's Interior Minister Mohsin Naqvi condemned the attack, emphasizing the continued threat to healthcare workers in the country.

This attack underscores the persistent challenges facing Pakistan's polio eradication efforts, which have long been targeted by extremist groups.

Militant organizations often falsely claim that polio vaccination campaigns are part of a Western plot to sterilize Muslim children, fueling violence against health workers and security forces assigned to protect them.



Source: ApNews



Despite decades of global efforts, Pakistan remains one of the last two countries in the world where polio remains endemic, with 17 new cases reported in 2024 alone. The rise in militant attacks coincides with the resurgence of extremist activity in Pakistan's northwestern regions, posing a serious threat to public health initiatives.

The continuous targeting of polio workers reflects broader issues of misinformation, insecurity, and the state's struggle to maintain control in these regions, hampering efforts to eliminate the disease and protect vulnerable populations.

Social and Humanitarian Focus

Educational Disparities in Pakistan's Districts:

Pakistan's youth, with nearly 67% of its population under 30, presents both a remarkable opportunity and a formidable challenge. While the country has a lower middle-income status, the pace of human capital development lags behind that of its regional counterparts, threatening not only the potential demographic dividend but also the realization of the Sustainable Development Goals (SDGs) by 2030.

The recent integration of education indicators into the District Education Performance Index (DEPIx) reveals a troubling reality: the national average score sits at a mere 53 out of 100, categorizing Pakistan's education system as "low." This indicates a pressing need for enhanced access, quality, and inclusivity in education, particularly as it becomes crucial for reversing the trend of out-of-school children, which is exacerbated by parents' lack of confidence in public education.

DEPIx highlights significant disparities across provinces and districts, illustrating the uneven progress in educational outcomes. Punjab, while the highest performer with a score of 61, still falls into the medium category, and no province has reached high performance. Balochistan faces critical challenges, ranking lowest across nearly all domains, which underscores the urgent need for targeted interventions. The intra-provincial disparities, especially in Khyber Pakhtunkhwa, reveal a stark contrast between top-performing districts and those struggling at the bottom. These variations necessitate a tailored approach to education policy that addresses the unique needs of each region while fostering equitable resource distribution.

In moving forward, the findings of DEPIx call for a multi-faceted strategy that encompasses improved governance, targeted public financing, and the integration of technology in classrooms. Enhancing teacher tenure security, revamping assessment systems, and addressing the infrastructural deficits in schools are paramount for meaningful change. Furthermore, a robust education data regime is essential for tracking progress and ensuring accountability at both provincial and national levels. By addressing these key areas, Pakistan can create a more equitable and effective education system that empowers its youth and contributes to sustainable national development.



Source: DAWN



Rise of Non-Communicable Diseases in Pakistan:

In recent years, Pakistan has experienced a significant shift from communicable diseases to non-communicable diseases (NCDs) as the leading causes of death and disability, attributed primarily to changes in food systems and lifestyle choices. The Centre for Governance and Public Accountability (CGPA) reports that over 60% of deaths in Pakistan are due to NCDs, with cardiovascular diseases alone responsible for 29%, surpassing the global average.

Alarming statistics indicate that approximately 33 million individuals are diagnosed with diabetes, and 10 million are pre-diabetic, while 43% of adults aged 30 to 79 suffer from hypertension, many lacking access to quality treatment. CGPA Executive Director Mohammad Anwar highlighted that the rising prevalence of NCDs is linked to unhealthy dietary patterns characterized by an increase in processed foods high in sugars, trans fats, and sodium, compounded by inadequate information, diagnostic, and treatment infrastructures for effective prevention.

The shift to NCDs reflects deeper socio-economic and cultural dynamics necessitating urgent public health interventions. The CGPA's policy recommendations, emphasizing the modernization of food governance according to World Health Organization (WHO) standards, highlight the need to strengthen institutions like the Pakistan Standards and Quality Control Authority (PSQCA) to ensure food safety and promote healthier dietary options.

However, for these reforms to be effective, they must be coupled with community engagement initiatives to raise public awareness about nutrition, particularly in low-income areas where unhealthy food choices often stem from limited resources and knowledge. The absence of a coordinated framework for food governance points to systemic issues extending beyond individual dietary habits, necessitating a holistic approach that integrates health education, policy reform, and community participation to combat the rising tide of NCDs effectively.

Political Updates

Indictment Looms as PTI Reshuffles:

On Thursday, a Special Judge Central set October 2 as the date for indicting former Prime Minister Imran Khan and his wife, Bushra Bibi, in a new Toshakhana case. The couple faces allegations of purchasing an expensive Bulgari jewelry set, gifted by a foreign leader, at a significantly reduced price. During the court proceedings, Khan's defense team submitted bail applications and urged the court to address them swiftly. However, the prosecution requested more time, postponing further arguments until September 28. Meanwhile, Khan declared that the Pakistan Tehreek-e-Insaf (PTI) party will not engage in any further dialogue with the military establishment, describing it as a "futile exercise."

The development reflects the broader tension between the PTI leadership and the state institutions, underscoring the deepening political and legal challenges facing Imran Khan. The Toshakhana case has become a focal point in the broader legal proceedings against Khan, with his claim that these charges are politically motivated gaining traction among his supporters.

The involvement of his wife in the case adds another layer of complexity, especially since she has maintained a largely private role in political matters. Furthermore, Khan's categorical refusal to engage with the military signifies a hardening of his stance, especially after previously hinting at possible reconciliation.



This shift in rhetoric raises questions about PTI's strategy going forward, particularly as its founder faces mounting legal pressures while simultaneously preparing for the upcoming elections.

In tandem, the cancellation of the PTI rally in Rawalpindi, amidst apprehensions that the government might limit the party's ability to hold events, illustrates the growing crackdown on political activities. This move also signals PTI's intention to shift from public rallies to more targeted protests, possibly indicating an awareness of the shrinking political space in Pakistan. Additionally, the appointment of Raof Hasan as the head of the PTI's Policy Think Tank signals a restructuring within the party, positioning itself for both electoral and strategic recalibration ahead of the elections. How these developments play out will shape not only Khan's legal battles but also PTI's political future.

KP to Challenge Punjab Crackdown as PTI Leaders Face Terrorism Charges:

In response to the Punjab police's crackdown on [Pakistan Tehreek-e-Insaf \(PTI\) workers during their protest in Rawalpindi](#), the Khyber Pakhtunkhwa (KP) government has announced plans to pursue legal action. Adviser to the KP Chief Minister, Barrister Mohammad Ali Saif, condemned the police's use of force, likening the situation to the Model Town tragedy.

The violence occurred after PTI activists attempted to defy Section 144, which had banned political gatherings in the city. The clash, marked by teargas shelling and stone-throwing, has escalated tensions between the KP and Punjab governments, with the KP administration accusing the Punjab police of disproportionate force and brutality. The KP government's decision to take legal action signals a new phase in the political confrontation between PTI and state institutions, especially as the party navigates an increasingly hostile environment.

The protests, ostensibly peaceful at the outset, spiraled into violence, prompting accusations from PTI of state repression. The Punjab police's use of force, particularly against women and unarmed workers, raises important legal and ethical questions about the handling of political dissent.

The filing of terrorism charges against PTI leaders and workers in Rawalpindi adds another layer to the conflict, amplifying concerns over the criminalization of political opposition in Pakistan. As KP prepares to challenge these actions in court, the country faces a critical test of its legal institutions' ability to mediate political conflicts.



Source: The News

Political Realignment in National Assembly: PTI Fragmentation Shifts Power Balance:

The recent [reshuffle in the National Assembly](#), initiated by Speaker Sardar Ayaz Sadiq's letter to the Election Commission of Pakistan, marks a significant realignment in the political landscape. The shift notably sees 80 former Pakistan Tehreek-e-Insaf (PTI) members now categorized under the Sunni Ittehad Council, signaling the fragmentation of PTI's influence within the assembly.

This reshuffling has redefined the political boundaries, with the ruling coalition led by the Pakistan Muslim League-N (PML-N) consolidating its hold on 213 government seats, further enhancing its parliamentary dominance with allies like the Pakistan Peoples Party (PPP) and Muttahida Qaumi Movement (MQM-P).



The movement of 80 PTI members to the opposition benches under the Sunni Ittehad Council reflects the fluid nature of Pakistan’s political affiliations, particularly as the PTI’s hold on its members weakens.

The inclusion of independent members and smaller parties further complicates the opposition’s coherence, as the remaining opposition parties—Jamiat Ulema-e-Islam (JUI-F) and other smaller factions—struggle to mount a unified front.

The lack of large opposition blocs underscores the political isolation PTI faces after its leaders were relegated to independent status due to procedural technicalities involving party certification under the Election Act.

This restructuring hints at the broader challenges of maintaining political stability in Pakistan, where party defections and shifting alliances often weaken the overall effectiveness of both government and opposition benches.

With 23 reserved seats still unallocated, the situation remains fluid, and the eventual distribution of these seats could further alter the balance of power in the assembly, particularly as the PTI continues to grapple with internal divisions and external pressures.

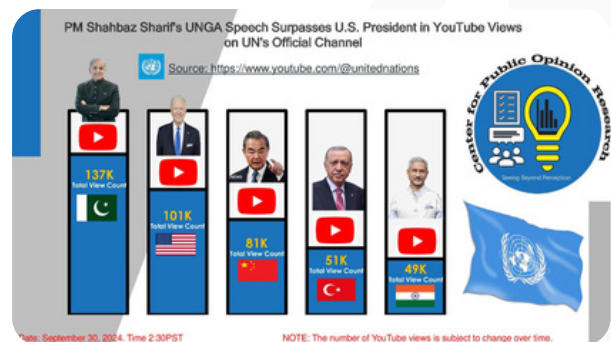
The reshuffling not only reflects ongoing power struggles but also highlights the increasingly fragmented political arena in Pakistan.



Source: Tribune

PM Shehbaz's UNGA Address Outshines Global Leaders on YouTube:

Prime Minister Shehbaz Sharif’s recent speech at the [79th United Nations General Assembly](#) has set an unexpected viewership record, surpassing speeches from major global leaders like U.S. President Joe Biden and Chinese Foreign Minister Wang Yi on the UN's official YouTube channel. Garnering over 141,000 views, Shehbaz’s speech highlights a significant moment for Pakistan on the global stage. However, the unprecedented numbers also raise questions about the factors driving this surge in global attention.



Source: ARY News

While some might attribute the high viewership to the increasing digital engagement of Pakistani diaspora communities, particularly on platforms like YouTube and TikTok, others could argue that the speech’s focus on contentious geopolitical issues—such as the Kashmir conflict—resonated beyond national borders.

The speech’s success on social media, with over 1.6 million views on Al Jazeera’s TikTok account, signals a potential shift in how international discourse around human rights and territorial disputes is being consumed and disseminated, especially among younger audiences. Interestingly, comparative underperformance of speeches from world leaders like Biden and Erdogan may reflect a broader trend in global politics where audiences increasingly engage with narratives from nations outside the traditional power blocks.



This could signify a growing appetite for alternative viewpoints in international diplomacy, especially from regions facing prolonged conflict or economic instability. Nevertheless, the record-breaking viewership may also raise questions about digital amplification strategies, political engagement by governments, and media representation of global leaders.

While the high engagement with PM Shehbaz's speech is a significant moment for Pakistan, it also hints at an evolving global media ecosystem where the lines between genuine political interest and orchestrated digital campaigns are becoming harder to distinguish.

Policy Spotlight

Constitutional Crossroads: Judicial Overhaul or National Crisis:

The 26th Constitution Amendment Bill represents a critical juncture in Pakistan's political and judicial landscape, with far-reaching consequences for its constitutional integrity. The proposed amendments, which seek to shift key judicial powers from the Supreme Court to a newly formed Constitutional Court, mark a significant departure from the trichotomy of powers that underpins democratic governance in Pakistan.

By vesting the power to appoint judges of this new court in the hands of the executive, the bill threatens the independence of the judiciary and weakens its ability to act as a check on government authority.

The idea that cases relating to "national security" would be shielded from judicial scrutiny compounds this concern, as it effectively allows the executive branch to operate without fear of judicial oversight, potentially leading to unchecked abuses of power. From a broader governance perspective, the amendments risk creating a politicized judiciary that could undermine public confidence in the legal system, exacerbating existing trust deficits in state institutions.

The bill's justification for reducing judicial powers—that it seeks to address partisan behavior among the judiciary—is paradoxical. In attempting to curb perceived judicial partisanship, it introduces even greater potential for political influence over the courts. This development can deepen the country's democratic backsliding, as it erodes one of the key pillars of a functioning democracy: an independent judiciary.

In the context of Pakistan's fragile political environment, where military interventions and political instability have historically weakened democratic institutions, this bill could represent a turning point towards authoritarianism. The concentration of power in the hands of the executive under the guise of judicial reform mirrors previous attempts by both civilian and military governments to neutralize the judiciary's role as an independent arbiter. If enacted, this could set a dangerous precedent, effectively dismantling the safeguards that protect democratic processes and human rights in Pakistan. The political motives behind the bill seem clear, raising alarm about the future of democratic governance and the rule of law in the country.

