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# Country Analysis Report

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# Executive Summary

The report presents a comprehensive overview of Pakistan's geopolitical, economic, political, and humanitarian challenges amid escalating regional tensions. The recent direct military confrontation between Israel and Iran marks a dangerous shift in Middle Eastern geopolitics, with Pakistan condemning Israeli strikes and taking precautionary measures along its western border. The broader international response has been criticized as muted and one-sided, raising concerns about global double standards and the risk of wider regional conflict.

On the economic front, Pakistan has secured a Rs1.275 trillion loan to address circular debt in the power sector, backed by the IMF. However, IMF-driven austerity has forced a 20% cut in the national development budget, severely impacting food, health, and education sectors. While inflation has eased to 4.6%, GDP growth remains sluggish at 2.7%, with declining agricultural yields and weak private investment. Livestock and poultry have shown resilience, but structural inefficiencies persist, and debt has ballooned to Rs76 trillion.

Politically, Imran Khan has reclaimed leadership of PTI from prison, launching a protest campaign and denouncing the government's economic narrative as IMF-dictated. The opposition has accused the ruling coalition of manipulating figures and failing to address rising poverty, now affecting nearly 45% of the population under revised metrics.

Diplomatically, Pakistan has stepped up international outreach to counter Indian aggression, deepening ties with allies such as Türkiye, Iran, and Azerbaijan. A landmark \$4.6 billion defense deal with Azerbaijan marks a new milestone in strategic and industrial cooperation. Relations with India remain tense, particularly after New Delhi barred Sikh pilgrims from visiting Pakistan for a major religious event.

The report also highlights a growing humanitarian and social crisis. Punjab's approval of a first-ever Child Protection Policy is a positive step, but challenges like rural job losses from mechanization and an alarming rise in online child abuse remain unresolved. Experts emphasize the need for people-centered economic planning, stronger digital safety measures, and inclusive social protection.

Environmental vulnerabilities continue to threaten Pakistan's future, with climate-related disasters increasing in frequency and severity. The economic survey identifies climate change as an existential challenge, calling for urgent investment in adaptation, renewable energy, and ecosystem restoration. In the security domain, intelligence-based operations have led to the elimination of multiple militants in Waziristan and Balochistan, reinforcing Pakistan's counterterrorism stance amid rising militant activity. The report concludes with a call for coordinated national efforts and international engagement to navigate these interlinked crises.



# Iran—Israel Conflict

## The Edge of a Wider War

The Middle East stands at the precipice of a catastrophe that threatens not only regional security but global stability. With Israel's recent airstrikes on Iranian infrastructure in Tehran, actions that blatantly disregarded international norms, Iran's forceful retaliation was not just inevitable but necessary. [The strikes on Haifa and Tel Aviv](#) mark a new chapter in a long-simmering conflict, exposing the world to the consequences of unchecked aggression and geopolitical double standards.

This is no longer a covert conflict waged through cyberattacks or proxy forces. Israel's decision to directly target Iranian civilian infrastructure shattered an unspoken rule of containment. Tehran's response, though forceful, was calculated, a signal to both its allies and adversaries that it would no longer absorb Israeli aggression without consequence. This escalation isn't about ideology alone; it is about sovereignty, dignity, and deterrence in a region where one actor has long acted with impunity, emboldened by Western silence and military aid.

The consequences are already spilling beyond Iran and Israel. Gulf countries, many of whom are caught between US allegiances and regional proximity, fear the collapse of their fragile stability. Oil markets have jolted, the Strait of Hormuz trembles with uncertainty, and regional militias, particularly in Lebanon, Syria, and Yemen, could be drawn into a wider war.

The international response has so far been dangerously muted or one-sided. Washington, under President Trump, appears poised to deepen its military entanglement in defense of Israeli interests, despite the rising costs of escalation. Meanwhile, global powers like Russia and China watch from the sidelines, calculating how best to exploit or contain the fallout.

Three futures loom: an all-out regional war that could engulf the Arab world, a fragile tit-for-tat controlled escalation that prolongs human suffering, or a reluctant ceasefire under external pressure. The third option remains the only path that offers even a temporary reprieve.

The truth is clear. This is not just a conflict between two nations. It is a reckoning with a global system that has failed to uphold justice, balance, and restraint. If the world continues to view Israeli actions through a lens of exceptionalism while holding others to a different standard, it invites more instability, not less.

Now is the time for global powers, especially those claiming leadership in diplomacy and human rights, to draw a real red line, against further bloodshed, against exceptionalism, and against the normalization of aggression. The world must act, not to preserve outdated alliances, but to prevent a full-scale war from consuming the region.

# Economic Outlook

## Government Finalizes Historic Rs1.275 Trillion Loan to Tackle Power Sector Circular Debt:

In a significant financial development, the Government of Pakistan has finalized a massive [Rs1.275 trillion loan](#) agreement with 18 commercial banks to address the persistent circular debt crisis in the power sector, currently hovering around [Rs2.3 trillion](#). The agreement, which has received the International Monetary Fund's (IMF) backing, is designed to repay outstanding liabilities held by the Power Holding Company Limited (PHL) and settle arrears owed to power producers. Sources indicate that all legal formalities and term sheets have been completed and are now pending final approval from the Federal Cabinet and the CPPA-G Board.

As part of the arrangement, commercial banks will extend Rs617 billion in fresh loans at an interest rate linked to KIBOR minus 0.2 percent, with repayments to be made over six years via the Debt Service Surcharge (DSS) currently charged at Rs3.23 per unit on electricity bills. To meet IMF structural benchmarks, the government also plans to uncap the DSS through legislative amendments, increasing its role in funding debt repayments. These reforms are aimed at easing the financial burden on the power sector and improving transparency in utility finances.

The disbursement of the loan is expected before the end of the month, allowing the government to reflect a reduced circular debt figure in the upcoming budget. Officials assert that this package will help restructure existing liabilities under more favourable terms and ease financial pressure on the sector, but concerns remain about the burden passed on to consumers and the sustainability of relying on commercial borrowing to resolve structural inefficiencies in the energy sector.



Source: Breccorder

## IMF Oversight Forces Sharp Cuts in Pakistan's Development Budget:

Under the strict surveillance of the International Monetary Fund (IMF), the federal government has slashed next year's Public Sector Development Programme (PSDP) by 20%, allocating Rs880 billion, down from the current year's Rs1.1 trillion. The IMF's structural reform demands have resulted in drastic reductions across critical sectors such as food, water, energy, housing, and the social sector, while road infrastructure and parliamentarians' schemes remain untouched.

Minister for Planning Ahsan Iqbal confirmed that over 100 low-priority projects worth Rs1 trillion will face suspension or cuts to ensure financial discipline and focus on strategic national-level initiatives like the Bhasha Dam and the Rs120 billion N-25 Balochistan highway.

The Annual Planning Coordination Committee (APCC) approved a consolidated national development plan worth Rs4.083 trillion, largely driven by stronger provincial spending, particularly from Punjab and Sindh, as the federal government continues to grapple with shrinking fiscal space. Provincial governments are expected to contribute Rs2.8 trillion, while federal state-owned entities will invest Rs288 billion. Despite these efforts, the Centre imposed a moratorium on the approval of new projects by ministerial working groups (DDWPs) until the IMF programme concludes, aiming to curb unplanned spending and reduce the Rs10.2 trillion throw-forward liabilities.

While the government claims to be realigning resources strategically to preserve development momentum, the cuts paint a stark picture for social and production sectors. Food and agriculture allocations plummeted by 62% to just Rs3 billion, science and technology saw a 15% reduction, and governance projects were halved.

Critics argue that the heavy prioritization of politically visible projects like highways over essential public services risks undermining long-term economic resilience, especially as inflation is projected at 7.5% and revenue shortfalls persist due to underperformance by the FBR.



Source: DAWN

### Pakistan's Debt Rises to Rs. 76 Trillion, but Growth Slows Slightly:

Pakistan's total debt has climbed to Rs76.01 trillion by the end of March 2025, with domestic borrowing making up the largest share. While this is a huge figure, the rate at which the debt is growing has slightly slowed down compared to last year.

The government attributes this to better control over its spending and an increase in the country's primary surplus, meaning it is earning more than it is spending, before interest payments.

Interest payments, however, remain a major concern. In the first nine months of the current financial year, the government spent Rs6.44 trillion just on interest, most of it on domestic loans. This shows how a large part of the budget is being used to pay off past borrowing, leaving less for development projects like education, health, or infrastructure.



Source: DAWN



On the positive side, the government appears to be managing its repayments more carefully and is trying to borrow more through long-term loans, which eases the pressure of paying back quickly. External debt; money borrowed from other countries or international institutions, has grown more slowly this year, increasing by just \$883 million. The government has mostly taken long-term, low-interest loans from friendly countries and global lenders, which helps reduce the risk of sudden repayment shocks. But unless deeper economic reforms are made, like improving tax collection and reducing wasteful spending, Pakistan will continue to struggle with its growing debt load.

## **Pakistan's Economic Survey 2024-25 Highlights Growth Challenges Despite Inflation**

### **Control:**

Pakistan's Economic Survey 2024-25 reveals that while inflation has significantly dropped to 4.6%, the country fell short of key economic targets, including GDP growth and investment. The reported GDP growth rate of 2.7% missed the 3.6% target and was met with skepticism from independent economists, especially given inconsistencies in electricity and construction sector data. The Finance Minister defended the figures but expressed openness to a review committee to ensure data integrity.

The government missed its investment-to-GDP ratio target of 14.2%, achieving only 13.8%, with private investment stuck at 9.1%. Major crop yields also declined, wheat by 9%, cotton by 31%, and maize by 15%, contributing to a 13.5% drop in key agricultural output. While the industrial sector posted a 4.77% growth, this was largely due to low base effects rather than sustained performance. Large-scale manufacturing actually contracted by 1.53%, and mining output declined amid falling natural gas and crude oil production.

Despite these challenges, the services sector showed modest gains of 2.91%, driven by IT and public administration growth. The Finance Minister emphasized the government's commitment to long-term reforms over short-term "sugar rush" fixes, proposing changes in the National Finance Commission to reduce dependence on population-based distribution. While economic recovery has been consolidated, achieving higher growth and attracting sustainable investment remain pressing concerns for Pakistan's fiscal future.



Source: Tribune

### **Livestock are a Rare Bright Spot in a Troubled Sector:**

Amid the overall sluggish performance, the livestock and poultry sectors stood out as the main drivers of agricultural growth. Livestock alone contributed 64% to agriculture's value addition and 15% to GDP, expanding by 4.72% due to increased milk and meat production. The poultry sector also grew significantly, with a 9.4% rise in meat output and a record 26.7 billion eggs produced. Despite modest gains in fisheries and forestry, these improvements could not compensate for the sharp crop losses. The Pakistan Economic Survey emphasized the urgent need for climate-resilient farming, mechanization, and supply chain reforms to unlock agriculture's full potential and ensure food and economic security.

## **Political Updates**

### **Imran Khan Assumes PTI Leadership, Calls for Nationwide Protest Movement:**

From behind bars, PTI founder Imran Khan has reclaimed control of his party by becoming its patron-in-chief and announcing a nationwide protest campaign as the only remaining political option. Addressing party members through Chairman Barrister Gohar Ali Khan, following a meeting at Adiala Jail, Khan expressed frustration over what he views as the closure of all legal and political avenues, citing alleged electoral rigging and political marginalization.



Source: Tribune

The former prime minister emphasized that the protest would not be limited to Islamabad and declared he would lead the movement from prison, issuing directives through National Assembly Opposition Leader Omar Ayub.

In a notable shift, Khyber Pakhtunkhwa Chief Minister Ali Amin Gandapur was sidelined from protest coordination duties and instructed to focus on provincial governance. Gohar reiterated that Khan remains the supreme authority within PTI, and all key decisions will now flow directly from him. While the timeline for the protest remains undisclosed, the move signals a renewed phase of confrontation between PTI and the establishment, with Khan asserting that dialogue remains possible, but only in the broader national interest, not for personal gain.

### **PTI Slams Economic Survey as 'IMF Script', Alleges Misleading Figures:**

Pakistan Tehreek-e-Insaf (PTI) has strongly rejected the 2024-25 Economic Survey, accusing the government of presenting a budget dictated entirely by the International Monetary Fund (IMF).

In a fiery press conference, Opposition Leader Omar Ayub labeled the survey as a "[Form 47 document](#)," likening it to alleged manipulated election results.



Source: Tribune

He claimed that poverty has surged from [35% to 45%](#), with purchasing power halved since 2022. PTI leaders argued that despite no major disasters, agriculture has collapsed and inflation continues to crush ordinary citizens, with livestock sales even suffering a major blow during Eid.

PTI Central Information Secretary Sheikh Waqas Akram and MNA Mubeen Arif Jutt echoed these concerns, criticizing the government for relying on unverifiable data, including claims of electricity growth via privately installed solar panels.

They emphasized that the development budget remained largely unutilized and debt had ballooned by Rs31.5 trillion since PTI's exit from office. The opposition warned that unless the government takes responsibility and moves beyond IMF dependency, public suffering will only deepen.

## Diplomatic Landscape

### Pakistan Launches Diplomatic Campaign to Counter Indian Aggression:

In a major diplomatic move, Pakistan has launched a global outreach initiative to counter what it calls India's "[reckless and belligerent](#)" actions following recent military escalations in the region. On the instructions of Prime Minister Shehbaz Sharif, two multi-party delegations, including one led by PPP Chairman Bilawal Bhutto Zardari, began high-level meetings in key world capitals such as New York, Washington, London, Brussels, and Moscow. The aim is to present Pakistan's perspective on the recent conflict, particularly India's actions after the April 22 attack in Indian Illegally Occupied Jammu and Kashmir (IIOJK). Bilawal, joined by senior parliamentarians and former diplomats, held meetings with Chinese and Russian ambassadors to the UN, stressing the urgency of resolving the Kashmir dispute for lasting peace in South Asia.

During the meetings, Bilawal underscored Pakistan's responsible response to Indian aggression, rejecting India's unfounded accusations and unilateral actions, such as suspending the Indus Waters Treaty. He called on China, Russia, and the broader international community to move beyond conflict management and actively pursue dispute resolution in accordance with international law and UN Security Council resolutions. The delegation expressed grave concern over India's targeting of civilians and attempts to weaponize water, calling it a violation of humanitarian principles. Russia and China expressed agreement on the importance of opposing unilateralism and maintaining adherence to international legal frameworks.



The Pakistani Foreign Office emphasized that the delegations' engagements would highlight Pakistan's restraint and commitment to peace, in contrast to India's aggressive posture. They reiterated that durable peace hinges on resolving the Kashmir issue and called for the immediate restoration of the Indus Waters Treaty. [The Foreign Office](#) also condemned antagonistic statements from Indian leadership, calling them "divorced from reality" and part of a hostile mindset that risks regional stability. "India cannot and will not achieve its objectives through misrepresentation or coercion," the spokesperson said, reaffirming Pakistan's resolve to defend its sovereignty while promoting dialogue and diplomacy.



Source: Tribune

### **Pakistan Caught in the Crossfire: Navigating the Fallout of the Iran-Israel Conflict:**

As Israel's aerial strikes on Iranian nuclear sites intensify, Pakistan has condemned the attacks as clear violations of Iran's sovereignty. The conflict has reignited concerns in Islamabad over regional instability, particularly as it shares a volatile 905-kilometre border with Iran. In a statement on [June 13](#), Pakistan's Ministry of Foreign Affairs warned against the escalation, calling on the international community and the UN to hold Israel accountable. Pakistan's decision to temporarily close five border crossings with Iran, including the Taftan gateway in Balochistan, stems from security concerns. Officials have cited fears of cross-border militant movement, particularly from Baloch separatist groups operating in the border region. The fragile peace in Balochistan, already strained by decades of rebellion and resource disputes, is under renewed threat, with Islamabad wary of a spillover from Iran that could exacerbate unrest. Nearly 500 Pakistani pilgrims and students have returned from Iran in recent days, reflecting the government's cautious approach to managing movement across the porous frontier.

Beyond regional militancy, Pakistan is deeply concerned about the strategic implications of Israel asserting aerial dominance over Iranian territory. Experts argue that increased Israeli military reach near Pakistan's borders would upset the regional power balance and raise alarms in Islamabad, which neither recognises Israel nor maintains diplomatic ties. With its own Shia minority and a history of sectarian tensions, Pakistan's leadership is attempting to walk a tightrope, offering diplomatic support to Iran while quietly seeking to prevent deeper involvement in a conflict that threatens to reshape the Middle East's already precarious security architecture.

### **India Bars Sikh Pilgrims from Pakistan Visit, Drawing Interfaith Concerns:**

In a controversial move, the Indian government has barred Sikh devotees from crossing into Pakistan to attend the annual martyrdom anniversary of Guru Arjan Dev Ji, scheduled for June 16 at Gurdwara Dera Sahib in Lahore.

The decision, reportedly due to ongoing India-Pakistan tensions and the closed border, has drawn criticism from religious leaders and interfaith advocates. Under a bilateral agreement, up to [1,000 Indian Sikh pilgrims](#) are allowed to participate in these events, but this year's group, expected on June 9, was blocked from traveling.

Despite the restriction, Pakistan's Evacuee Trust Property Board (ETPB) and the Pakistan Sikh Gurdwara Parbandhak Committee (PSGPC) hosted a symbolic reception at Lahore's Wagah border. The event, attended by leaders from Sikh, Hindu, Muslim, and Christian communities, emphasized Pakistan's commitment to religious freedom and interfaith harmony. Officials urged the depoliticization of religious pilgrimages, stressing that such barriers only deepen mistrust and hurt cultural ties between the two nations.



Source: Tribune

### **Pakistan and Türkiye Pledge to Deepen Economic and Strategic Ties:**

Prime Minister Shehbaz Sharif and Turkish President Recep Tayyip Erdogan have reaffirmed their commitment to strengthening [Pakistan-Türkiye relations](#), with a focus on accelerating trade and investment. During a cordial phone call in which the two leaders exchanged Eid-ul-Azha greetings, Erdogan emphasized his desire to implement key decisions taken during recent high-level meetings to enhance bilateral cooperation. PM Shehbaz expressed gratitude for Türkiye's unwavering support during Pakistan's recent military standoff with India, describing it as a heartfelt gesture that reinforced the historic and brotherly bond between the two nations.

Both leaders agreed to fast-track strategic decisions aimed at boosting economic collaboration. Emphasizing mutual respect and shared values, they discussed strengthening trade frameworks and advancing investment opportunities between their countries. The conversation also touched upon global and regional developments, particularly the humanitarian crisis in Gaza, with both sides expressing alignment on core issues. Erdogan reiterated Türkiye's resolute support for Pakistan, while PM Shehbaz highlighted the importance of maintaining this trusted alliance as both countries navigate regional challenges and pursue shared goals for progress and prosperity.



Source: Tribune

### **Pakistan Secures Historic \$4.6 Billion Defense Deal with Azerbaijan:**

In a landmark achievement, Pakistan has signed its largest-ever defense export agreement, finalizing a [\\$4.6 billion deal with Azerbaijan](#) for the sale of 40 JF-17 Thunder fighter jets. Announced on June 6, 2025, this milestone agreement also includes a \$2 billion investment package aimed at strengthening bilateral strategic and industrial ties. The acquisition of the JF-17 Block III variant, featuring advanced avionics, AESA radar, and multirole combat capabilities reflects Azerbaijan's intent to modernize its air force and diversify away from traditional Russian platforms. This move follows lessons learned from the 2020 Nagorno-Karabakh conflict and signals Baku's desire to bolster its air power amid a shifting regional security environment.

The deal underscores the growing political and military convergence between Pakistan and Azerbaijan, rooted in mutual support on critical international issues such as Kashmir and Nagorno-Karabakh. It also positions Pakistan as a rising force in the global defense market, building on past exports to Nigeria, Myanmar, and Iraq. In addition to the aircraft sale, the agreement is expected to foster joint ventures, infrastructure cooperation, and possibly localized defense production in Azerbaijan. This partnership not only enhances Islamabad's regional influence but also reflects a broader trend of emerging economies pursuing indigenous defense development and strategic autonomy through collaborative diplomacy.



Source: Army Recognition

### **Pakistan and Iran Sign MoU to Deepen Communications Cooperation:**

In a significant development at the Economic Cooperation Organization (ECO) summit in Tehran, Pakistan and Iran signed a Memorandum of Understanding (MoU) to boost bilateral cooperation in the field of communications. The agreement was signed by Iran's Minister for Roads and Urban Development, Farzaneh Sadegh, and Pakistan's Federal Minister for Communications, Abdul Aleem Khan, who led the Pakistani delegation. During a formal meeting, both ministers reaffirmed their commitment to strengthening longstanding ties rooted in shared religious, cultural, and historical connections, particularly along the Balochistan-Iran border region.



Minister Aleem Khan emphasized the cultural harmony between the two neighboring nations and expressed hope that the [ECO summit](#) would generate tangible benefits for regional development. His Iranian counterpart welcomed the initiative, pledging full support for collaborative ventures in Pakistan's communications sector. Both sides expressed mutual interest in advancing joint infrastructure and connectivity projects, signaling a renewed momentum in Pakistan-Iran bilateral relations under the ECO framework.

## Humanitarian and Social Updates

### **Punjab Takes Bold Step with First-Ever Child Protection Policy:**

In a landmark development, the Punjab government has approved its first-ever Child Protection Policy, signaling a renewed commitment to safeguarding the rights and welfare of children across the province. Championed by Chief Minister Maryam Nawaz and developed by the Child Protection and Welfare Bureau (CPWB) with UNICEF Pakistan's support, the policy introduces a robust framework to prevent child abuse, violence, and exploitation, while emphasizing institutional coordination and support systems.

Civil society leaders and child rights advocates welcomed the policy but cautioned against complacency. Experts like Iftikhar Mubarak and Rasheeda Qureshi called for dedicated funding, integration into departmental budgets, and clear accountability structures to ensure the policy does not remain a symbolic gesture. Recommendations included localized child protection committees and the introduction of "[Child Protection Budgeting Guidelines](#)" to track progress and resources equitably.

Notably, youth voices have also been central. Sixteen-year-old human rights defender Abiya Batool emphasized the importance of children's direct involvement in policy execution. "We are the primary stakeholders," she said, urging inclusive implementation. As Punjab takes this critical step forward, the real challenge lies in translating policy into practice through sustained political will, financial investment, and collaborative action across sectors.



Source: Tribune

### **Mechanisation and the Rural Employment Crisis in Pakistan:**

The rapid mechanisation of Pakistan's agriculture sector, once seen as a symbol of progress, is now contributing to a deepening employment crisis in rural areas. As the shift from manual labour to high-tech machinery accelerates, traditional seasonal jobs, often filled by entire families including women and children, are disappearing. With the widespread use of combine harvesters, transplanter, and other advanced equipment, small farmers are increasingly sidelined in favour of corporate farming and rental-based agricultural services.

The move towards short-duration crop varieties to allow for multiple harvests annually has made mechanisation not just preferable, but essential, further reducing labour demand. This labour displacement coincides with a sluggish industrial sector that is unable to absorb the millions entering the workforce each year. Trade liberalisation and tariff reforms under the upcoming National Tariff Policy threaten to worsen the situation by reducing protections for domestic producers. The only viable alternative for many unskilled rural workers is livestock farming, which already supports over [80 million people](#). Yet even this sector is under threat from cheap imports of milk powder and whey, which lower demand for fresh milk and devastate small-scale farmers already struggling with rising production costs and inadequate support infrastructure.

To avoid widespread socio-economic unrest, Pakistan must realign its national employment and economic growth strategies. A people-centred approach is needed, one that invests in sustainable rural livelihoods, protects vulnerable sectors like livestock, and creates opportunities through education, skill-building, and innovation. Without urgent intervention, mechanisation will continue to widen the rural-urban divide and fuel discontent in a nation already grappling with multiple economic and political challenges.

### **Revised Poverty Metrics Reveal Stark Economic Reality in Pakistan:**

The World Bank's updated poverty thresholds have significantly reshaped Pakistan's poverty outlook, revealing that nearly 45% of the population now lives below the poverty line. This sharp rise is not necessarily due to worsening economic conditions but rather a recalibration of global poverty lines based on updated 2021 purchasing power parity (PPP).

Under the new \$3/day threshold for low-income countries, Pakistan's extreme poverty rate jumps from [4.9% to 16.5%](#). The increase reflects global adjustments in the cost of living and consumption patterns, not necessarily a sudden decline in household welfare. Still, this new data starkly highlights the large number of Pakistanis living precariously close to poverty thresholds, particularly in a time of rising inflation and economic instability.

While national poverty lines remain the primary reference for domestic policy, the World Bank's findings should serve as a wake-up call for Pakistan's policymakers. The concentration of households just above older thresholds suggests a vast segment of the population is highly vulnerable to economic shocks. With nearly 45% of Pakistan's population living below the [\\$4.20/day poverty line used for lower-middle-income countries](#), there is an urgent need for well-designed and targeted social protection policies.

The forthcoming Poverty and Resilience Assessment (PERA) report is expected to offer deeper insights into regional inequalities and budgetary gaps, helping shape more effective strategies to reduce poverty. As the global benchmarks shift, Pakistan must adapt its economic and welfare frameworks to ensure inclusive growth and resilience against further shocks.

## Protecting Children in the Digital Age and Pakistan's Growing Crisis of Online Abuse:

Pakistan is facing an alarming surge in online child sexual abuse material (CSAM), ranking third globally with over [5.4 million reports between 2020 and 2022](#). This staggering figure, reported by the US-based National Center for Missing & Exploited Children (NCMEC), reveals how social media platforms, particularly Facebook, serve as hotspots for exploitation. In a society where digital literacy remains low despite high smartphone usage, young users are especially vulnerable, often unaware of how to protect themselves from online predators who manipulate and exploit them for disturbing purposes.



Source: DAWN

The correlation between increased online CSAM and rising real-world abuse cases cannot be ignored. Pakistani NGOs like Sahil have documented thousands of child abuse incidents annually, yet many go unreported due to stigma and fear. Meanwhile, organizations like the Digital Rights Foundation are witnessing an increase in complaints from children as young as eight, highlighting a growing pattern of manipulation through intimate image abuse and online blackmail. These crimes often leave victims traumatized and silent, further reinforcing the need for accessible legal and psychological support systems.

While the [Prevention of Cyber Crime Act, 2016](#) outlines strict penalties for such offences, enforcement remains weak. Experts argue that Pakistan must adopt more proactive measures, including AI-powered tools to detect CSAM and dedicated national bodies focused on child digital safety. The crisis demands a multi-pronged response, strengthening law enforcement, empowering children and parents through digital literacy, and holding tech companies accountable for faster identification and removal of harmful content. Without immediate action, millions of young lives will remain at risk in an increasingly dangerous online landscape.

# Environmental and Climate Perspectives

## Climate Crisis Poses Existential Threat to Pakistan, Warns Economic Survey:

The Pakistan Economic Survey 2024-25 has issued a stark warning: climate change is no longer a distant concern but an immediate and existential threat to the country.



With the world now crossing the critical 1.5°C warming threshold, Pakistan is witnessing an alarming rise in extreme weather events, including intense heatwaves, erratic rainfall, and devastating floods. From 1980 to 2024, the country experienced 224 extreme natural disasters, which is a clear indication that climate variability is intensifying. Among these, floods have been the most destructive, affecting over 100 million people and causing \$36.4 billion in damages, excluding broader economic losses.

The year 2024 stood out for its extreme climate events, including record-breaking temperatures and rainfall anomalies across the country. Heatwaves alone have caused [2,741 deaths over 13 major incidents](#), while tropical cyclones and droughts have inflicted billions more in damages and affected millions. Despite contributing very little to global greenhouse gas emissions, Pakistan ranks among the most vulnerable countries to climate-related disasters, highlighting a stark case of climate injustice. These events not only threaten lives and livelihoods but also put enormous strain on Pakistan's economy, infrastructure, and human capital.

Looking ahead, the survey stresses that Pakistan's vulnerability can be transformed into resilience through sustained investment in renewable energy, climate-resilient infrastructure, and ecosystem restoration. The country needs stronger adaptation policies and international climate financing to respond effectively to these growing threats. As climate-driven disasters become more frequent and intense, Pakistan's future will depend heavily on how quickly and effectively it acts to build resilience at both the national and local levels.

## Security and Governance

### Security Forces Eliminate 14 Militants in North Waziristan Operation:

In a decisive intelligence-based operation, Pakistani security forces killed [14 militants affiliated](#) with the outlawed group Fitna-al-Khawarij in North Waziristan's Datta Khel region, according to a statement by the Inter-Services Public Relations (ISPR). The operation, conducted between June 2–3, targeted what the military described as "Indian-sponsored" terrorists. The troops successfully engaged the militants during a fierce exchange of fire, with ongoing sanitisation efforts in the area to root out any remaining threats. The ISPR reiterated Pakistan's resolve to eliminate terrorism, particularly those linked to foreign backing.

This operation follows a troubling pattern of increasing militant attacks in Pakistan, particularly in Khyber Pakhtunkhwa and Balochistan. According to the Pakistan Institute for Conflict and Security Studies (PICSS), May 2025 witnessed 85 militant incidents resulting in 113 fatalities, a slight uptick from the previous month. Despite regional military tensions, militant groups failed to significantly escalate activities, thanks in part to proactive counterterrorism measures. The Pakistani government has officially designated TTP and its affiliates as Fitna-al-Khawarij, emphasizing a unified national narrative against terrorism and external interference.



Source: DAWN

## Seven Militants Killed in Balochistan IBOs as Security Forces Tighten Grip on Indian-Backed Groups:

Security forces eliminated seven terrorists in separate intelligence-based operations in Balochistan's Kachhi and Kalat districts, the military's media wing [reported on June 4](#). According to ISPR, five militants associated with the banned outfit "Fitna-al-Hindustan" were killed in Mach, Kachhi district, following a fierce gun battle.

Meanwhile, another raid in Kalat's Margand area led to the death of two terrorists and the seizure of arms and explosives. A local leader of the banned BLA was also apprehended in Kalat's Sheekhri area, marking a significant breakthrough in counterterrorism efforts.

# Reading Recommendations

- The Fight for Transparent Access to Information in Pakistan ([Click Here](#))
- Life without Autonomy: Understanding Our Culture of Dependency ([Click Here](#))
- Prioritizing Citizens Beyond the Ballot ([Click Here](#))
- Solving the corruption challenge: The key may lie with the citizens. ([Click Here](#))
- Citizens' Inclusion and Accountability is the Key to Improved Governance and Efficient Public Sector Institutions ([Click Here](#))
- Digital Community Policing ([Click Here](#))
- Privatization of Schools in Punjab ([Click Here](#))
- Water Governance Challenges in Pakistan ([Click Here](#))
- Consumer Protection in Pakistan ([Click Here](#))

