

A knowledge product of



# Country Analysis Report



**Edition 72**

## **PAKISTAN AT THE CROSSROADS**

Strategic Exposure, Public Sentiment, and the Political  
Economy of a Widening Middle East Conflict

March 1<sup>st</sup> - 15<sup>th</sup>, 2026

[f](#) [in](#) [X](#) [@](#) [v](#) /accountlabpk

# Executive Summary

The Report positions Pakistan at a critical inflection point, where escalating geopolitical tensions in the Middle East are intersecting with domestic economic fragility, political contestation, and structural development challenges. The report argues that the ongoing conflict involving the United States, Israel, and Iran is not a distant external shock but a multidimensional stress test for Pakistan's economic resilience, social cohesion, and diplomatic balancing capacity.

At the core of Pakistan's vulnerability is its structural dependence on external economic flows, particularly imported energy and remittances from Gulf economies. Rising oil prices have emerged as the most immediate macroeconomic threat, with even modest increases significantly widening the current account deficit and intensifying inflationary pressures. The report highlights that petroleum imports constitute a substantial share of Pakistan's import bill, making the economy highly sensitive to global price volatility. This exposure has already translated into sharp domestic price increases, with fuel costs rising by over 20 percent within a single week, triggering broader cost-push inflation across transport, production, and household consumption. As a result, Pakistan's economy has shifted from a phase of tentative stabilization to one of active stress management.

The government's response has largely been short-term and administrative, including energy conservation measures such as reduced working days and expenditure cuts. While these actions signal urgency, they do not address the deeper structural weaknesses underpinning Pakistan's energy dependence and limited fiscal space. External financing constraints further compound the situation, with inflows falling short of expectations and ongoing negotiations with international financial institutions reflecting heightened uncertainty. The risk of a stagflationary scenario, characterized by rising prices alongside slowing economic activity, is now increasingly plausible.

The report also critically examines competing narratives within public discourse. Optimistic assumptions that Gulf instability may redirect capital and investment back to Pakistan are assessed as unlikely without substantial domestic reforms. Capital, the report argues, typically seeks stability, and Pakistan's current investment climate may not be sufficiently competitive to absorb such flows. Similarly, while higher oil prices could theoretically boost remittances through increased Gulf economic activity, this outcome remains contingent on the conflict's duration and intensity. Prolonged instability may instead disrupt labour markets, reduce mobility, and undermine remittance inflows, thereby weakening a key pillar of Pakistan's external sector.

Beyond economic risks, the report underscores the domestic political and security implications of the crisis. Cross-border tensions with Afghanistan, coupled with internal political contestation surrounding the legal and medical status of former Prime Minister Imran Khan, have contributed to a securitization of governance. External threats are increasingly shaping political narratives, while internal divisions risk deepening under the pressure of regional conflict. Historical precedents, particularly Pakistan's experience during the War on Terror, serve as a cautionary reminder of the long-term costs associated with strategic alignment in external conflicts.

Diplomatically, Pakistan is pursuing a complex balancing strategy, maintaining close ties with Gulf partners while attempting to avoid direct confrontation with Iran. This dual-track approach reflects both economic necessity and strategic caution but is becoming increasingly difficult to sustain as regional polarization intensifies. At the same time, efforts to strengthen economic diplomacy, including trade and logistics partnerships, signal an attempt to mitigate external shocks through diversified engagement.

The report also highlights persistent structural challenges in Pakistan's social and environmental landscape. A severe education crisis, with over 26 million children out of school, alongside gender disparities and limited digital infrastructure, underscores the country's human capital constraints. Environmental pressures, particularly plastic waste management, further illustrate governance gaps and the need for integrated policy responses that include informal sector actors.

Overall, Pakistan's strategic priority in the current crisis is not opportunistic gain but resilience. The country's ability to navigate this period will depend on disciplined management of interconnected risks, including energy security, external financing, remittance stability, and social cohesion. Sustainable outcomes will require structural reforms aimed at diversifying energy sources, improving the investment climate, and strengthening institutional capacity. In a rapidly shifting regional landscape, Pakistan's success will ultimately be measured by its ability to preserve economic stability, maintain diplomatic flexibility, and safeguard internal equilibrium amid external uncertainty.



# Pakistan at the Crossroads

*Strategic Exposure, Public Sentiment, and the Political Economy of a Widening Middle East Conflict*

---

The escalation of hostilities involving the United States, Israel, and Iran is no longer a contained military exchange; it is reshaping regional risk calculations across energy markets, labour flows, diplomatic alignments, and domestic politics far beyond the immediate theatre of war. For Pakistan, this crisis is not merely a foreign policy concern. It intersects directly with the country's economic structure, social cohesion, strategic doctrine, and political narratives.

When evacuation advisories expand across multiple Middle Eastern states, and cross-border exchanges intensify, the signal to markets and governments alike is unmistakable: instability may persist. That persistence is what concerns Pakistan most. Unlike states insulated by diversified energy sources or strong foreign exchange reserves, Pakistan's macroeconomic position remains sensitive to oil prices, remittance stability, and investor confidence. These are not abstract vulnerabilities; they are embedded structural realities.

However, public discourse within Pakistan reveals competing interpretations of how such a conflict might affect the country economically. Some argue that capital and investors who relocated to Gulf states over the past two decades may return if instability deepens there. The view suggests that economic revival in cities like Karachi could follow if Gulf uncertainty reduces the attractiveness of overseas markets. This perspective assumes that insecurity abroad may redirect capital back home, potentially revitalising dormant sectors and urban centres.

Yet, this optimistic projection requires scrutiny. Capital typically moves toward stability, not volatility. If regional instability increases, investors often diversify internationally rather than return to higher-risk environments. Moreover, Pakistan's domestic investment climate, characterised by regulatory uncertainty, energy shortages, and political volatility, would need significant reform to absorb returning capital at scale. Without structural improvements, capital flight from the Gulf is more likely to flow into alternative global markets rather than re-anchor in Pakistan.

With the Gulf once again at the centre of geopolitical turbulence, oil has emerged as the most immediate macroeconomic risk facing Pakistan, exposing the fragility beneath its recent economic stabilisation. Brent crude prices have already risen significantly this year and remain highly sensitive to developments in the Middle East. Market speculation that prices could climb toward \$100 per barrel, with some extreme scenarios projecting even higher levels, has revived concerns in Islamabad about the sustainability of the country's external sector.

For Pakistan, the economic arithmetic of rising oil prices is particularly unforgiving. As a net importer of petroleum, the country relies heavily on international markets to meet its energy needs. Petroleum products regularly account for more than **one quarter** of Pakistan's total import bill, making global oil prices a critical determinant of its balance of payments position.

According to economic estimates cited by policymakers and analysts, every \$10 increase in oil prices can widen Pakistan's current account deficit by roughly \$1.5–\$2 billion annually, placing immediate pressure on foreign exchange reserves and exchange rate stability.

The impact of higher crude prices is not limited to the import bill. Energy costs feed directly into inflation across the economy, affecting transportation, electricity generation, and industrial production. When fuel prices rise, the cost of goods and services follows, amplifying cost-push inflation and weakening household purchasing power. International financial institutions have repeatedly highlighted that energy price volatility remains a major transmission channel for inflation in Pakistan's economy.

Recent policy decisions regarding domestic fuel pricing have also intensified public debate. Critics argue that increases in petroleum prices were introduced even when local inventories had been purchased at earlier, lower international prices, raising concerns about the transparency and timing of price adjustments. The government, however, maintains that domestic fuel prices must reflect forward-looking global market trends, exchange rate movements, and fiscal considerations, particularly under ongoing structural reforms supported by international financial institutions. The challenge lies in balancing fiscal discipline with the need to protect consumers and productive sectors from abrupt price shocks.

The geopolitical dimension further complicates Pakistan's vulnerability. The Strait of Hormuz, a narrow maritime corridor between Iran and Oman, remains the world's most critical oil transit chokepoint. Approximately one-fifth of global petroleum consumption passes through this route each day, meaning that even temporary disruptions can rapidly tighten global supply and trigger price spikes. Any escalation of tensions in the Gulf, therefore, carries immediate consequences for energy-importing economies such as Pakistan.

Recent history provides a sobering reminder of this vulnerability. During the Russia-Ukraine conflict in 2022, when global oil prices surged above [\\$100 per barrel](#), Pakistan experienced a sharp depreciation of the rupee, rising inflation, and growing fears of sovereign default. The episode exposed how quickly external shocks can destabilise macroeconomic conditions in a country with limited foreign exchange buffers and structural dependence on imported energy.

Pakistan's external sector remains further constrained by its reliance on [remittance inflows](#) from Gulf economies. Remittances account for a substantial share of Pakistan's external financing and have recently helped stabilise the current account. However, heavy dependence on remittances does not substitute for sustained inflows of foreign direct investment or structural export growth, leaving the economy exposed to external shocks and global market volatility.

Another line of public commentary suggests that higher oil prices may actually benefit Gulf economies, enabling them to finance reconstruction, expand infrastructure, and thereby increase labour demand. With over [5.5 million](#) Pakistanis working in Gulf Cooperation Council countries, some expect remittances to rise rather than fall. The reasoning is straightforward: oil revenue surges improve fiscal capacity in Gulf states, reconstruction efforts generate employment, and Pakistani workers, long embedded in Gulf labour markets, stand to gain from increased demand.

This possibility cannot be dismissed outright. Historically, periods of elevated oil prices have coincided with infrastructure expansion in the Gulf, benefiting South Asian labour-exporting countries. However, this assumes that oil price increases occur within a stable political environment. A prolonged war involving direct strikes on infrastructure, shipping lanes, or regional cities would produce a different dynamic. Capital preservation and security spending may take precedence over expansionary projects. Labour market policies could tighten. Insurance costs could erode fiscal surpluses. Thus, the net remittance effect depends not only on oil price levels but on conflict duration, geographic spread, and Gulf states' security perceptions.

Pakistan's external account remains deeply reliant on remittances as a stabilising force. Monthly inflows from Saudi Arabia and the UAE routinely exceed [millions of dollars](#). Any sustained reduction in labour mobility, delayed payments, or expatriate insecurity would directly affect foreign exchange reserves and domestic consumption patterns. Conversely, if Gulf economies experience windfall oil revenues without major infrastructural disruption, remittances could indeed rise. The outcome is contingent, not predetermined.

Domestic security presents another dimension. Reports of protests, unrest, and attacks on foreign-linked facilities indicate that Middle Eastern events rapidly translate into internal mobilisation. Pakistan's social fabric includes significant sectarian diversity, and regional conflicts often map onto domestic identities. In previous decades, wars in Iraq and Syria triggered sectarian narratives and proxy alignments within Pakistan. Mismanagement could inflame long-standing sectarian fissures, while heavy-handed repression risks deepening alienation.

Political narratives are also evolving. Some commentators argue that during regional crises, Pakistan has historically received short-term economic or strategic "compensation" from the United States for cooperation. This view references the post-9/11 period, when Pakistan received military and financial assistance tied to counterterrorism alignment. While short-term assistance can provide temporary fiscal relief, historical evidence suggests that such arrangements often come with long-term strategic entanglements and domestic security costs. Afghanistan stands as a sobering example of how external alignment can produce prolonged internal instability.

Pakistan's contemporary caution in navigating new regional conflicts is rooted in the immense price it paid during its frontline role in the War on Terror. As documented in [War on Terror: The Cost Pakistan Paid](#), the country suffered not only strategic strain but a devastating human and economic toll. Between 2001 and 2021, more than [60,000 civilians, military personnel, and political figures](#) lost their lives in terrorist attacks and counterinsurgency operations, while thousands more were injured, leaving deep psychological and social scars.

Economically, the burden was staggering: direct and indirect costs exceeded [\\$120 billion](#), encompassing military expenditures, infrastructure destruction, loss of foreign investment, decline in exports, reduced tourism, and massive displacement in conflict-affected regions

The question raised in public debate, whether Pakistan can economically benefit from the crisis, deserves a sober answer. Direct economic gains from regional conflict are unlikely unless Pakistan positions itself as a stable logistical, diplomatic, or reconstruction partner after de-escalation. Even then, gains would be incremental rather than transformative. Sustainable economic benefit would require strategic reforms: strengthening energy diversification, improving the business climate to attract returning capital, enhancing export competitiveness, and protecting remittance corridors.

Defence cooperation presents another speculative dimension. Some argue that Gulf states, reassessing the effectiveness of existing security arrangements, may seek alternative defence partnerships in the aftermath of war. Pakistan has historically maintained strong military training and advisory relationships with Gulf monarchies. While expanded cooperation is conceivable, it would depend on political recalibration within Gulf capitals and Pakistan's own strategic calculations. Such opportunities would also need to be balanced against regional diplomatic sensitivities, particularly in relation to Iran.

Historical precedents suggest that Pakistan's most sustainable approach in Middle Eastern conflicts has been calibrated neutrality combined with diplomatic engagement. Iraq and Yemen illustrate that restraint can preserve legitimacy and avoid entanglement. Afghanistan demonstrates that alignment under external pressure can generate long-term domestic consequences.

The present crisis differs in one crucial respect: it intersects directly with Pakistan's economic lifelines rather than peripheral security theatres. Energy dependence, remittance reliance, and financial fragility mean that external shocks quickly transmit internally. Therefore, the central strategic objective is resilience rather than opportunism.

Pakistan's future in this unfolding crisis will be defined by disciplined management of interconnected risks. The challenge is to prevent external conflict from destabilising internal equilibrium while preserving the economic arteries that sustain millions of households. Whether remittances rise or fall, whether capital returns or stays abroad, whether defence cooperation expands or contracts, each outcome hinges less on rhetoric and more on institutional capacity.

In a region where escalation can redraw political maps overnight, Pakistan's task is to safeguard continuity. The real measure of strategic success will be whether the country emerges from this period with economic stability intact, social cohesion preserved, and diplomatic flexibility uncompromised.

# Political Updates

Pakistan's political landscape in mid-March is being shaped by a dual security-and-governance crisis. On the external front, the Foreign Office has taken a markedly harder line on Afghanistan, ruling out any [ceasefire](#) before Eid and stating that Pakistan reserves the right to respond until Kabul provides verifiable assurances that Afghan soil is no longer being used by militant networks targeting Pakistan. This signals that cross-border tensions are no longer being treated as a short-term flare-up but as a sustained national security challenge with direct domestic political implications. The government is framing the issue around sovereignty, counterterrorism, and state legitimacy, while the broader conflict has already displaced large numbers along the border and intensified regional instability.



Source: Arab News

At the same time, domestic politics remains centred on the legal and medical status of former prime minister Imran Khan. The Islamabad High Court has ordered the formation of a [medical board](#) to assess his condition and advise whether he should be transferred outside the prison for treatment, and has directed authorities to facilitate meetings with his lawyers and family in accordance with prison rules. However, the court stopped short of directly ordering his transfer to Shifa International Hospital, leaving the final administrative decision with the executive. PTI has rejected the outcome as inadequate and announced it will challenge the ruling in the Supreme Court, ensuring that Khan's health, prison conditions, and access rights remain politically charged issues rather than merely legal ones.

Khan's case continues to keep questions of the rule of law, executive discretion, and political fairness at the center of public debate. The likely near-term consequence is a further securitization of politics: the state will continue emphasizing external threats, while the opposition will use Khan's treatment and court proceedings to challenge the government's democratic credibility.

# Economic Updates

Pakistan enters the second half of March 2026 with a more fragile macroeconomic outlook than the country appeared to have just weeks ago. The immediate trigger is external: the disruption of energy flows linked to the Iran war and the Strait of Hormuz shock. Because Pakistan imports more than 80 percent of its oil needs, the global supply shock has transmitted quickly into domestic prices, emergency conservation measures, and a renewed balance-of-payments risk. In response, the federal government has moved to a four-day workweek for many public offices, shifted a large share of staff to remote work, [cut departmental expenditure](#), and temporarily [closed schools](#) while moving higher education online. These measures may reduce short-run fuel use at the margin, but they are also an implicit admission that Pakistan remains highly exposed to imported energy volatility and still lacks a credible buffer against external commodity shocks.

The inflation outlook has deteriorated almost immediately. The latest weekly Sensitive Price Indicator rose 1.89 percent in the week ended March 11, with petrol up 20.60 percent, diesel up 19.54 percent, and LPG up 12.13 percent in just one week. This is the clearest sign that the oil shock is no longer a theoretical macro risk; it is now feeding into household budgets, transport costs, and food distribution chains. The pressure is particularly worrying because it comes after a period in which inflation had been easing and policy credibility was beginning to recover.



Source: Dialogue Pakistan

The State Bank of Pakistan kept the policy rate unchanged at **10.5 percent on March 9**, explicitly noting that the macroeconomic outlook had become “quite uncertain” after the outbreak of war in the Middle East. In other words, the country is now at risk of a stagflationary squeeze: weaker real activity due to austerity and higher operating costs, combined with renewed price pressure from fuel and logistics.

External financing conditions make this shock more dangerous. According to the latest Economic Affairs Division data reported for January 2026, Pakistan secured only **\$625 million** in external financing that month, and cumulative inflows in the first seven months of FY26 were about \$5.17 billion, well below budget expectations. That matters because an oil shock is manageable only when reserves, financing lines, and donor confidence are strong enough to absorb a temporary import spike. The IMF’s March 11 end-of-mission statement is therefore encouraging but not yet decisive: it said “**considerable progress**” had been made on the third EFF review and second RSF review, but discussions would continue, including to assess the impact of recent global developments on Pakistan’s economy, balance of payments, and financing needs. This suggests that the programme remains broadly on track, but the external environment has worsened fast enough to reopen questions about reserve adequacy, fiscal room, and the size of the adjustment still required.

There is, however, a crucial nuance in the current situation: the energy shock is severe, but it has not yet become a full physical supply collapse. Pakistan has managed to receive additional fuel cargoes, including shipments unloaded at Port Qasim and vessels escorted safely to Karachi under navy protection, which has reduced the immediate risk of empty pumps. Officials have also indicated stocks sufficient for **roughly 25 days**, while some rerouting and alternative procurement arrangements are being pursued.



Source: Dawn News

That said, supply continuity should not be confused with macroeconomic safety. Even if fuel remains available, it is arriving into Pakistan at a higher landed cost, under more expensive insurance and freight conditions, and against a backdrop of tighter external financing. The real danger, therefore, is not simply shortage; it is a wider deterioration in inflation, fiscal stress, and import compression.

Alongside this, Pakistan has taken a significant step toward strengthening its digital infrastructure with the successful auction of [5G spectrum](#), raising approximately \$507 million and allocating 480 MHz of spectrum to three telecom operators, Jazz, Ufone, and Zong. Jazz emerged as the largest buyer with 190 MHz, followed by Ufone with 180 MHz and Zong with 110 MHz. The government expects the additional spectrum to substantially improve 4G service quality within the next four to five months, while 5G services are projected to launch in major urban centres within six months. Officials have framed the auction as a critical milestone for Pakistan's digital transformation, highlighting its potential to accelerate innovation in sectors such as artificial intelligence, e-commerce, and digital services while supporting growth in IT exports and the broader digital economy.

The critical judgment for this half-month period is that Pakistan's economy has shifted from subtle stabilization to stress-management mode. The immediate policy response is largely defensive and administrative rather than structural. A four-day workweek, salary cuts, and meeting bans may signal seriousness, yet they do not address the deeper problem identified even by energy analysts and policy researchers: Pakistan's petroleum dependence is rooted in transport, imported fuels, weak strategic reserves, and slow diversification into rail logistics, electrified mobility, and domestic renewables.

PIDE has warned that a prolonged Hormuz disruption could push oil to [\\$120-\\$150 per barrel](#), lift Pakistan's monthly petroleum import bill to roughly \$3.5-\$4.5 billion, and drive CPI sharply higher. The short-term outlook is therefore one of elevated vulnerability rather than outright collapse: if Gulf tensions ease and IMF discussions conclude positively, Pakistan can still contain the shock; if not, the country risks losing much of the macroeconomic stabilization it worked to present over the past year.



Source: Getty Images

## Diplomatic Landscape

Pakistan's diplomatic landscape in mid-March 2026 is defined by intense [balancing](#) rather than strategic clarity. Islamabad is trying to preserve working relations with multiple, often competing, regional poles at once: Saudi Arabia and the Gulf monarchies, Iran, Afghanistan, and key economic partners such as Qatar and the UAE. This balancing act has become harder as the Middle East conflict deepens and begins to affect Pakistan's own economy, transport routes, and domestic political stability. The result is a foreign policy posture that combines solidarity with Gulf partners, formal support for de-escalation, and careful language intended to avoid an open rupture with Tehran.



Source: Aljazeera

The clearest diplomatic trend is Pakistan's visible alignment with Saudi Arabia and the wider Gulf on regional security, even as it continues to call for peace. Prime Minister Shehbaz Sharif's meeting with Crown Prince Mohammed bin Salman in Jeddah reaffirmed Pakistan's **"full solidarity and support"** for the Kingdom, and both sides agreed to work closely for regional peace and stability. At the same time, Pakistan's ambassador at the UN backed the Bahrain-led Security Council resolution condemning Iranian missile and drone attacks on Gulf states. This indicates that, in practical diplomatic terms, Islamabad is prioritising reassurance to Gulf partners whose financial, energy, and labour-market importance to Pakistan remains critical.



Source: The Nation

Yet Pakistan is not abandoning its older hedging strategy altogether. Its vote in favour of the Russian draft at the **UN Security Council**, alongside support for the Bahrain-sponsored text, shows an attempt to preserve a dual-track position: condemning attacks on Gulf states while also opposing wider regional escalation and insisting on dialogue. This is a classic crisis-management approach meant to signal that Pakistan does not want to be trapped into a binary regional camp. Still, this very duality also exposes the limits of its diplomacy. Islamabad wants to stand with Saudi Arabia, reassure Qatar, maintain communication channels with Iran, and avoid direct regional entanglement all at once. That is a sophisticated posture on paper, but it is increasingly difficult to sustain under wartime pressure.



Source: Dawn News

Alongside the security dimension, Pakistan is trying to keep its economic diplomacy active. The agreement with **Qatar** to activate the Pakistan-Qatar Joint Task Force and advance cooperation in food exports, investment, logistics, and infrastructure reflects an effort to convert political goodwill into concrete economic outcomes. **The UAE feeder service** linking Karachi with Fujairah and Khor Fakkan serves a similar purpose, strengthening maritime resilience at a time when shipping disruption has become a strategic concern. These moves suggest that Pakistan's diplomacy is not only reactive and crisis-driven; it is also attempting to secure trade corridors, food supply arrangements, and investment flows that can cushion the country from wider regional instability.

On its immediate western flank, however, the diplomatic picture is far more confrontational. Pakistan has hardened its public line on Afghanistan, ruling out any [near-term ceasefire](#) and insisting that Kabul must stop harbouring militant networks operating against Pakistan. That tension is now intersecting with broader regional instability, while India's rejection of Pakistani allegations over Afghan attacks adds another adversarial layer. Taken together, these developments point to a diplomatic environment in which Pakistan is trying to deepen ties with Gulf partners and protect economic channels, even as its neighbourhood diplomacy with Afghanistan remains securitized and confrontational. The central challenge for Islamabad is no longer simply maintaining balance; it is preventing this balance from collapsing under the weight of simultaneous regional crises.

## Social and Humanitarian Updates

Pakistan continues to face a deepening education and human capital crisis, with [26.2 million children currently out of school](#), according to the Girls' Education Statistics and Trends Report 2023-24. Of these, 13.4 million are girls, highlighting persistent gender disparities in access to education despite gradual improvements in learning outcomes. The report also indicates systemic structural weaknesses: only 19% of schools have digital devices, just 23% of teachers in girls' schools receive foundational training, and education spending has declined from 13% to [11%](#) of the national budget. Alarming, 94% of the allocated funds are consumed by salaries, leaving minimal fiscal space for infrastructure upgrades, digital learning, or quality improvements.



Source: Daily Independent

Despite these constraints, the data presents a paradox. Girls are outperforming boys academically, according to the National Achievement Test (NAT) 2023, scoring higher in English, Urdu/Sindhi, mathematics, and science at the middle-school level. At the same time, structural pressures continue to limit progress. Rapid population growth has reduced the number of schools available per 1,000 children, while basic facilities remain uneven. Although 96% of schools now operate in permanent buildings, only [23%](#) provide ramps for students with disabilities, and access to specialised learning materials remains scarce.

The report also highlights a significant loss of human capital: while women's participation in higher education is approaching parity with men, female labour force participation remains only 24%, indicating that educational gains are not translating into economic opportunities. Policymakers and education experts warn that without urgent reforms, including increased funding, expanded digital infrastructure, and targeted interventions to reduce dropouts, Pakistan risks failing to harness the potential of its [140 million young people](#), particularly girls, whose educational progress remains both a humanitarian and development imperative.

# Environmental Updates

Pakistan is facing an intensifying plastic waste crisis as rising consumption and weak waste management systems place growing pressure on the environment. The country generates roughly 2 million tonnes of plastic waste annually, yet only **15-18 percent** is recycled, leaving large volumes to accumulate in landfills, waterways, and urban drainage systems. Plastic pollution has become a visible environmental hazard in cities such as Karachi and Lahore, where clogged drains worsen flooding during monsoon seasons, and waste eventually flows into the Indus River and the Arabian Sea. Experts warn that without urgent reforms, Pakistan's plastic waste could reach 12 million tonnes by 2040, increasing risks of microplastic contamination in soil, water, and food systems while worsening air pollution from the burning of mixed waste.



Source: Dawn News

In response, policymakers and industry stakeholders are considering a national Extended Producer Responsibility (EPR) framework, which would shift the cost of managing plastic waste from consumers and municipalities to producers and brand owners. Under this approach, companies would finance the collection, recycling, and safe disposal of packaging waste through producer responsibility organisations, gradually increasing recycling targets over time. Advocates argue that EPR could help Pakistan transition toward a circular economy by encouraging companies to redesign packaging, reduce plastic use, and invest in recycling infrastructure. However, implementation challenges remain significant, particularly in ensuring effective enforcement and coordination between federal and provincial authorities.

A central concern in the debate is the role of Pakistan's vast informal waste sector, which includes an estimated **200,000 to 330,000 waste pickers** who recover and recycle a large share of urban waste. These workers, many of them women and children, operate in unsafe conditions without legal recognition, social protection, or stable incomes. Experts emphasise that any successful plastic policy must formally integrate these informal recyclers, as they already handle nearly 40 percent of the country's waste. Without recognising their role and incorporating them into formal waste management systems, Pakistan's proposed plastic reforms risk remaining effective on paper but difficult to implement on the ground.

# Reading Recommendations

- Mental Health Access for Women: Cultural Stigma and Systemic Barriers ([Click Here](#))
- Concrete Over Canopy: The Unmaking of Islamabad’s Green Capital Dream ([Click Here](#))
- Menstrual Health Management: Policy Gaps, Access to Hygiene Products and Cultural Taboos ([Click Here](#))
- Climate Change and Food Security in Pakistan: A Crisis on Our Plate ([Click Here](#))
- Environmental Health Risks: Gendered impacts of air pollution, water contamination, and climate change on women ([Click Here](#))
- Imagination as the Blueprint of Reality ([Click Here](#))
- Constitution for All: Rethinking Gender Inclusive Governance in Pakistan ([Click Here](#))
- Rethinking Reforms Process in Balochistan: Innovation and Leadership at BCSA ([Click Here](#))
- Sports as a Tool for Preventing Violent Extremism in Pakistan ([Click Here](#))
- Groundwater Recharge: Reviving the Hidden Lifeline ([Click Here](#))
- Selling Misinformation ([Click Here](#))
- Data-Driven Cities: Lessons from World for Pakistan ([Click Here](#))
- The FY 2025–26 Budget and Its Impact on Pakistan’s IT & ITeS Sector ([Click Here](#))
- Planting for Survival: Pakistan’s Path Out of the Heat ([Click Here](#))
- Transparency Through Open Data: Key to Reforming Governance in Pakistan ([Click Here](#))
- From Reports to Reality: Why Pakistan Ranks Last in Global Gender Gap Index ([Click Here](#))
- From Policy to People: Rethinking Governance with Design Thinking ([Click Here](#))
- Floods, Heatwaves, and Hope: Reimagining Agriculture in a Warming Pakistan ([Click Here](#))
- 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](#))