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WEEKLY Cutting Edge

INDEPENDENT • INCISIVE ANALYTICAL

A FRAGILE RECOVERY BUILT ON TEMPORARY GAINS

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About Us

Cutting Edge is an independent English weekly magazine being published from Lahore. Its founding editor, Dr Niloufer Mahdi, belonged to one of the top industrialist families of Pakistan — Packages Group. She was the daughter of Syed Wajid Ali and granddaughter of Syed Maratib Ali. In a short span of time it has gained popularity and built loyal readership throughout the country. With the contributions by renowned journalists and literary figures and diversity of issues/topics touched by our magazine, we can confidently claim that it has set not only new trends in local journalism, but has emerged as the most read and credible magazine for men, women, students and opinion leaders from different spheres of life. It also circulated in all Foreign Embassies, Libraries, Hospitals, 5 star Hotels and Government/ Private Departments. Its website, weeklycuttingedge.com, is a premier online source for the analysis of current affairs, providing authoritative insight into, and opinion on, national and international news, business, finance, science and technology, as well as an overview of cultural trends. We have commenced its publication, with an aim to bring the best to our readers; similarly, we intend to offer the best in terms of advertising and promotional impact for our valuable advertisers. The 24-page Cutting Edge is divided among different sections, and we have proportionally divided the space in each section for carrying advertisers' message for the utmost impact.

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A fragile recovery built on temporary gains

Farhan Khan

The State Bank of Pakistan has reported positive balance of payments figures for the year 2024-25, with a surplus of USD 3.7 billion in comparison with a surplus of USD 2.9 billion in 2023-24. This is good news for the economy but a deeper analysis shows many vulnerabilities underlying the BOP computation.

The current account balance has been transformed from a deficit of USD 2.1 billion in 2023-24 to a surplus of USD 2.1 billion in 2024-25. This is due to a big jump in home remittances of over USD 8 billion, implying an extraordinarily high growth rate of 38.3 percent. According to experts, this may be because of the intervention by the SBP for the first time in the foreign exchange market and replacement thereby of hundi/hawala transactions. In the absence of such a big intervention the likelihood is that the current account would have shown a deficit of USD 6 billion. Additionally, strong physical controls on imports played a role in improving the situation.

Turning to the financial account, there is a big decline in the surplus. It was USD 5.4 billion in 2023-24 but has declined by over USD 3.9 billion to only USD 1.5 billion in 2024-25. The net inflow into the government account has been only marginally higher. It was USD 1.6 billion in 2023-24 which has increased to USD 2.3 billion in 2024-25. Both disbursement and amortization have shown increases. The other inflows into the financial account, especially to the private sector, have turned negative. They were USD 2 billion in 2023-24 but have turned negative by USD 2.6 billion in 2024-25. This should be a matter of concern for the country's economic managers.

On the other hand, the level of foreign investment has remained unchanged at USD 1.8 billion. There has been a net outflow of portfolio funds. This has happened despite the boom

in the stock market in Pakistan, highlighting the continuing lack of confidence of the international investors in the Pakistan economy. The upshot is that the current account surplus remains on very unstable ground, which means greater need for debt for an already highly indebted country, particularly in the context of a low level of foreign direct investment (FDI), which is one of the most reliable sources for the economy in terms of bringing sustainable economic growth.

It is projected by experts that the balance of payments position in 2025-26 may become more fragile without a big increase in home remittances as in 2024-25. Already, after a year of stability in the value of the rupee, there are now

massively from Rs 2,583 billion in 2024-25 to only Rs 105 billion in 2025-26, due to a big jump of 70 percent in external debt repayment. The IMF has also made projections of the balance of payments in the Staff Report according to which the estimate for 2025-26 is a current account deficit of USD 1.5 billion. Further, the financial account is also anticipated to be lower than the level in 2024-25 by USD 1 billion.

It needs to be noted here that current account surplus has been achieved on the basis of a tight austerity regime and at the cost of sacrificing economic growth. In the name of macroeconomic stability, constraints have been placed on imports without which industries cannot function. As a result, our exports have



signs of a decline in the rupee-dollar parity. No doubt, workers' remittances during FY25 y-o-y increased considerably by \$8.1 billion, but they are a very unreliable resource, given the creeping slowdown in the global economy and rising inflation. Additionally, there has been a severe crackdown in recent years on indirect channels on capital flows which means that the coming years may see only low-level to moderate increases in foreign remittances.

What is the outlook for the balance of payments in 2025-26? The first indicator is the estimated net inflow of external resources into the federal government account. According to the Budget in Brief publication of the federal ministry of finance, the net inflow of external resources in 2025-26 is projected to decline

remained stagnant while FDI inflows have shown no growth. Overall, the country is facing gross external financing requirements on average of around \$20 billion annually over the medium-term, with severe consequences for the health of the economy. If we want to improve the overall balance of payments (BOP) – which is composed of current account, capital account, and financial account – we must no longer delay the overdue structural reforms recommended by the IMF and other international financial institutions. Bureaucratic over-regulation should end and market-oriented policies should be adopted to fully utilize the hidden potential of the economy. Exports and more exports are the only sure way of improving the BOP position in the long term.

Pakistan's dismal score in Human Development index

Nasim Ahmed

According to the latest Human Development Index (HDI), Pakistan has fallen into the low development category, having dropped 4 places in the ranking to 168 out of 193 countries. HDI shows the socio-economic development of a nation with its three major indicators: health, education, and living standards. The lower ranking of HDI means that all the mentioned indicators are in bad condition. Overall, the low HDI means poor economic growth in the future.

The 2025 Human Development Report (HDR) entitled “A matter of choice: People and possibilities in the age of Artificial Intelligence” says: “For decades, we have been on track to reach a very high human development world by 2030, but this deceleration signals a very real threat to global progress. Amidst this global turmoil, we must urgently explore new ways to drive development. As Artificial Intelligence continues its rapid advance across so many aspects of our lives, we should consider its potential for development.”

According to the report, the global HDI value is projected to reach a record high, but the increase would be the lowest since records began 35 years ago. The gap between very high and low HDI countries, which for decades had been shrinking, has widened over the past four years. The report also finds widening inequalities between rich and poor countries. For the fourth consecutive year inequality between Low HDI and Very High HDI countries continued to increase, according to the report. This reverses a long-term trend that saw a reduction in inequalities between wealthy and poor nations. The HDR recommends a human-centered approach to AI, which has the potential to fundamentally redesign approaches to development. It also outlines three critical areas for action: building an economy where people collaborate with AI rather than compete against it; embedding human agency across the full AI lifecycle, from design to deployment.

Pakistan has been given a Human Development Index (HDI) value of 0.544, but if adjusted for inequality, Pakistan's HDI decreases by 33.1 percent to 0.364, while its Multidimensional Poverty Index (MPI) remains unchanged from 2023/2024 levels at 0.198. Pakistan's new ranking marks a significant fall of 19 positions from its previous standing—one of the steepest declines globally—highlighting a sharp reversal in developmental momentum.

The core indicators show a dismal

picture: life expectancy is 67.6 years; expected years of schooling are just 7.9; mean years of schooling are a mere 4.3; Gross National Income per capita stands at \$5,501; the inequality-adjusted HDI drops further to 0.392; and the Gender Inequality Index is at a concerning 0.536. These statistics point to long-standing patterns of underinvestment in key sectors such as education and health, persistent income inequality and structural economic fragilities.

Pakistan fares poorly in the South Asian region. Among its peers—India, Bangladesh, and Sri Lanka—Pakistan consistently ranks lowest in every human development metric, from income and life expectancy to gender eq-

very low in living standard, which is the third pillar of the HDI?

The 2025 Human Development Report once again highlights the point that socio-economic development progress is driven by right policy choices. Countries that have advanced on the HDI ladder have done so through massive investment in human capital. For instance, Sri Lanka, despite economic difficulties, has ensured near-universal access to education and healthcare.

Pakistan's low HDI performance is much below its potential, a result of bad policy choices in the past. The global experience shows that when people—not just productivity or



uity and educational attainment. Pakistan has one-third of its children out of school — one of the highest in the world, i.e., 26 million, and the number is growing. The country only spends 0.8 percent of its GDP on education, which is lowest in the region.

The second main pillar of HDI is health. But the health sector of the country paints a bleak picture. The expenditure on health is only 0.9 percent of GDP. With such low spending, the country is facing the problem of widespread child malnourishment and stunting — 40 percent of its children are stunted. According to UNICEF, 8 out of 10 children in the country do not receive the right quantity and type of food. Basic medical supplies are often unavailable even in emergency wards. Since the combined expenditure on health and education is only 1.7 percent of GDP, it is no surprise that we score

profit—are at the centre of policy, development follows and people lead a happy life. As the 2025 Human Development Report makes clear, for Pakistan to move forward meaningfully on the HDI scale, it must put human development at the top of its national agenda.

Other nations such as Vietnam have used digital tools to extend public services, empowered marginalized populations, and built inclusive welfare systems to achieve HDI growth. Pakistan needs to learn from the global and regional success stories in the domain of human development.

There is an urgent need to reorient our national development strategy towards enhancing socio-economic welfare rather than GDP growth alone. To this end we should substantially increase investments in education and healthcare, particularly in rural areas.

Rising waters, shrinking time

Muhammad Ali

As the monsoon grows more menacing with each passing year, Pakistan finds itself at the mercy of a new hydrological order—where torrential rains and human encroachment collide with devastating force.

The country's crumbling urban infrastructure, unchecked sprawl, and vulnerable populations stand exposed, even as climate change accelerates the rhythm of disaster. What was once a seasonal hazard now looms as a chronic, escalating crisis.

Since the monsoon clouds first unfurled in June, the deluge has already stolen more than 265 lives, and forecasters murmur that the tempest's appetite is still swelling. At the same time, researchers writing in a leading scientific periodical caution that Pakistan now stands on the cusp of more savage and recurrent inundations, a disquieting paradigm they dub the "new normal," forged by both sky born downpours and human creep across age old floodplains.

In recent seasons, these rains have turned capricious, brutal, and distressingly erratic. Mega cities, farming hamlets, and sprawling croplands have all been battered, yet it is the poorest households that endure the most grievous wounds—no calamity underscored this disparity more than the 2022 cataclysm that submerged a third of the nation and extinguished upward of 1 700 lives. In rural Sindh, the scars of that watery trauma remain raw even now.

The authors portray the 2022 deluge as a stark harbinger of magnified peril. After years of withering drought, that year's pre monsoon showers surged to 111 percent above the long term norm (1951–2021), soaking the Indus Basin's floodplains and inflating soil moisture by nearly a third. Swollen rivers then vaulted their banks, cresting higher than even the notorious floods of 2010 and 2015.

To blunt the menace, the study advances three imperatives: resurrect natural floodplains, modernise drainage lattices, and relocate communities stranded in high exposure corridors. Each remedy demands tenacity in planning and a caliber of political courage not often abundant in power's chambers.

Foremost lies the revival of floodplains. Decades of unbridled construction have choked the ancient runnels that once diffused monsoon

torrents, robbing the land of its sponge like mercy. Granting rivers the latitude to wander when swollen would temper calamity while re stitching ecological balance. Whether such vision will materialise before the next deluge arrives remains the defining question.

No less pressing is the imperative to reimagine and overhaul our urban drainage architecture. Most of our metropolitan sprawls continue to lean on archaic, debilitated systems—fragile remnants of a bygone era—utterly unequipped to digest the torrents that now routinely fall. Local governance, where it exists at all, is often a ghost in the machine—either

meticulous choreography: robust planning, habitable alternatives, sustainable livelihoods, and access to core services must accompany the shift. When done humanely, this act of retreat can be a gesture of preservation, not abandonment—shielding lives and defusing the financial hemorrhage of perpetual disaster response.

The notion that climate change is a distant menace now rings hollow. It has breached our borders, scorched our summers, and drenched our lands. The confluence of melting glaciers, escalating mercury, and what scientists ominously term the "rain-on-snow effect" is already rewriting our hydrological calendar.



defunct or deliberately declawed. Provincial authorities must, therefore, spearhead a renaissance in water management, investing in infrastructure that is both resilient and far reaching, spanning cityscapes and hinterlands alike.

Nature offers blueprints we ignore at our peril. Initiatives like rain gardens—quietly flourishing in segments of Lahore—should be cultivated across the national tapestry. These verdant buffers not only quell surface runoff but also coax rainwater back into the earth's embrace, nurturing aquifers and easing urban water stress.

Perhaps the most formidable—yet incapable—undertaking lies in the displacement of at risk communities clinging to precarious riverbanks. But this exodus must not echo the cruelties of past forced relocations. It demands

Pakistan cannot afford the luxury of reactionary governance. It must pivot—urgently and deliberately—to anticipatory action. While floods may entrench themselves as a recurring reality, the devastation they bring must not. The window for deliberation has closed; the hour for decisive transformation is upon us.

The writing is no longer on the wall—it's scrawled across submerged fields and drowned cities. With glaciers in retreat, heat rising, and compound weather phenomena battering the land, Pakistan can no longer afford a reactive posture. It must embrace foresight over fear, planning over panic. Though floods may well define the climate era, devastation doesn't have to. The only way forward is to act—with clarity, compassion, and urgency—before the waters rise again.

Rising imports and missed export targets

Husnain Shahid

Pakistan's trade figures in FY2024–25 reveal troubling imbalances, as surging import volumes — especially in machinery and transport sectors — collided with underwhelming export performance. While some categories offered modest relief, such as a dip in petroleum imports, the overall picture showed a growing dependence on foreign goods. These shifting trade dynamics, compounded by a failure to meet export targets, intensified pressure on the country's fragile external account.

Pakistan's textile export lifeline limped forward in FY2025, inching up by a mere 7.39% to clock in at \$17.88 billion—an underwhelming rise from the previous fiscal's \$16.65 billion, as revealed in official disclosures. This lukewarm progression, though technically the second most robust figure recorded in half a decade, starkly undershoots the striking 25.5% leap of FY2022, when the sector touched an apex of \$19.33 billion.

Despite its longstanding crown as the spine of Pakistan's foreign trade portfolio, the textile realm continues to stagger under the weight of endemic fragilities. Industry voices and trade observers echo a persistent lament: an excessive tilt toward governmental lifelines, parochial market orientation, and lethargy in venturing into high-value segments have shackled the sector's ascent. Innovation remains anemic, and diversification, a distant ambition.

Insights extracted from the Pakistan Bureau of Statistics underscore this uneven trajectory. Select subsectors—knitwear, ready-to-stitch attire, and bedding ensembles—delivered respectable figures, scaling up by 13.68% to \$5.01 billion, 15.85% to \$4.128 billion, and 11.1% to \$3.11 billion, respectively. Towel consignments edged higher too, by 2.6%, to settle at \$1.08 billion. Yet the stalwarts of yesteryears faltered—cotton fabric shipments withered by 3.05% to \$1.81 billion, while raw cotton thread exports plummeted by an unsettling 28.76%, scraping \$680.7 million.

June 2025 offered a glimmer of improvement: textile cluster exports ascended 7.59% to hit \$1.52 billion, surpassing June 2024's tally of \$1.41 billion. However, the broader export landscape reflected turbulence. Agrarian commodities, once solid earners, slipped. Overall food exports receded by

3.4% to \$7.11 billion. Rice, a marquee forex contributor, plunged 14.7% to \$3.35 billion. Within that, Basmati dipped by 5.3% to \$830 million, while other strains cratered by 17.4%, slumping to \$2.5 billion.

The livestock and produce corridors fared no better. Meat dispatches shrank by 3.2% to \$495 million. Fruit sales eroded by 10.3% to \$308 million, and vegetables plunged 14.5% to rest at \$367.6 million. Contrastingly, marine exports defied the trend—fish and seafood surged by 13.4% to anchor at \$465 million, while sugar, propelled by anomalous trade factors, skyrocketed 1,851% to reach \$411.1 million.

Sports merchandise also dimmed. The sector slid 2.74% to land at \$385.5 million, with football exports tumbling 9.7% to \$229.8 million. On a brighter note, surgical implements nudged up 1.6% to \$451.7 million. Cement exports—often a bellwether of regional demand—grew robustly by 23.7%, peaking at \$329.8 million.

In the chemical domain, overall growth came in at 5.17%, summing up to \$1.57 billion. This uptick was driven by plastic exports, which ballooned 17.2% to \$469.2 million, and pharmaceutical shipments that catapulted 34% to \$457.4 million—signs of latent potential in Pakistan's often-overlooked industrial sub-ecosystems.

The cumulative portrait painted by these figures is one of paradox—momentary flourishes amid persistent stagnation. The nation's export machinery, particularly textiles, seems to hover in limbo: not quite in decline, yet far from transformative resurgence.

In parallel, Pakistan's import ledger bore signs of shifting economic undercurrents. Petroleum acquisitions slid by 5.76%, totaling \$15.93 billion — a small reprieve for the current account strain. Meanwhile, machinery inflows swelled by 13.37% to \$9.63 billion, propelled by capital expenditure in the textile and energy domains.

Within the petroleum suite, liquefied petroleum gas (LPG) stood out as the lone climber, with inflows vaulting 33.66% to \$1.05 billion. Other categories contracted notably: refined petroleum products dwindled 10.3% to \$5.96 billion, liquefied natural gas (LNG) imports slipped 11.9% to \$3.47 billion, and crude oil imports retreated by 1.54% to \$5.44 billion. The machinery intake was buoyed chiefly by a striking 61.5% upsurge in textile equipment imports, now standing at \$241.2

million, and a 47.8% rise in power generation apparatus to \$616.2 million. Construction and mining gear rose 46.8% to \$138.3 million, while electrical machinery logged a 16.6% increase to \$3.82 billion. Agricultural equipment too posted a 20% bump to \$109.6 million. In contrast, telecom-related machinery retreated 11.3% to \$2.1 billion, with mobile device imports alone shrinking 21.3% to \$1.49 billion.

Transport-sector imports, on the other hand, ballooned by 32.7%, reaching \$2.44 billion — a development drawing unease as it fuels foreign exchange depletion, especially due to the uptick in CKD (completely knocked down) and SKD (semi-knocked down) vehicles. This particular category surged 57.8% to \$1.59 billion. Disaggregated figures reveal that motorcar imports rose 41.5% to \$1.103 billion, while heavy vehicles like buses and trucks soared 132% to \$442.3 million. Motorcycle imports also ticked up by 22.1% to \$48 million. Additionally, fully built-up (FBU) car imports reached \$278.2 million.

Against this backdrop, the government fell short of its export ambitions for FY2024–25. Figures from the Pakistan Bureau of Statistics (PBS) lay bare a widening chasm in trade. Exports closed at \$32.106 billion, narrowly missing the official target of \$32.341 billion. Meanwhile, import volumes overshot expectations, hitting \$58.38 billion — outstripping the \$57.283 billion benchmark.

This divergence inflated the annual trade deficit to \$26.274 billion, surpassing the forecasted shortfall of \$24.941 billion. While exports did rise 4.67% year-over-year, imports escalated by a heftier 6.57%, exacerbating stress on the nation's already precarious external financing apparatus.

Ultimately, the interplay of swelling import costs and underwhelming export performance continues to tighten the noose around Pakistan's fragile economic equilibrium. Despite pockets of industrial growth and increased investment in energy and textiles, Pakistan's inability to restrain rising imports or meet export expectations has widened its trade deficit beyond official projections. The larger-than-anticipated import bill, driven by luxury vehicles, machinery, and underperforming export categories, underscores the urgent need for structural reforms, strategic export diversification, and prudent import controls to stabilise the nation's external economic position.

Debt risks persist despite economic gains

Shahid Hussain

Pakistan has witnessed a notable uptick in fiscal indicators and a relative easing of external pressures, still deep-rooted structural risks continue to shadow its economic trajectory. In a recent assessment, Standard & Poor's acknowledged signs of macroeconomic stabilization—driven by record remittances, fiscal reforms, and improved current account performance—yet emphasized that these advancements remain vulnerable to both domestic and geopolitical fault lines.

In a shift of fiscal perception, Standard & Poor's has nudged Pakistan's credit rating upward, nudging it from "CCC positive" to a more tolerable "B negative"—still marooned two rungs beneath the investment threshold, yet signaling a gust of cautious optimism. This recalibration owes itself to a slew of fiscal recalibrations and a tapering of the specter of sovereign default. This is the first ascent in rating stature Pakistan has witnessed in over thirty months, as revealed by S&P Global Ratings—one of the globe's premier triad of credit assessment arbiters. Alongside the improved grade, a "stable" prognosis has been affixed to the nation's fiscal trajectory, denoting a reclassification from "very high credit risk, vulnerable to non-payment" to the relatively less perilous zone of "highly speculative."

Such speculative standing, nonetheless, had previously tethered Pakistan's ability to issue sovereign bonds on the international stage, truncating its avenues to augment debt portfolios. In a commentary brimming with restrained affirmation, S&P stated that the coalition government had showcased enough political mettle to enact IMF-mandated reforms—critically, without inciting large-scale social backlash. They further emphasized that maintaining fiscal discipline—particularly in expenditure curtailment and deepening of the tax net—remains imperative if Pakistan intends to fulfill the benchmarks under the Extended Fund Facility (EFF).

The Finance Ministry, notwithstanding unrelenting public censure, has persisted on this austere path, navigating the choppy waters of the IMF's first programme review and aligning the federal ledger with the Fund's economic diktats. This recalibrated rating mirrors S&P's assessment that Pakistan's financial obligations are no longer entirely contingent on external macroeconomic tailwinds. Over the past year, the nation has reconstituted its for-

eign exchange coffers, blunting the immediacy of default threats. Yet, lurking beneath these gains is the chink in the armor—currency volatility. The rupee's chronic erosion against the US dollar has invited behind-the-curtain maneuvering, aimed at subduing the resurgence of clandestine forex trading.

S&P underscored how this depreciation had stymied Pakistan's nominal GDP per capita over recent years. Nonetheless, with monetary stability returning and tangible growth rebounding, the agency foresees GDP per capita breaching the \$2,000 threshold by fiscal 2027. Still, the path to fiscal redemption remains strewn with political landmines. The agency emphasized that future rating ameliorations are tethered to sustained political coherence and amelioration in national security metrics. Citing the enduring political tremors since the parliamentary expulsion of former Prime Minister Imran Khan in April 2022, S&P reiterated that a tranquil political firmament is indispensable to fortifying Pakistan's sovereign credibility. While Pakistan's security climate has shown marked progress since the turbulent early 2010s, the embers of volatility remain alive. S&P warned that recent hostilities, reignited by the Pahalgam terrorist attack in May 2025, have intensified border friction with India—threatening to snowball into a broader conflagration, potentially outstripping the calculated restraint of either side.

Simultaneously, the agency spotlighted Pakistan's burdensome debt-servicing costs as a festering fiscal concern. Despite an outwardly stable outlook, this stability is precariously perched upon anticipated continuity of external financial support—particularly from multilateral consortia and key bilateral allies. S&P expects that such lifelines, coupled with incremental improvements in fiscal posture, will be sufficient to shoulder the nation's hefty debt load in the coming year.

Economic rejuvenation and persistent efforts by the state to expand revenue avenues are also expected to anchor key fiscal and debt indicators over time. Notably, the fiscal year 2025 yielded a current account surplus for the first time in over a decade—a modest 0.5% of GDP, but symbolically potent. This surplus stemmed largely from an unprecedented surge in overseas remittances, which soared to \$39 billion, or 9.5% of GDP, bolstering Pakistan's external standing and reducing immediate balance-of-payments pressures.

Complementing these dynamics are the tax reforms instated under the IMF's programme umbrella, which have augmented tax receipts by a significant 3% of GDP over the past year. S&P predicts that with restrained public spending, the overall fiscal deficit may narrow to 5.1% of GDP in FY2026—still above Islamabad's official target, but reflective of tempered fiscal slippage.

Inflation is forecasted to plateau around 6.5% over the medium term. As price pressures relax, the central bank is expected to ease monetary policy further, driving down interest rates and thus reducing the government's debt-servicing costs. Interest payments, once a colossal 60% of fiscal income in FY2024, are projected to recede to an average of 41% over the next three years.

Yet even at this moderated level, Pakistan's interest-to-revenue ratio remains one of the most severe among rated sovereign entities globally. S&P emphasized that the overarching strain on debt sustainability stems from the disproportionately large interest expenditures relative to meager fiscal income—a chronic ailment that continues to weigh heavily on the agency's credit assessment. Compounding this burden is the deteriorating debt-to-revenue ratio, which is expected to swell from 443% to 454% within the current fiscal cycle—a glaring indicator of structural fiscal fragility. Issuing a cautionary caveat, S&P remarked: "We may lower our ratings if Pakistan's external or fiscal metrics unravel significantly beyond present trajectories."

Any sharp retrenchment in support from key multilateral or bilateral lenders, or a rapid depletion of accessible foreign exchange reserves, would signal a faltering ability to fulfill external obligations—triggering a downward revision. Similarly, if domestic interest rates spike anew—worsening the government's already crushing debt-service obligations—the agency would interpret this as symptomatic of deepening internal fiscal stress.

Despite a cautiously optimistic outlook, Pakistan's economic narrative is still tethered to uncertainty. Soaring debt-servicing costs, a fragile revenue base, and simmering political and border tensions all present significant hurdles to long-term stability. While support from global lenders and partners offers temporary relief, S&P's warning is clear: without deeper structural reforms and sustained fiscal discipline, Pakistan's financial footing may once again falter.

School for sale: Free education vanishing in Punjab

Rasheed Ali

In a province where more than 10 million children are out of school, the Punjab government's education policy has become a source of growing frustration and fear for parents already overwhelmed by poverty.

Rather than strengthening the public education system, the provincial government is dismantling it — handing over thousands of government-run schools to the Punjab Education Foundation (PEF) in a move widely seen as flawed, short-sighted, and in violation of constitutional obligations.

Article 25-A of Pakistan's Constitution guarantees that "The State shall provide free and compulsory education to all children of the age of five to sixteen years in such manner as may be determined by law." For decades, this was reflected in the provision of free education, free textbooks, and minimal overhead costs in government schools. It was this very framework that gave impoverished families a lifeline — the hope that despite their financial challenges, their children could still access the promise of a better future.

That promise is now slipping away. Since assuming power in 2024, the Maryam Nawaz government has fast-tracked the privatisation of public schools across Punjab. While previous administrations gradually transferred around 4,300 schools to PEF under the Public Schools Reorganisation Programme (PSRP), recent estimates suggest the current government has handed over up to 14,000 schools — nearly 37pc of all public schools in the province — to private operators within a single year.

This sweeping move has been presented as reform, but for the majority of Punjab's low-income families, it has translated into exclusion. PEF-run schools, while still operating under government oversight, function like low-cost private schools. They often charge monthly fees ranging from Rs2,000 to Rs3,000 — a sum that is simply unaffordable for the average household struggling to survive under skyrocketing inflation and a collapsing job

market.

Over 44pc of Pakistan's population — about 107 million people — now lives below the poverty line, as per World Bank data from 2025. In Punjab, the effects are particularly harsh, with millions of families unable to put food on the table, let alone afford school fees. In this environment, the government's decision to turn free public schools into fee-based institutions — under the guise of partnership — is not just tone-deaf, it is dangerous.

Supporters of the policy claim that enrolment is rising in PEF-run schools, pointing to figures showing that 1.1 to 1.4 million children



were enrolled through education initiatives in early 2025. But these numbers are deeply misleading. Education experts and community feedback suggest that most new admissions to PEF schools are not from the ranks of out-of-school children. Instead, these are children previously enrolled in more expensive private schools whose parents, unable to keep up with rising costs, have shifted them to PEF schools which are cheaper by comparison — but still not free.

Meanwhile, the actual out-of-school population in Punjab remains staggeringly high — around 11 million children between the ages of five and sixteen. Of these, nearly 4 million are

at the primary level. Girls are especially affected, with 28pc out of school compared to 26pc of boys. And yet, instead of expanding access to public education and addressing the barriers that keep children — especially girls — out of school, the provincial government is systematically outsourcing its responsibility to entities that cannot and do not offer universal access.

PEF schools operate on performance-based funding and are under no obligation to serve every child. Their focus, naturally, is on maintaining enrolment figures that secure continued financial support — not on reaching the millions of unserved children in the most impoverished and remote areas. The result is that while government schools disappear, the poorest families are left with nowhere to go.

Punjab has an estimated 38,000 government schools and up to 100,000 private schools, many of them unregulated. Rather than investing in teacher training, infrastructure, and curriculum reform, the government is retreating — shedding public responsibility and placing it on a private sector that is unequipped to deal with the scale and complexity of the education crisis.

This policy shift is not just bad governance — it is a betrayal of the public. It undermines the very foundation of equitable education and widens the already dangerous gap between the privileged and the poor. By continuing to hand over government schools to PEF, the Maryam Nawaz administration is effectively

turning a public good into a market commodity — one that millions simply cannot afford.

At a time when the state should be acting to pull children into schools, it is pushing them out through policies that prioritise outsourcing over inclusion. The consequences will be long-lasting: a generation denied the education it was promised, a workforce unprepared for the challenges ahead, and a society more deeply divided along lines of wealth and opportunity.

If the Constitution still holds any meaning, then the right to free and compulsory education must be more than words on paper. It must be defended — not privatised.

The imperative and complexity of a new Iran nuclear deal

Raza Khan

Following the recent but highly consequential conflict between Iran and the US-Israel alliance, the prospect of a new nuclear deal with Iran has become both critically important and exceptionally difficult. During the conflict, US-Israeli airstrikes inflicted substantial damage on Iranian nuclear installations. As a result, Iran's capacity to enrich uranium to weapons-grade levels has been severely compromised. Yet, it is equally true that the US and Israel were unable to completely dismantle Iran's nuclear program.

This reality makes the case for a renewed nuclear agreement more urgent. However, reaching such a deal will be a formidable challenge for Iran's leadership. That said, Iran appears to have little choice. A careful analysis of recent public statements by senior Iranian officials during and after the conflict suggests that Tehran is open to negotiating a new nuclear arrangement with the US and its allies.

If such a deal materializes, its implications would extend far beyond Iran itself, significantly impacting the broader Middle East and the Afghanistan-Pakistan region, including Pakistan. Any agreement would come at a time of immense turmoil in these areas, making its consequences potentially transformative. Politically, economically, and in terms of security, the ripple effects would be swift and far-reaching.

To understand the stakes, one must recall the original nuclear deal signed in 2015 (not 2017), during the Obama administration and later abandoned by President Donald Trump in 2018. Under that agreement, Iran curtailed its uranium enrichment activities in exchange for the lifting of international sanctions. However, the sanctions relief was partial and short-lived.

A new deal could help ease decades of hostility between Iran and the West, which has fueled instability in the Middle East and crippled Iran's economy. Nonetheless, some powerful voices within Iran — and among its foreign sympathizers — argue that abandoning the nuclear path may jeopardize Iran's long-term security. This view, however, ignores a fundamental truth: security is a multifaceted and holistic concept. Military power, including nuclear weapons, alone does not ensure a state's survival. The Soviet Union, despite possessing the largest nuclear arsenal, collapsed due to internal socio-political and economic factors.

Iran's pursuit of nuclear capability has come at a steep cost. Its economy is in shambles, society is polarized between an ultra-conservative leadership and a largely liberal population, and its political system — despite holding periodic but limited elections — is increasingly seen as ineffective. These internal fractures have compromised both the stability and security of the Iranian state. In turn, this instability has had a destabilizing effect on the wider Middle East, with implications for Afghanistan and Pakistan — countries that many scholars argue form part of the broader Middle Eastern geopolitical sphere.

In conclusion, while a new nuclear deal with Iran may be fraught with challenges, it remains an essential step toward regional stability. Its success or failure will shape not



only the future of Iran but also the fate of its neighbors and the wider region.

Despite ongoing internal and external pressures, Iran has arguably remained one of the more stable states in the wider Middle East. As the modern successor to the ancient Persian Empire, Iran has played an influential role in regional politics for centuries — a role it has continued even under stringent Western sanctions.

Since the 1979 overthrow of the Shah's monarchy and the rise of Ayatollah Khomeini's clerical leadership — an event referred to by Iranian authorities as the "Islamic Revolution" — the rift between Iran and the West has deepened. Driven by ideological and strategic differences, Tehran has persistently opposed Western, especially American, interests in the region. This has included supporting militant organizations such as Hezbollah. Though widely recognized as a Shiite state with strong ties to Shiite communities and regimes globally, Iran has at times also extended tactical support

to vehemently anti-Shiite groups like Al-Qaeda and, more recently, the Afghan Taliban — mainly due to their shared anti-Western positions.

In this context, a new nuclear deal is crucial for Iran's future. Restoring its economy and reinvigorating its political institutions would help Iran regain lost viability and influence. Economic revival would not only stabilize Iran internally but also generate positive spillover effects for the wider region's political economy and security landscape.

Should a new nuclear agreement be reached and sanctions on Iran lifted, Tehran would likely adopt a more cautious foreign policy posture — avoiding entanglement in regional conflicts, at least in the near term. It might refrain from deep involvement in the ongoing

Syrian civil war, a potential new Afghan civil war, the persistent Sunni-Shiite rivalry in Iraq, or the protracted crisis in Yemen involving the Houthi insurgency. Moreover, Iran would be mindful of avoiding exposure to Israeli attacks like those experienced recently.

The restoration of Iran's economy and its ensuing political stability could have particularly constructive consequences for both Afghanistan and Pakistan. In Afghanistan, Iran would likely seek to support stability to access a larger regional market for its surplus goods and energy ex-

ports. Rebuilding Afghanistan could offer Iran significant economic opportunities, especially in energy and construction sectors.

For Pakistan, the implications could be even more tangible. One of the most critical potential outcomes would be the revival of the long-delayed Iran-Pakistan (IP) gas pipeline project. Iran has already completed its section of the pipeline, but Pakistan has stalled construction on its side, largely due to pressure from the US, UN sanctions, and Saudi objections. With sanctions lifted, many of the obstacles Islamabad faces would be removed, paving the way for Pakistan to secure much-needed natural gas supplies.

In conclusion, a renewed nuclear deal between Iran and the West holds the promise of wide-ranging benefits — not just for Iran, but for the broader Middle East and South Asia. It is now up to the regional states to recognize the opportunities and work towards maximizing gains from the unfolding geopolitical realignment.

Erosion of Pakistan's white gold

Dr. Zaheer Ahmad Babar

Pakistan's cotton sector — once the backbone of its agricultural and industrial might — now teeters on the edge of irreversible decline. Despite its enduring strategic value, the crop has been undermined by outdated practices, policy distortions, and ecological upheavals. A constellation of challenges — from manual harvesting to failing seed technology and land fragmentation — has gradually hollowed out the industry, while the unchecked rise of sugarcane cultivation in key cotton-growing zones has accelerated its demise.

The latest statistical dispatch from the Pakistan Cotton Ginners Association (PCGA) casts a somber silhouette over the state of the nation's cotton sector — a once-proud pillar now withering in sustained retreat. As of mid-July, ginning units across the country had received a meager 297,751 bales of raw cotton — a staggering descent from last year's 442,041 bales during the same window, registering a precipitous contraction of nearly 32 percent.

But the present nadir rests atop a still-deeper abyss. The 2024 count had itself marked a cataclysmic 48.48 percent nosedive from 2023's figure of 858,007 bales. Aggregated across this biennium, Pakistan's raw cotton output has hemorrhaged by an unrelenting 65 percent — a calamitous freefall for a commodity long regarded as the lifeblood of the country's agrarian and industrial continuum. Cotton, after all, is no peripheral player — it undergirds the nation's textile empire, anchors export revenues, and sustains the livelihoods of millions spread across the cultivation-to-manufacture chain.

A forensic perusal of the PCGA data reveals provincial asymmetries. While Punjab managed a flicker of resurgence — logging a 27 percent uptick in arrivals — the southern belt bore the brunt of the devastation. Sindh and Balochistan, both once-thriving cotton bastions, witnessed erosions of 53 percent and 54 percent respectively in raw cotton flow. Even Punjab's modest gains are clouded by intra-provincial inconsistencies, with certain districts floundering in droughts of yield.

No vignette illustrates this systemic unravelling more graphically than that of Rahim Yar Khan. A district that once boasted cotton of unparalleled quality has, over two decades, capitulated to sugarcane's sugary seduction.

With six colossal sugar mills entrenched in its soil, the region has increasingly rerouted its agronomic energies to serve the sugar lobby's voracious appetites.

Cotton has been quietly ousted — not by natural attrition but by orchestrated incentivization. Policymaking, under the thumb of influential sugar syndicates, has turned sugarcane farming into a goldmine, leaving cotton an abandoned relic. Unsurprisingly, cotton arrivals in Rahim Yar Khan have collapsed by over 99 percent compared to the same juncture last year — an almost total obliteration.

Yet, the malaise afflicting cotton transcends the sugarcane shadow. This botanical decline is a symptom of deeper, more systemic malaise — a confluence of structural neglect, policy myopia, and infrastructural decay. Cot-



ton's roots may run deep in Pakistani soil, but they are now entangled in a web of adversities that no longer allow it to thrive.

At the heart of cotton's dwindling fortunes lies a clutch of entrenched structural handicaps — chief among them, the dogged dependence on manual labour in harvesting. The dearth of mechanisation has rendered cotton-picking not only gruelingly labour-heavy but also inefficient and vulnerable to contamination, diminishing both yield and fibre integrity in the process.

Compounding the crisis is Pakistan's overreliance on genetically modified Bt cotton seeds. Once heralded as pest-resistant marvels, these strains have over time grown increasingly impotent against evolving insect threats. Government initiatives aimed at diversifying seed usage have limped along, largely because financially strained small-scale farmers lack both the capital and the technical scaffolding necessary to transition to hardier, more climate-savvy seed types.

An equally pressing concern is land fragmentation. According to a recent International

Labour Organisation brief, over 90 percent of the country's cotton is cultivated on plots smaller than five hectares. These pint-sized parcels, though numerous, are inherently inefficient — stifling economies of scale, curbing the adoption of mechanised techniques, and hamstringing productivity across the board. Then there's the growing wrath of climate change — a silent, slow-moving wrecking ball. Scorching heat spells, capricious rainfall, and depleting soil vitality have begun to leave their mark with increasing frequency and severity, turning once-fertile tracts into unyielding wastelands.

This relentless unraveling of a crop that remains vital to Pakistan's agriculture economy and export framework demands more than cosmetic fixes — it calls for a tectonic policy overhaul. Mechanisation should no longer be aspirational but mandatory — subsidised and scaled to empower smallholders with access to cutting-edge tools. Simultaneously, the country's agricultural R&D apparatus must be fortified to usher in an era of robust, pest-resilient, locally tailored seed genetics that can weather the vagaries of a warming planet.

But perhaps the most politically thorny — and most urgent — of reforms is the unchecked sprawl of sugarcane in traditional cotton belts. Regulatory lethargy has allowed distortive, sugarcane-favouring incentives to flourish, crowding out cotton from its ancestral domains. It is imperative that these perverse policy structures be dismantled and the agricultural compass reoriented toward crops that carry strategic, not just commercial, weight. Absent such bold recalibration, cotton's future will remain shackled — its promise stifled beneath layers of misaligned priorities and inertia.

The unraveling of Pakistan's cotton ecosystem is not a natural decay, but a consequence of policy inertia, technological stagnation, and climate vulnerability. If cotton is to reclaim its central role in the nation's economic matrix, bold and immediate reforms are indispensable. Mechanisation must be democratised through smart subsidies, obsolete seed dependency must give way to innovation, and sugarcane's encroachment must be reined in by firm regulatory resolve. Without a strategic pivot, Pakistan risks losing not just a crop — but a cornerstone of its national resilience.

When honour kills and power protects

Faheem Amir

In a society where love is criminalised and marriage by choice is punishable by death, what remains of compassion, dignity, morality, or law?

The recent execution of a young couple — Bano Bibi and Ehsanullah — by a jirga in Balochistan for marrying without their families' consent is a grotesque reminder that parts of Pakistan remain trapped in a modern-day dark age. Here, both women and men continue to be sacrificed at the altar of false honour and cruel traditions.

The powerful act with impunity in Pakistan, without fear of consequence. The viral video showing the couple's final moments is not just evidence of their murder — it is a chilling display of how justice was executed alongside them.

This tragedy underscores the state's failure to fulfill its most basic duty — to protect life, liberty, and property, as the philosopher John Locke argued centuries ago. These ideals are enshrined in Pakistan's own Constitution. Article 9 declares, "No person shall be deprived of life or liberty save in accordance with law." Article 25 affirms that "All citizens are equal before the law and are entitled to equal protection of the law." Article 35 adds, "The State shall protect the marriage, the family, the mother and the child."

Yet these constitutional promises remain unfulfilled. The state has failed to enforce these rights in both letter and spirit. According to the Human Rights Commission of Pakistan, approximately 1,000 women are killed every year in the name of honour. In just the first 11 months of 2024, 346 such cases were reported. The killings have continued into 2025, with recent data revealing an alarmingly persistent trend. Punjab recorded the highest number of cases (168), followed by Sindh (151), Khyber Pakhtunkhwa (52), Balochistan (19), and Islamabad (2).

Many believe the actual number of honour killings, especially in Balochistan, is much higher. Numerous cases go unreported, often buried by the influence of tribal leaders, government officials, or politically connected individuals. This particular case only surfaced after a disturbing video went viral — though the killing occurred a month earlier.

Rather than addressing the severity of the crime, Balochistan Chief Minister Sarfraz

Bugti attempted to downplay it. He claimed the victims were not a married couple but individuals engaged in an extramarital affair — without offering any evidence. Instead of focusing on justice or the perpetrators, he chose to cast doubt on the victims' character, a tactic many saw as reinforcing toxic narratives that normalize honour-based violence. It is a tragic reality that violence against women in Balochistan remains rooted in outdated tribal structures and the unchecked power of local elites. Harmful customs — such as honour killings, child marriage, and the use of women to settle disputes — are still prevalent and often defended as "centuries-old traditions." In fact, former National Assembly member Israrullah Zehri once openly stated that he would "continue to



defend" such practices. Even more disturbingly, figures such as Chief Minister Sarfraz Bugti, Minister Sardar Abdul Rehman Khetran, and PPP leader Sadiq Umrani have all faced serious allegations, including illegal detention, abduction, and complicity in honour killings.

This is not just a failure of law enforcement — it is a collapse of the moral and constitutional order. Until the state takes firm action against such crimes and dismantles the structures that protect perpetrators, justice will remain as distant for victims like Bano Bibi and Ehsanullah as the freedoms they died trying to claim.

Due to the support of powerful people, no action was taken against the perpetrator of these heinous crimes. In October 2021, a tribal jirga in Kalat ordered the execution of a man and woman for allegedly dishonouring their families. Despite public outrage, no arrests were made. In February 2023, three mutilated bodies — including an 18-year-old girl — were found

in a well in Barkhan. The victims were relatives of Khan Muhammad Marri, who accused Provincial Minister Abdul Rehman Khetran of illegal detention and murder. Khetran was arrested but later released on bail and still holds office. In January, a man murdered his 13-year-old daughter in Quetta over a TikTok video. She was a US citizen. He was only arrested after public outrage. Even when arrests happen, families are often coerced into pardoning the accused under Pakistan's Qisas and Diyat laws.

Pakistan passed the 2016 Criminal Law (Amendment) Act to eliminate the pardon loophole in honour killings, but implementation remains weak. In the Qandeel Baloch case, her brother was convicted of murder, but despite the verdict, he was eventually freed after the family forgave him.

This tragic Quetta incident makes one truth painfully clear: Pakistan is governed not by a single rule of law, but by two parallel systems of justice — one for the elite — tribal lords, religious parties, and power brokers — who make and enforce their own laws, and another for the ordinary citizen, where even petty theft invites swift punishment. It reveals a state that has abdicated its responsibility to its citizens and violated the very contract upon which its legitimacy depends.

To end honour killings in Pakistan, all kinds of media — social, electronic, and print — must be used to clearly reject violence committed in the name of honour. Schools and universities should teach values like dignity, equality, and the right to make personal choices. Civil society, religious scholars, and educators must actively counter the harmful mindsets that justify such crimes. Often, the ruling elite, tribal leaders, and power brokers resist change because these customs help them maintain control. But history shows that public pressure can break even the most entrenched systems. In Europe, tens of thousands of women were once burned as "witches" — often just for speaking up, thinking differently, or demanding rights. That horror ended not because the powerful changed their minds, but because people demanded reform through education and resistance. Pakistan must now follow the same path — ending silence with truth, replacing fear with courage, and confronting cruelty with justice by enforcing one equal law for everyone.

Iran's plan to abandon GPS is about much more than technology

Jasim Al-Azzaw

For the past few years, governments across the world have paid close attention to conflicts in Ukraine and the Middle East. There, it is said, we see the first glimpses of what warfare of the future will look like, not just in terms of weaponry, but also in terms of new technologies and tactics.

Most recently, the United States-Israeli attacks on Iran demonstrated not just new strategies of drone deployment and infiltration but also new vulnerabilities. During the 12-day conflict, Iran and vessels in the waters of the Gulf experienced repeated disruptions of GPS signals.

This clearly worried the Iranian authorities who, after the end of the war, began to look for alternatives. "At times, disruptions are created on this [GPS] system by internal systems, and this very issue has pushed us toward alternative options like BeiDou," Ehsan Chitsaz, deputy communications minister, told Iranian media in mid-July. He added that the government was developing a plan to switch transportation, agriculture and the internet from GPS to BeiDou.

Iran's decision to explore adopting China's navigation satellite system may appear at first glance to be merely a tactical manoeuvre. Yet, its implications are far more profound. This move is yet another indication of a major global realignment. For decades, the West, and the US in particular, have dominated the world's technological infrastructure from computer operating systems and the internet to telecommunications and satellite networks.

This has left much of the world dependent on an infrastructure it cannot match or challenge. This dependency can easily become a vulnerability. Since 2013, whistleblowers and media investigations have revealed how various Western technologies and schemes have enabled illicit surveillance and data gathering on a global scale – something that has worried governments around the world.

Iran's possible shift to BeiDou sends a clear message to other nations grappling with the delicate balance between technological convenience and strategic self-defence: The era of blind, naive

dependence on US-controlled infrastructure is rapidly coming to an end. Nations can no longer afford to have their military capabilities and vital digital sovereignty tied to the satellite grid of a superpower they cannot trust.

This sentiment is one of the driving forces behind the creation of national or regional satellite navigation systems, from Europe's Galileo to Russia's GLONASS, each vying for a share of the global positioning market and offering a perceived guarantee of sovereign control. GPS was not the only vulnerability Iran encountered during the US-Israeli attacks. The Israeli army was able to assassinate a number of nuclear scientists and senior commanders in the Iranian security and military forces. The fact that Israel was able to obtain their exact locations raised fears that it was able to infiltrate telecommunications and trace people via their phones.

On June 17 as the conflict was still raging, the Iranian authorities urged the Iranian people



to stop using the messaging app WhatsApp and delete it from their phones, saying it was gathering user information to send to Israel. Whether this appeal was linked to the assassinations of the senior officials is unclear, but Iranian mistrust of the app run by US-based corporation Meta is not without merit. Cybersecurity experts have long been sceptical about the security of the app. Recently, media reports have revealed that the artificial intelligence software Israel uses to target Palestinians in Gaza is reportedly fed data from social media. Furthermore, shortly after the end of the attacks on Iran, the US House of Representatives moved to ban WhatsApp from official devices.

For Iran and other countries around the world, the implications are clear: Western platforms can no longer be trusted as mere conduits for communication; they are now seen as tools in a broader digital intelligence war. Tehran has already been developing its own intranet system, the National Information Network, which gives more control over internet use to state authorities. Moving forward, Iran will likely expand this process and possibly try to emulate China's Great Firewall.

By seeking to break with Western-dominated infrastructure, Tehran is definitively aligning itself with a growing sphere of influence that fundamentally challenges Western dominance. This partnership transcends simple transactional exchanges as China offers Iran tools essential for genuine digital and strategic independence. The broader context for this is China's colossal Belt and Road Initiative (BRI). While often framed as an infrastructure and trade project, BRI has al-

ways been about much more than roads and ports. It is an ambitious blueprint for building an alternative global order. Iran – strategically positioned and a key energy supplier – is becoming an increasingly important partner in this expansive vision.

What we are witnessing is the emergence of a new powerful tech bloc – one that inextricably unites digital infrastructure with a shared sense of political defiance. Countries weary of the West's double standards, unilateral sanctions and

overwhelming digital hegemony will increasingly find both comfort and significant leverage in Beijing's expanding clout. This accelerating shift heralds the dawn of a new "tech cold war", a low-temperature confrontation in which nations will increasingly choose their critical infrastructure, from navigation and communications to data flows and financial payment systems, not primarily based on technological superiority or comprehensive global coverage but increasingly on political allegiance and perceived security.

As more and more countries follow suit, the Western technological advantage will begin to shrink in real time, resulting in redesigned international power dynamics.

AI isn't replacing us — it's teaming up with us

The first time I had used ChatGPT was in 2023. I was racing to finish an essay and thought about taking help from artificial intelligence (AI). I asked it for a quote on solitude in literature. It gave me a poetic line with a citation and everything.

I was impressed, but then I looked it up. The author did not exist. The book did not exist. The quote was beautifully written, but completely made up. Today, the AI tendency to fabricate facts with confidence has only gained momentum. Despite all the buzz around AI, we are still a long way from building something that can actually think. And despite how fast AI is advancing, it still cannot replace the one thing that makes us human: our brains.

This is one of the most misunderstood things about AI. It does not have a mind. It does not understand the context. It does not live in the real world, touch hot pans, make mistakes, or feel the consequences. That is why AI still struggles with what we take for granted: common sense.

Some people worry about the rise of artificial general intelligence (AGI), the point where machines will supposedly think like humans. But most researchers agree that AGI is still theoretical and likely decades away, if at all. AI, as things currently stand, cannot reason flexibly, cannot navigate ambiguity well, and cannot reflect on its own thinking. In short, it lacks the very things that make us human. This does not mean AI is harmless. It can be biased, misused and dangerously convincing when it is wrong. It can automate decisions without understanding consequences, or generate misinformation with ease. That is why human oversight, regulation and ethics are more important than ever. AI still needs us, the humans. It can speed up our work, but it cannot replace the insight, judgment, or emotional intelligence that we bring to the table. It is not humans versus AI; it is humans with AI. The people who learn to use it wisely will go further and farther than those who fear it or ignore it. So, no, AI is simply not replacing us, it is teaming up with us. Think of it as the Google Maps to your road trip. It might help you get there faster, but you are still the one deciding where to go and how. And in a world moving this fast, that is the only kind of partnership we need: smart tools guided by even smarter people.

Khadija Nadeem
Pennsylvania, US

Concerns about Pakistan Academy of Letters

The finance minister, while referring to the government's steps for curtailing non-development expenditures, disclosed recently some of the recommendations of the 'rightsizing committee'. One of the recommendations was

to wind up a number of literacy and cultural organisations that have been functional for around five decades. The recommendations of the committee, if approved, would result in either a shutdown or merger with other institutions. The list includes the Pakistan Academy of Letters (PAL) that was established in 1976 for the promotion of Pakistani languages and literature, and for the welfare of the community of writers and intellectuals. Since its inception, PAL has been doing a remarkable job at both national and regional levels, publishing books in all Pakistani languages on literature, linguistics and cultural topics.

The rightsizing committee has recommended PAL's merger into the National Language Promotion Department (NLPD), which, according to the committee, would ultimately be handed over to a federal university. It is a strange move, as everybody knows that all public-sector universities are themselves facing financial crises. In certain cases, they are not even able to pay salaries to their staff regularly, what to talk of initiating a research-based project or any other positive activity. Any compromise on PAL's independent status will be an unwise move. While the government spends billions of rupees on lawmakers and non-developmental activities, bears losses worth billions of rupees on sick state-owned enterprises, and gives huge amounts to run unprofitable entities, the PAL budget should not be that big a burden on the state exchequer.

Shams Jafrani
Karachi

Jamshoro power plant: Health and environmental fallout

The proposed conversion of the Jamshoro Power Plant from its current mixed-fuel operation to a fully coal-dependent facility has triggered fears of an environmental crisis in and around Jamshoro. What may appear on paper as a cost-effective solution for energy production could, in actual reality, exact a devastating toll on the environment and public health.

Official records and boardroom-level communications from the Jamshoro Power Company Limited (JPCL) reveal that in late 2023, the plant's board of directors approved a proposal to transition entirely to Thar coal. This decision has since gained traction, with K-Electric (KE) endorsing the proposed move and submitting formal recommendations to the federal Power Division. By December 2024, a government committee comprising three members was established to assess the feasibility of the plan. Thar lignite is among the most polluting forms of coal, notorious for its high moisture content, excessive ash production, and elevated sulfur levels. When burned, it releases dense plumes of smoke, sulfur dioxide, and fine particulate matter — all of which pose severe risks to air quality. The immediate victims of this pollution will be the students, faculty, and

residents. There will be an alarming surge in skin conditions, respiratory illnesses and chronic health conditions, placing an unbearable burden on healthcare facilities. The argument for Thar coal hinges on affordability, but this narrow view ignores the long-term consequences. The relevant authorities have to look beyond balance sheets, and consider the much larger human and ecological toll of their choices.

Ali Gul Leghari
Johi

Failure of National Savings ATM network

I had invested all my pension dues in the Bahubod scheme of National Savings. Moreover, whatever money I got in return over the years was also invested back into the scheme as I, like many others, considered it the safest available option. However, when I needed some cash recently, and tried to draw the amount through an ATM, all I got was a message on the screen, saying: 'Host link down'. I continuously tried different ATMs, but all came up with similar results. I then called the helpline, which acknowledged the problem, saying it was being resolved. But the problem still persists and so are my worries about the payment of utility bills and purchase of medicines. It has been rightly advised that one should not put all eggs in one basket.

Malik ulQuddoos
Karachi

Water crisis

Several neighbourhoods in Rawalpindi, including Satellite Town, Saddar and Chaklala, have been facing irregular water supply, forcing people to rely on expensive private tankers, or to endure long queues at public water points. The situation arises from a combination of factors, including ageing infrastructure, mismanagement of water resources, and illegal connections. Long-term solutions, including upgrading the water distribution systems and investing in reservoirs, are critical.

Muteeba Rehman
Abbottabad

Monsoon menace

It appears that the 'M' in monsoon stands for 'menace' as the season messes everything up. The social media is flooded with videos of people having been swept away by storms and ruthless floodwater currents. People are forced to confine themselves to their homes. Houses in slum areas have collapsed. Every day, some deaths are reported from somewhere in Punjab. The rains were supposed to bring peace after months of sweltering heat, but people suffered due to lack of proper arrangements. Why can we not manage to survive through the monsoon season without losing lives?

Zahra Imtiaz
Hafizabad

Weight loss drugs may also protect against dementia, stroke, and even death

Stephanie Anderson Witmer

Primarily prescribed for type 2 diabetes and weight loss, medications like Ozempic and Zepbound are also showing promise in treating a range of other conditions, from sleep apnea to chronic kidney disease. Now, a new study published in JAMA Network Open suggests that for people with obesity and type 2 diabetes, these drugs—known as GLP-1 receptor agonists—may also reduce the risk of death and lower the chances of developing two brain-related conditions: dementia and ischemic stroke. Type 2 diabetes and obesity are “major drivers” of these conditions, said the study’s first author, Huan-Tang Lin, MD, PhD, an attending physician and associate professor of anesthesiology at Chang Gung College of Medicine in Taiwan. “This extends [GLP-1s]’ therapeutic scope from glycemic control, weight loss, and cardiovascular control to direct neuro- and cerebrovascular protection,” Lin told Health. Researchers have previously found that GLP-1s may help protect against dementia and stroke. But according to the authors of the study, “large-scale clinical studies evaluating their association with neurodegenerative and cerebrovascular outcomes remain limited, particularly in high-risk patients with both type 2 diabetes and obesity.” To help fill the gap, researchers examined seven years’ worth of health data from more than 60,000 participants, all of whom had type 2 diabetes and obesity. Some participants were taking diabetes drugs like biguanides (such as metformin), sulfonylureas, and dipeptidyl peptidase 4 inhibitors.⁴⁵⁶ Others were prescribed the GLP-1s semaglutide or tirzepatide.



Kabul could become the first modern capital to run out of water

Patrick Pester

The city of Kabul in Afghanistan is at risk of becoming the first modern capital to run out of water, according to a recent report.

Kabul is drying up due to a combination of different factors, including climate change, poor water resource management, rapid urbanization and a swelling population that stands at roughly 5 to 6 million people.

Mercy Corps, a humanitarian NGO, published a report in April that found Kabul’s water crisis has reached a tipping point, with aquifers draining faster than they can be replenished, as well as issues surrounding water affordability, contamination and infrastructure. In June, one Kabul resident told The Guardian that there isn’t any good quality well water available, while last week, another resident told CNN that they didn’t know how their family would survive if things got worse.

Kabul’s water problem isn’t new and has been growing steadily worse for decades. The report highlighted that it had been exacerbated by the decline in humanitarian funding for Afghanistan since August 2021 — when the Taliban returned to power as U.S. and allied forces withdrew from the country. “Without large-scale changes to Kabul’s water management dynamics, the city faces an unprecedented humanitarian disaster within the coming decade, and likely much sooner,” Mercy Corps representatives wrote in the conclusion of the report. The new report draws on previous work by the United Nations (U.N.), which has found that Kabul’s groundwater is at risk of running out by 2030, with around half of the boreholes in Kabul Province already dry. Currently, each year, extraction exceeds natural replenishment by about 1.5 billion cubic feet (44 million cubic meters), according to the report.



Yoga, walking, and Tai Chi are the best exercises for sleep

Brian Mastroianni

It’s no secret that regular exercise can help you sleep better—but which types of physical activity are best when you really, really need more shut-eye?



According to a new study, several standouts may be especially effective for easing insomnia: yoga, Tai Chi, and walking or jogging. Chronic insomnia affects about 12% of Americans and can significantly impact both health and quality of life. While cognitive behavioral therapy remains the gold-standard treatment, this new research points to a natural alternative—especially for those who may have limited access to therapy, said Swetha Gogineni, MD, a pulmonologist and sleep medicine physician at UCLA Health. “Previous studies have analyzed the impact of acute exercise versus more consistent exercise on sleep and others have grouped exercise together as a whole,” said Gogineni, who wasn’t involved with the research. “This study delineates between the different types of exercise.” To investigate which types of exercise might improve nighttime sleep, researchers analyzed 22 randomized controlled trials involving 1,348 people with either insomnia symptoms or clinically diagnosed insomnia, based on standard diagnostic criteria. The studies examined 13 strategies, including non-exercise treatments like cognitive behavioral therapy and massage for comparison, as well as: Yoga, Tai Chi, walking or jogging, a mix of cardio and strength training, strength training alone, cardio combined with CBT and mixed cardio.

Ancient human relative cannibalized toddlers

Kristina Killgrove

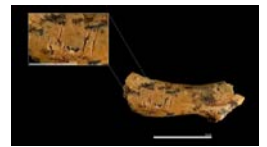
Around 850,000 years ago, a toddler was decapitated and cannibalized, cut marks on one of their neck bones suggest.

The bone, which belonged to an archaic human relative, was found at the Gran Dolina cave at the archaeological site of Atapuerca in northern Spain. An analysis of the bone indicates that the child was between 2 and 5 years old when they died.

“This case is particularly striking, not only because of the child’s age, but also due to the precision of the cut marks,” Palmira Saladié, co-director of the Gran Dolina excavation, said in a statement. “It is direct evidence that the child was processed like any other prey.” The research team excavated a set of 10 skeletons this month, many of which show defleshing cuts and intentional fractures typically found on the bones of animals that were eaten.

All of the newly uncovered skeletons belonged to Homo antecessor, a species of archaic human that went extinct around 770,000 years ago. H. antecessor has only been identified at the Atapuerca site, so its position in the human family tree is unclear. Since it was discovered in 1997, experts have debated whether this ancient human group was the ancestor of Neanderthals and humans or whether it was an offshoot of the human lineage. Either way, H. antecessor is the earliest human relative found in Europe.

Gran Dolina cave has already revealed more than two dozen examples of human cannibalism over three decades of excavation at the site. And roughly 30% of the bones found in the cave so far have cut marks that suggest these early humans were eaten. “The preservation of the fossil surfaces is extraordinary,” Saladié told Live Science in an email.





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