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PAKISTAN'S BUDGET: CHALLENGES FACING THE ECONOMIC MANAGERS

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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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Pakistan's budget: Challenges facing the economic managers

Farhan Khan

While finalising details of the next federal budget, policymakers face one of the most difficult economic environments in recent years. The budget is expected to serve as a roadmap for economic stabilisation, growth, and social welfare, while simultaneously satisfying the conditions of international lenders and addressing the concerns of a population burdened by inflation, unemployment, and declining purchasing power. Balancing these competing priorities will be the greatest challenge confronting the country's economic managers.

The foremost challenge is maintaining fiscal discipline. Pakistan has long struggled with large fiscal deficits caused by a persistent mismatch between government revenues and expenditures. Although recent stabilisation measures have helped improve some economic indicators, the government still faces significant pressure to reduce the budget deficit and maintain financial credibility. The International Monetary Fund (IMF) is expected to closely scrutinise fiscal targets, tax collection efforts, and expenditure plans. Failure to meet these targets could jeopardise financial support, weaken investor confidence, and complicate efforts to sustain economic stability.

Revenue generation remains another major hurdle. Pakistan's tax-to-GDP ratio continues to remain among the lowest in the region. Despite repeated reform efforts over many years, a substantial portion of the economy remains undocumented and outside the formal tax system. The government must therefore identify ways to increase revenue without imposing excessive burdens on already struggling citizens and businesses. Expanding the tax base, improving tax administration, reducing tax evasion, strengthening compliance mechanisms, and bringing untaxed sectors into the formal economy will be critical objectives of the upcoming budget.

Inflation presents another difficult challenge. Although inflation has eased from the exceptionally high levels witnessed in recent years, prices of essential commodities remain elevated and continue to affect household budgets. Ordinary citizens still face rising costs of food, energy, healthcare, transportation, and education. Any new taxes or increases in utility tariffs could further strain household finances and reduce disposable incomes. Policymakers must therefore strike a delicate balance between revenue generation and protecting vulnerable segments of society from additional financial hardship.

The energy sector poses a particularly complex problem. Pakistan continues to grapple with circular debt, inefficiencies in power distribution, transmission losses, and persistently high

electricity costs. The government faces pressure from international financial institutions to implement reforms and rationalise energy subsidies. However, reducing subsidies too aggressively could trigger public dissatisfaction, increase production costs for industries, and reduce economic competitiveness. The budget will therefore need to carefully address the energy sector's structural weaknesses while minimising the impact on consumers and businesses.

Debt servicing is another major concern. A substantial portion of government expenditure is consumed by interest payments on domestic and external debt obligations. This leaves limited fiscal space for development projects, infrastructure investment, education, healthcare, and social protection programmes. Managing debt obligations while ensuring adequate funding for development priorities will require prudent financial planning, disciplined spending, and improved resource allocation. The government must also address the challenge of stimulating economic growth. Pakistan's economy has shown signs of stabilisation, but sustainable growth remains elusive. Industrial production, exports, manufacturing activity, and private-sector investment require stronger support to create momentum. Businesses are seeking lower borrowing costs, a stable exchange rate, predictable policies, and reduced regulatory uncertainty. The budget will therefore be expected to introduce measures that encourage investment, boost exports, support small and medium enterprises, improve industrial competitiveness, and create employment opportunities.

Agriculture, which remains the backbone of Pakistan's economy, requires special attention. Farmers continue to face rising input costs, water shortages, climate-related challenges, fluctuating commodity prices, and limited access to modern technology and financing. The budget must provide incentives to enhance agricultural productivity and strengthen food security. Investments in irrigation systems, agricultural research, storage facilities, mechanisation, and rural infrastructure could help improve the sector's performance and contribute more effectively to overall economic growth. Climate change has emerged as an increasingly important budgetary consideration. Pakistan is among the countries most vulnerable to climate-related disasters, including floods, droughts, heatwaves, and water stress. The devastating floods of recent years highlighted the enormous economic costs associated with climate vulnerability and inadequate preparedness. Budget planners must allocate adequate resources for climate adaptation, disaster preparedness, resilient infrastructure, and environmental sustainability initiatives. Such investments are

no longer optional; they are becoming essential requirements for long-term economic stability and sustainable development.

Social sector spending presents another difficult balancing act. Pakistan faces significant challenges in education, healthcare, poverty reduction, and human development indicators. Millions of children remain out of school, health-care facilities remain underfunded, and poverty continues to affect large segments of the population. Citizens expect the government to increase spending on these critical sectors and improve public service delivery. Yet limited fiscal resources constrain the government's ability to significantly expand social programmes. The upcoming budget will therefore be judged not only by its economic numbers but also by its ability to improve the lives of ordinary Pakistanis.

Provincial-federal financial relations add another layer of complexity. Under the National Finance Commission (NFC) Award, provinces receive a substantial share of federal revenues. While this arrangement supports provincial autonomy and decentralisation, it also limits the federal government's fiscal flexibility and spending capacity. Effective coordination between federal and provincial governments will therefore be essential for implementing economic reforms, improving fiscal management, and achieving broader development objectives.

Finally, the budget will inevitably be shaped by political realities. Governments often face pressure to provide relief measures, subsidies, and development schemes that are politically popular and electorally beneficial. However, economic realities may require difficult and sometimes unpopular decisions involving taxation, spending cuts, subsidy reforms, and fiscal tightening. The challenge for policymakers will therefore be to balance political considerations with the need for long-term economic stability, structural reforms, and sustainable growth.

Pakistan's upcoming budget comes at a particularly critical juncture for the economy. Economic managers must navigate a complex landscape characterised by fiscal constraints, debt obligations, inflationary pressures, energy sector challenges, external financing requirements, and rising public expectations. Success will depend on the government's ability to pursue reforms, broaden the tax base, encourage investment, protect vulnerable groups, strengthen institutional capacity, and maintain macroeconomic stability. The choices made in this budget will not only influence Pakistan's economic trajectory in the coming year but could also shape the country's development prospects and financial resilience for years to come.

Middle East on a knife edge: Can the US and Iran finally choose peace?

Nasim Ahmed

The Middle East once again finds itself at a historic crossroads. After months of military confrontation, diplomatic maneuvering, economic pressure, and political brinkmanship, the United States and Iran appear closer to a negotiated settlement than they have been in years. Yet despite signs of progress, the region remains balanced precariously between peace and another devastating conflict.

Reports from diplomatic circles suggest that negotiators have narrowed differences on several key issues, including sanctions relief, Iran's nuclear activities, the future of enriched uranium stockpiles, and maritime security in the Strait of Hormuz. Nevertheless, substantial gaps remain, and neither side appears willing to make the final concessions necessary to secure a comprehensive agreement.

President Donald Trump continues to send contradictory signals regarding the prospects of a deal. At times he speaks confidently about progress and hints that an agreement is within reach. At other moments he warns that negotiations could collapse if Iran refuses to meet American demands. Such mixed messaging reflects both Trump's unique negotiating style and the difficult political environment in which the talks are taking place.

For Washington, the challenge extends beyond diplomacy. The United States must balance its desire to prevent Iran from acquiring nuclear weapons with the growing realization that military action alone cannot deliver a lasting solution. The recent conflict demonstrated the limits of military power. Despite intensive bombing campaigns and economic sanctions, Iran retained significant military capabilities and showed a remarkable capacity to withstand pressure.

This reality has shaped perceptions in Tehran. Iranian leaders appear convinced that their resilience under fire and their ability to absorb punishment without capitulation altered the strategic calculations of Washington. Many Iranian officials believe that America returned to serious negotiations not from a position of strength alone but because it recognized that a prolonged conflict would be costly, unpredictable, and difficult to win decisively.

That perception has strengthened Iran's negotiating position. Iranian leaders insist that any agreement must respect the country's sovereignty, preserve its right to peaceful nuclear technology, and provide meaningful sanctions relief. For Tehran, these issues are not merely

technical matters but questions of national dignity and strategic independence.

At the same time, Iranian policymakers are acutely aware of the costs of continued confrontation. Years of sanctions have weakened the economy, reduced investment, fueled inflation, and diminished living standards. While Iran has demonstrated resilience, its leadership understands that economic recovery and long-term stability require some degree of normalization with the international community.

The most encouraging aspect of the current negotiations is that both sides now appear to share a common understanding: another major war would serve neither party's interests. The recent conflict revealed how quickly regional tensions can spiral beyond control. A renewed war could disrupt global energy supplies, threaten international shipping routes, destabilize neighboring countries, and trigger economic shocks far beyond the Middle East.

The Strait of Hormuz remains central to these concerns. Through this narrow waterway passes a significant portion of the world's oil and liquefied natural gas exports. Any prolonged disruption could send energy prices soaring and undermine the fragile recovery of the global economy. This is one reason why regional and international powers have invested considerable effort in supporting diplomatic initiatives.

Yet history teaches that peace negotiations are often most vulnerable when they appear closest to success. Hardliners and spoilers continue to operate on both sides of the divide.

In Washington, influential hawks argue that sustained military and economic pressure is responsible for bringing Iran to the negotiating table and should not be relaxed prematurely. They fear that an agreement could provide Tehran with economic breathing space while leaving intact capabilities that could be used to expand its regional influence. Such voices remain powerful within sections of the American security establishment.

In Iran, hardline elements within the Islamic Revolutionary Guard Corps, commonly known as the Pasdaran-e-Inqilab, view American intentions with deep suspicion. Decades of hostility have convinced many that Washington's ultimate objective remains regime change rather than peaceful coexistence. These groups fear that compromise today may invite greater demands tomorrow.

The influence of such factions means that a single incident could derail months of

painstaking diplomacy. A naval clash in the Gulf, an attack by a proxy group, a disputed nuclear inspection, or even inflammatory rhetoric from political leaders could quickly revive calls for confrontation.

Regional actors are also playing an important role. The Gulf Arab states have mixed feelings about a potential agreement. On one hand, they desire stability, secure trade routes, and reduced military tensions. On the other, they remain concerned that any easing of sanctions could enhance Iran's economic and geopolitical influence.

China has emerged as an increasingly important stakeholder in regional stability. As the world's largest importer of energy, Beijing has a direct interest in ensuring the uninterrupted flow of oil and gas from the Gulf. China's growing diplomatic engagement in the Middle East reflects its broader ambition to present itself as a stabilizing force capable of mediating conflicts and promoting economic cooperation.

European countries likewise support a negotiated settlement. Having witnessed the consequences of previous Middle Eastern conflicts, European governments recognize that renewed warfare could trigger economic disruptions, refugee flows, and security challenges extending well beyond the region.

The outcome of these negotiations will also have profound implications for the future security architecture of the Middle East. A successful agreement could pave the way for broader regional dialogue involving Iran, the Gulf states, and other key actors. Such a framework could reduce tensions, encourage economic integration, and create mechanisms for managing future disputes without resorting to military force.

However, success is far from guaranteed. The final stages of any negotiation are often the most difficult because they involve politically sensitive compromises that neither side wishes to appear responsible for making. Domestic political pressures, ideological divisions, and strategic mistrust continue to complicate the search for common ground.

The Middle East today stands on a knife edge. The opportunity for peace is real, but so is the risk of renewed conflict. Both Washington and Tehran understand that another war would be costly and potentially endless. Whether pragmatists can prevail over hardliners in the coming weeks may determine not only the future of US-Iran relations but also the stability and prosperity of the broader Middle East for years to come.

Pakistan budget: Tough choices ahead

Muhammad Ali

The conclusion of the recent International Monetary Fund (IMF) mission to Pakistan has once again shifted attention toward the country's fiscal direction and the difficult economic decisions expected in the upcoming federal budget.

Although the visit was relatively brief, the message emerging from it appears clear: fiscal discipline remains central to Pakistan's economic programme, and the next budget is expected to reflect continued adherence to IMF-supported reforms, even if these measures carry significant economic and political costs.

The IMF mission described its discussions as focusing on recent economic developments, implementation of reforms, and budget strategy for fiscal year 2027. While the official statement remained cautious, many domestic economists interpreted the visit as evidence that broad understandings had already been reached between government authorities and IMF staff regarding revenue targets, expenditure priorities, and fiscal adjustments.

The timing of the visit is important because it suggests that the IMF mission was not primarily intended to negotiate a staff-level agreement for the fourth review of Pakistan's ongoing \$7 billion Extended Fund Facility (EFF) or conduct wider economic consultations. Instead, the mission appears to have focused largely on ensuring that the upcoming budget remains aligned with programme commitments.

This effectively transforms budget approval into a critical checkpoint for programme continuity. One of the central elements emphasised by the IMF is Pakistan's commitment to maintaining fiscal discipline through the achievement of a primary surplus. According to programme projections, authorities remain committed to generating a primary surplus equivalent to around two percent of gross domestic product during fiscal year 2027.

While such targets may appear technical, they remain central to the IMF's assessment of fiscal sustainability because they measure whether government revenues exceed expenditures before accounting for debt servicing costs.

However, the underlying picture is more complicated than headline figures suggest. Programme documents indicate that while the government narrowly missed this year's primary surplus target, a more important measure is the underlying primary balance, which

excludes one-off transactions and temporary adjustments.

This distinction matters because certain large financial operations are excluded from these calculations despite carrying important fiscal implications. Among these are substantial borrowing undertaken to address circular debt within the energy sector. The government borrowed approximately Rsl.25 trillion to reduce accumulated liabilities, while associated financing costs are expected to be transferred to consumers through future pricing adjustments.

Similarly, ongoing efforts involving the privatisation of national assets contribute to improving fiscal indicators in the short term, although the long-term implications remain less certain. The IMF's emphasis on fiscal sustainability also implies continued pressure for stronger revenue collection.

Programme documents suggest several avenues through which additional revenues are expected to be generated. One major area involves reducing sales tax exemptions and broadening the tax base. Pakistan's sales tax collection efficiency has weakened considerably over the past decade, reflecting both exemptions and collection weaknesses.

Improving collection efficiency may strengthen revenues, but it also raises concerns because indirect taxes tend to disproportionately affect lower-income households, which already face significant inflationary pressures. Another priority involves stronger enforcement and compliance measures by tax authorities, particularly through expanded audit mechanisms.

Provincial governments are also expected to play a greater role in revenue generation, particularly through implementation of agricultural income taxation at rates comparable to other income sources. Although agricultural taxation has long been discussed as an important reform area, implementation has historically faced political resistance and administrative challenges.

Monetary policy remains another critical component of the broader reform strategy. The IMF's statement highlighted the central bank's commitment to maintaining sufficiently tight monetary conditions to control inflation and manage potential second-round effects from rising energy prices. Authorities also reiterated support for exchange rate flexibility and further development of foreign exchange markets.

These policies, however, come with difficult trade-offs. Pakistan continues facing inflationary pressures that extend beyond

domestic policy decisions. Regional instability and supply disruptions associated with the ongoing Middle East conflict continue affecting energy markets and commodity prices internationally. As a result, controlling inflation through domestic monetary tightening alone may prove difficult.

The current policy rate remains elevated compared to many regional competitors, creating concerns about its broader economic impact. Higher interest rates increase borrowing costs for businesses, reduce incentives for private investment, and raise financing costs across the economy. They also directly affect government finances because higher rates increase debt servicing obligations, consuming larger portions of public resources that could otherwise support development spending.

More importantly, persistently tight financial conditions risk slowing economic growth at a time when unemployment pressures remain significant. Reduced credit availability and weaker private sector activity could further constrain investment and job creation, complicating efforts to sustain growth while remaining compliant with programme targets.

This creates the central dilemma facing policymakers. Maintaining IMF programme commitments may help preserve macroeconomic stability and maintain access to external financing, but the adjustment process itself creates economic costs that are increasingly visible at the household level. Ultimately, the true implications of recent IMF discussions will become clearer only when the federal budget is formally presented before parliament.

Until then, much remains speculative. However, early signals suggest that policymakers are preparing a budget heavily shaped by fiscal consolidation, revenue mobilisation, and continued structural reforms. The challenge is that while such measures may improve macroeconomic indicators and strengthen programme performance, they also risk increasing pressure on households already coping with elevated prices, weak income growth, and limited economic opportunities.

The coming budget therefore represents more than a routine fiscal exercise. It will serve as an important test of whether Pakistan can maintain economic stabilisation efforts while limiting the social costs associated with adjustment. For millions of ordinary citizens, the ultimate question will be much simpler: whether the burden of stabilisation once again falls primarily on household budgets already stretched to their limits.

Pakistan's remittance dependence on the Gulf creates growing economic risks

Husnain Shahid

Pakistan's remittance inflows continue to provide one of the few bright spots in an otherwise fragile external sector, offering critical support to foreign exchange reserves, household incomes, and overall macroeconomic stability. Yet beneath the encouraging headline figures lies a deeper vulnerability that policymakers can no longer afford to ignore: the country's overwhelming dependence on a single geographic region for sustaining this financial lifeline.

The latest figures released by the State Bank of Pakistan paint a mixed picture. On the surface, the numbers appear encouraging. During the first ten months of fiscal year 2026, remittance inflows reached approximately \$33.86 billion, marking a noticeable increase from \$31.2 billion recorded during the corresponding period last year. This growth reflects the continued importance of overseas Pakistanis in supporting the domestic economy during a period characterised by persistent economic pressures.

However, a closer look at the monthly data reveals signs of moderation. Remittances stood at \$3.54 billion in April, representing an increase of more than 11 percent compared to the same month last year. Yet on a month-to-month basis, inflows declined by around eight percent from the \$3.83 billion recorded in March.

A single monthly decline does not necessarily indicate a long-term trend, but the broader context surrounding these figures raises important concerns. The more significant issue is not simply whether remittance growth is slowing, but rather where these inflows are coming from and how concentrated they have become.

Data shows that countries within the Gulf Cooperation Council (GCC) collectively contributed approximately \$18 billion in remittances during the current fiscal year so far. This means that comfortably more than half of Pakistan's remittance inflows continue to originate from Gulf economies.

Such heavy concentration creates an obvious vulnerability. Any economy that depends excessively on a single geographic region for external earnings inevitably becomes exposed to economic, political, and geopolitical developments beyond its control. Under normal



circumstances, this level of concentration would already create risk. Under current regional conditions, those risks become significantly greater.

Rising instability across the Middle East has introduced fresh uncertainty into economic outlooks throughout the region. The ongoing conflict involving the United States, Israel, and Iran has already created broader economic consequences that extend far beyond the immediate battlefield. One of the most serious concerns stems from disruptions associated with shipping routes and energy markets. The closure and disruption surrounding the Strait of Hormuz has created substantial pressures on oil and gas supply chains, directly affecting Gulf economies whose revenues remain closely tied to hydrocarbon exports.

The consequences extend beyond energy markets. Tourism, aviation, financial services, logistics, and broader business activity across the region have also faced increasing uncertainty. For economies heavily dependent on migrant labour, any prolonged slowdown creates obvious risks for employment opportunities and income generation.

This creates direct implications for Pakistan. If business activity slows across Gulf economies, migrant employment could weaken, overtime opportunities may shrink, wage growth could slow, and remittance flows could eventually come under pressure.

Pakistan's exposure is particularly concerning because reliance on Gulf economies extends well beyond remittances alone. The country also depends heavily on the region for

fuel imports, external financing, investment flows, and broader economic partnerships. Consequently, any prolonged regional disruption could create simultaneous pressures across multiple economic channels rather than affecting remittances in isolation.

For now, it remains premature to conclude that the recent decline since March represents the beginning of a sustained downturn. Monthly fluctuations are common and can result from seasonal factors, exchange-rate movements, religious events, or temporary shifts in transfer timing.

Nevertheless, policymakers cannot afford complacency. Remittances remain Pakistan's largest source of non-debt external financing and continue to play a vital role in maintaining external sector stability. They support millions of households, sustain consumption levels, reduce poverty pressures, and provide critical support during periods of economic stress.

Their importance extends beyond foreign exchange accounting. During periods of inflation, unemployment, and slowing economic growth, remittance income often acts as an informal social safety net for vulnerable households. Any sustained disruption could therefore produce broader economic and social consequences.

In the short term, policy responses remain relatively straightforward. Authorities must continue prioritising exchange-rate stability, maintaining prudent foreign exchange management, and ensuring that formal remit-

tance channels remain efficient and accessible. Reducing transaction costs and limiting incentives for informal transfer mechanisms will remain essential for protecting official inflows.

However, the longer-term challenge is considerably more complex because it requires addressing structural weaknesses rather than temporary market fluctuations.

Diversifying the remittance base should become a strategic priority. This means expanding labour market access beyond traditional Gulf destinations and creating opportunities for Pakistani workers to enter higher-skilled and higher-income employment markets in Europe, North America, and other advanced economies.

Achieving this objective would require significant investment in education, technical training, language skills, and workforce development. Higher-skilled migration generally produces more stable earnings and stronger

remittance potential compared to low-skilled labour exports.

Yet even labour market diversification alone cannot provide a complete solution. Global migration policies are becoming increasingly restrictive, competition for overseas jobs is intensifying, and demographic shifts may gradually reduce demand for migrant labour in some regions. Relying indefinitely on exporting labour therefore cannot represent a sustainable long-term economic strategy.

Ultimately, Pakistan's more durable solution lies in reducing dependence on remittances altogether by strengthening domestic productive capacity. Expanding exports, attracting foreign direct investment, improving industrial competitiveness, and generating higher-value economic activity at home would create more resilient sources of foreign exchange earnings.

Such transformation would inevitably

require difficult economic reforms, institutional improvements, and sustained policy consistency — areas where Pakistan has historically struggled.

The latest remittance figures therefore present both reassurance and warning. They demonstrate the continued resilience of overseas Pakistanis and their importance to the economy. But they also expose the risks of relying too heavily on external labour markets, particularly when those markets are concentrated within a region experiencing increasing geopolitical uncertainty.

The central lesson is clear: an economic model built primarily around exporting labour while domestic productivity remains weak cannot remain sustainable indefinitely. Reducing these vulnerabilities will require not only managing immediate risks but also pursuing deeper structural reforms capable of creating stronger foundations for long-term growth.

Textile exports rebound, but Pakistan's wider trade challenges remain unresolved

Shahid Hussain

Pakistan's export sector delivered mixed signals in April 2026, offering policymakers both reasons for optimism and reminders of persistent structural weaknesses.

Fresh provisional data released by the Pakistan Bureau of Statistics (PBS) shows a notable rebound in textile exports during April, raising hopes that the country's largest export industry may be adapting to increasingly difficult domestic and international conditions. Yet beneath the encouraging monthly figures lies a broader picture of weakening annual export performance, rising imports, and a growing trade deficit that continues to place pressure on economic stability.

The most notable development in April was the recovery in textile exports, which recorded a year-on-year increase of 21 percent compared to the same month last year. The improvement is particularly significant because it came after several months of weak performance. During fiscal year 2026, textile and clothing exports experienced declines in multiple months, including October, November, December, and February, reflecting the sector's vulnerability to economic slowdowns and global demand fluctuations.

The April recovery was primarily driven by stronger performance in value-added

textile segments. Knitwear exports increased substantially, while ready-made garments also recorded notable growth compared to the previous year. These categories have increasingly become important because they generate higher value compared to raw textile exports and therefore contribute more effectively to foreign exchange earnings.

What makes this recovery particularly noteworthy is the difficult international environment in which it occurred. Global consumer demand has remained under pressure due to recessionary conditions affecting many economies. In addition, geopolitical instability following the escalation of conflict involving the United States, Israel, and Iran since late February has disrupted markets and weakened confidence across various sectors. Against this backdrop, Pakistan's textile recovery appears somewhat surprising and deserves closer examination.

The improved performance also raises important questions regarding long-standing claims by the textile industry regarding incentives and state support. In recent years, manufacturers repeatedly argued that reductions in subsidised electricity, fiscal concessions, and monetary support would severely damage exports and force factory closures. Many industrial representatives claimed that more than 150 units had shut down after incentives were withdrawn under reforms linked to

Pakistan's ongoing IMF programme.

However, April's export data suggests a more complicated picture. Despite the withdrawal of many incentives and the implementation of stricter economic conditions associated with the IMF-supported reform programme, exports nevertheless recorded significant growth. This does not necessarily invalidate concerns expressed by industrialists, but it does suggest that other factors — including market diversification, improved efficiency, exchange-rate adjustments, or shifts toward higher-value production — may also be influencing export performance. Understanding these factors is important because similar strategies could potentially be replicated in other export sectors.

Textiles were not the only area showing improvement. Several other export categories recorded substantial increases during April. Oil seeds, nuts, and kernels posted exceptional growth, rising by more than four times compared to the same month last year. Chemical and pharmaceutical exports also increased significantly, while sports goods, surgical instruments, medical equipment, and tobacco exports recorded healthy gains.

These improvements indicate that some degree of diversification may be occurring within Pakistan's export basket, although the scale remains relatively limited compared to textiles.

At the same time, several important sectors performed poorly. Food exports declined, while rice exports — traditionally one of Pakistan's strongest foreign exchange earners — also contracted. Perhaps the sharpest decline was recorded in vegetable exports, which experienced an exceptionally steep fall compared to last year. These declines illustrate how export growth remains uneven and vulnerable to sector-specific challenges.

Overall export figures for April remained positive. Total exports increased by around 14 percent compared to the same month last year, reflecting stronger performance across several categories. Imports, however, also continued rising. Import growth exceeded 10 percent year-on-year during April, reflecting continued reliance on foreign goods, industrial inputs, and energy supplies.

Looking beyond monthly figures provides a less encouraging picture. During the July-April period of fiscal year 2026, total exports actually declined compared to the same period last year. Imports, meanwhile, increased sharply.

Part of this import growth reflects external shocks rather than domestic expansion. Continued instability in the Middle East has disrupted supply chains and increased costs associated with oil, fertiliser, and mineral imports. Since Pakistan remains heavily dependent on imported energy and industrial inputs, these disruptions have directly affected the import bill.

The consequence has been a widening trade deficit. During July-April fiscal year 2026, the trade gap increased substantially compared to the previous year, both in dollar terms and in rupee terms. This widening imbalance remains concerning because it increases pressure on foreign exchange reserves, exchange-rate stability, and external financing requirements.

Looking ahead, Pakistan's trade challenges may become even more complex due to reforms linked to IMF conditions. The Fund



has continued pushing for tariff reductions, simplification of non-tariff barriers, and broader regulatory reforms intended to improve competitiveness and reduce distortions within the economy.

The IMF also continues encouraging regulatory simplification through initiatives such as a national regulatory registry and amendments designed to reduce business costs and improve transparency. While these reforms may create efficiencies over time, they also involve short-term adjustment costs that many industries may resist.

Similarly, plans to gradually phase out incentives associated with special economic zones, technology zones, and export processing zones over the coming decade may reduce fiscal costs for the government but could also create challenges for industries that have become dependent on preferential treatment.

Ultimately, Pakistan's export recovery cannot be judged solely through one posi-

tive month of data. April's numbers provide evidence that some sectors remain resilient even under difficult conditions, but they do not eliminate deeper structural concerns regarding competitiveness, diversification, productivity, and dependence on imports.

The central challenge for policymakers is therefore not simply increasing exports temporarily, but creating conditions where industries can remain competitive without perpetual subsidies and state support. The transition toward such a model may prove difficult and politically unpopular, yet long-term sustainability requires moving beyond cycles of incentives and emergency interventions.

April's export rebound offers cautious optimism. Whether it represents the beginning of sustained improvement or merely a temporary recovery will depend largely on how successfully Pakistan manages the difficult reforms and structural adjustments that still lie ahead.

Can Pakistan use US-Iran mediation to revive IP gas pipeline

Raza Khan

The ongoing, rare diplomatic engagement between the United States and Iran—and Pakistan's central role in this process following weeks of intense fighting between Washington (alongside Israel) and Tehran—has provided Islamabad with a God-sent opportunity to revive the much-delayed Iran-Pakistan

(IP) gas pipeline, especially as the country's severe energy crisis begins to stall the national economy.

The active role Pakistan has been playing to avert further hostilities between the US and Iran, particularly by hosting rare, face-to-face talks between leaders of both sides on its own soil, is highly commendable. Its untiring efforts to defuse ongoing regional tensions and

protect the greater Middle Eastern region from the devastating ill-effects of war and instability have significantly enhanced the diplomatic clout and international stature of the country.

Historically, it has mainly been US opposition to the IP gas pipeline, alongside sweeping sanctions on Iran for its alleged efforts to develop nuclear weapons, that prevented Pakistan from taking advantage of this vital en-

ergy artery despite enduring serious domestic power deficiencies. Today, however, Pakistan has a unique opportunity to convince the US that allowing the IP gas pipeline to proceed is a small, justifiable favor in return for Islamabad's immense diplomatic efforts to avert a massive regional war. If Pakistani strategists play their geopolitical cards adroitly, there should be no insurmountable problem in successfully convincing President Trump's administration in this specific regard.

Recently, the Businessmen Panel of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) urgently called upon the government to act decisively, describing the cross-border IP pipeline as an absolute economic necessity rather than merely an optional infrastructure project. According to the prominent business body, Pakistan's energy crisis has become entirely unsustainable, with billions of dollars being spent annually on imported liquefied natural gas (LNG) and expensive petroleum products. This trend continues to heavily strain foreign exchange reserves while simultaneously raising business operational costs. In this troubled context, the IP gas pipeline offers a highly reliable, cost-effective alternative through a direct overland route, effectively shielding Pakistan from maritime disruptions and volatile global supply shocks.

It must be highlighted that although Iran successfully completed its portion of the pipeline after signing the bilateral agreement back in 2009, Pakistan has yet to begin actual construction on its side of the border.

This represents a profound failure of successive domestic governments; at the very least, they should have constructed the physical pipeline infrastructure within their own territory without immediately connecting it to the Iranian side. While there is no doubt that financing bottlenecks and complex regulatory challenges have historically hindered Pakistan's ability to construct the pipeline, these issues could have been systematically sorted out with better governance. Even if Washington agrees today to voice no objections to the IP gas pipeline, given the severe financial and technical issues Pakistan is currently facing, it may still take years to fully construct it. Consequently, China's strategic support must be actively solicited, and hopefully, Beijing would provide it without any unnecessary delay.

The Iran-Pakistan gas pipeline was originally scheduled to be fully completed by December 2014. While Pakistan has consistently vowed to remain committed to constructing its portion, the looming threat of international sanctions has continuously made the task incredibly difficult. There appears to be a historic confusion in Islamabad's policy; the threat of international sanctions has always been a known factor, yet despite this, Pakistan formally committed itself to the pipeline framework in



2013 and agreed to complete its respective section by December 2014. In reality, the persistent threat of sanctions has delayed the project by many decades, as the initial target dates should have seen fruition by 2010. The \$7.5-billion mega-project has faced repeated delays since it was first conceived in the 1990s to connect Iran's giant South Pars gas field to consumers in energy-deficient Pakistan and India.

For Pakistan, this specific gas pipeline has always been of critical importance because the country has faced serious energy shortages for recent years, if not decades. These chronic shortages have severely crippled the industrial sector, resulting in widespread, large-scale unemployment across the country. On the other hand, domestic consumers have also been severely affected by these constant supply deficiencies.

However, despite repeatedly committing itself to the project on paper, Pakistan has fundamentally lacked the political will to complete the infrastructure in the minimum possible time. As mentioned previously, the primary issue for Pakistan in this regard has been intense pressure from the US not to go ahead with the project, fearing it could trigger severe retaliatory sanctions. Moreover, as Pakistan had simultaneously been dependent to a certain extent on billions of dollars of US financial aid—in the shape of the Coalition Support Fund and civilian assistance via the Kerry-Lugar Aid Bill—it simply could not defy US pressure over the last decade.

Admittedly, there were strong public statements from former President Asif Ali Zardari and former Prime Minister Yousaf Raza Gillani asserting that Islamabad would complete the project and withstand any external pressure. Even during his ensuing tenure, former Prime Minister Nawaz Sharif made it clear during an official US visit that Pakistan would complete the IP pipeline as scheduled. Ultimately, all of these assertions turned out to be mere shallow statements because these respective governments failed to make any

actual budgetary allocations for the project. At the time, Pakistan needed a total of \$1.5 billion to build its designated section of the pipeline.

On its part, Iran has already constructed a 900-kilometer section of the 56-inch diameter pipeline running from Assaluyeh to Iran Shehr on the border with Pakistan. Meanwhile, Pakistan has routinely complained about its inability to find an international investor for the project, noting that its adverse domestic economic situation prevents it from financing the infrastructure on its own. While this may explain Pakistan's slow pace of work, funds could have been arranged somehow if the political will had truly existed. At one point during bilateral negotiations, when Pakistan stated its financial position, Iran offered to provide a loan of \$500 million for the project, expecting Pakistan to raise the remaining amount from alternative global sources.

This remaining capital could also be arranged, as an unnamed friendly country—believed by many to be China—had reportedly offered to provide one billion dollars to Pakistan for the project. China must be favorably poised toward the IP gas pipeline and may have wanted to be part of the project esoterically due to international pressure, as it definitely wants to see the project come to stream. Because China is also an energy-deficient nation, it would likely want the pipeline project extended into its own territory in the future by scaling up its overall volume.

This systemic confusion and lack of genuine commitment to the project, despite numerous public statements to the contrary, have proved to be extremely costly to Pakistan. It is now time for Pakistan's present leadership and strategic planners to learn from past mistakes and the indifference of previous governments. The energy crisis in the country has become deeply critical, and the national economy is on the verge of coming to a complete standstill if it is not rapidly injected with new, reliable sources of energy.

Why Pakistan's mega dam projects keep faltering

Dr. Zaheer Ahmad Babar

For decades, Pakistan's ambition to secure its water and energy future has been tethered to the construction of massive, legacy-defining infrastructure.

Mega dams are routinely championed as the ultimate antidotes to the country's chronic energy shortages, deepening water scarcity, and severe vulnerability to climate change. Yet, beneath the grand rhetoric of national progress lies a sobering, repetitive reality. Pakistan's large-scale engineering initiatives are increasingly serving as textbook examples of institutional failure. Rather than standing as monuments to technical prowess, projects like the Diamer-Basha Dam and the Tarbela 5th Extension are facing the same structural maladies that have crippled public sector development for generations: weak bureaucratic oversight, prolonged approval bottlenecks, opaque contracting, rising costs, and a total vacuum of accountability once budgets spiral out of control. If Pakistan is to break this cycle of financial hemorrhage, it must treat these recurring regularities not as minor administrative hiccups, but as symptoms of a deeply ingrained governance crisis.

The warning signs currently flashing over major hydropower developments are a stark reminder of how quickly public works can deviate from their intended track. Recently, Planning Minister Ahsan Iqbal expressed profound frustration over ballooning expenditures and the stagnant processing of revised Project Concept-I documents. These are not trivial procedural delays; they represent a fundamental breakdown in operational discipline. Consider the trajectory of the country's current flagship ventures. Since its approval framework was adjusted in 2018, the estimated cost of the Diamer-Basha Dam has surged exponentially. Vital updated documentation has reportedly languished in bureaucratic limbo for years, stalling real-time adjustments. Meanwhile, the Tarbela 5th Extension has similarly fallen prey to severe cost overruns, drawing sharp criticism regarding its project management standards, the murky criteria used for consultant selection, and an overall lack of transparency in high-stakes decision-making.

When projects requiring hundreds of billions of rupees repeatedly drift off course, the public is justified in asking whether these

failures are born of mere incompetence, or if they point to something more systemic. These are not minor administrative lapses. They highlight an institutional inability to manage strategic infrastructure within reasonable financial and operational boundaries. To understand the long-term stakes of the current governance lapses, one needs only to look at the cautionary tale of the Neelum-Jhelum Hydropower Project. Once hailed as a crown jewel of national engineering, Neelum-Jhelum mutated into a financial black hole due to poor initial planning, undetected technical vulnerabilities, deferred maintenance, and substandard supervision. Instead of yielding clean, cheap energy seamlessly, it became a perpetual drain on national resources.

The ultimate tragedy of Pakistan's development sector is the apparent absence of institutional memory. Every few years, an official inquiry committee is formed to investigate an infrastructure failure. The findings are invariably identical, pointing to shortcomings in initial due diligence, inadequate on-site technical supervision, flawed procurement frameworks, and weak contract management that favors contractors over the state. Yet, despite volume after volume of investigative reports, the lessons are never internalized. The same vulnerabilities surface in the next project, under a different administration, with the same costly results.

To rescue current and future investments from this loop, transparency can no longer be treated as an optional administrative luxury. Opaque systems allow delays and financial inflation to thrive because accountability is easily diffused across overlapping ministries, shifting bureaucracies, and changing political regimes. When everyone is responsible, no one is. The state must mandate the publication of structured, semi-annual progress reports for all strategic infrastructure developments. These reports should be made accessible to the public and subjected to rigorous, independent technical audits. By bringing procurement decisions, cost revisions, and engineering milestones into the light, warning signs can be flagged long before they mutate into multi-billion-rupee national liabilities. Transparency naturally enforces project discipline and builds the public trust required for state-backed spending.

The institutional negligence plaguing these mega-projects is not confined to engineering and finance; it manifests as a

humanitarian crisis as well. The unresolved compensation issues surrounding the Mangla Dam raising project highlight a glaring disregard for the human cost of development. Years after resettlement agreements were signed, thousands of displaced citizens are still waiting for their state-promised compensation. The situation has deteriorated to the point where the defence ministry warned that simmering local grievances could spark civil unrest, posing a direct threat to internal security. Human resettlement and community compensation are not peripheral chores to be dealt with after construction ends; they are core, baseline components of the project itself. Treating displaced populations as secondary administrative inconveniences erodes public trust, fuels local alienation, and directly compromises the social stability required to operate these facilities safely.

The irony of this governance crisis is that Pakistan legitimately and desperately needs these reservoirs and power plants. Facing acute water stress, unpredictable weather patterns, and a fragile energy grid, expanding water storage and hydropower capacity is vital for long-term survival. However, strategic necessity must never be used as a shield to deflect scrutiny. If anything, the immense scale of public money involved demands a much higher standard of governance. Every fiscal overrun eventually transfers directly to the public. It manifests as a heavier national debt burden, reduced funding for healthcare and education, and permanently inflated electricity tariffs for ordinary consumers and businesses.

The recurring breakdown of Pakistan's mega engineering projects proves that the core issue is no longer a technical or engineering problem. It is an institutional and cultural one. The country possesses the engineering talent to build these structures; what it lacks is a governance framework where delays carry consequences, where oversight committees hold genuine authority, and where lessons from past disasters are codified into law. Pakistan's vital infrastructure ambitions will remain paralyzed within this cycle of waste unless accountability becomes real and transparency becomes the baseline norm. Until project governance is treated with the absolute seriousness these massive investments demand, every new flagship dam risks becoming just another expensive chapter in a familiar national epic of delay, debt, and collective regret.

How the end of the nuclear file could reshape Iran, and the region

Hossein Derakhshan

Iran's decision to act on its long-promised threat to close the Strait of Hormuz has brought United States countermeasures in the form of a US naval blockade. Despite doubts over the legality, feasibility and efficacy of Iran's initial move and flip-flops about the continuation of the closure, the immediate global impact, surging oil prices and cascading market shocks appear to have surprised even Iran itself, judging by reactions from regime loyalists on state and social media.

A radical idea once dismissed as rhetorical bluster or, at worst, a doomsday scenario, has emerged as a weapon of mass disruption, potentially more potent than the weapon of mass destruction Iran has long been suspected of pursuing.

Considerable attention has been paid to what closure means for energy, food and trade security in Europe, Africa and Asia. Less notice has been given to its domestic political consequences inside Iran, and to the deeper shift it may signal: from a defensive doctrine built on nuclear capability to one built on control of the strait.

Until the June 2025 US attack on Iran's main nuclear fuel production facilities, the Islamic republic had spent billions on R&D, manufacturing and the protection of its nuclear programme, and lost billions more in income and opportunity to the isolation and sanctions the programme entailed. The nuclear file was also a driver of political repression at home. Since 2005, some of the sharpest divisions between moderates and hardliners have been over the programme and its accumulating costs. Nearly every presidential election after 2005 became, to some degree, a referendum on the nuclear file and how to manage its fallout. Much of the opposition to Supreme Leader Ayatollah Ali Khamenei's authoritarianism stemmed from his insistence on preserving this costly project and tolerating the distortions it imposed on the economy.

Every figure or faction that criticised the programme and favoured a diplomatic resolution was gradually purged. By 2021, after most reformists and moderates had been barred from the presidential race, even Khamenei's longtime confidant Ali Larijani (later assassinated by Israel in March 2026, shortly after Khamenei himself was killed) was disqualified, largely because of his role as parliament speaker in advancing the 2015 Joint Comprehensive Plan of Action (JCPOA).

Evidence after the latest US-Israeli assault does not yet point to a settled doctrinal revolution, but a real internal debate is now under way over whether control of the strait can replace nuclear latency as Iran's main deterrent. Iran's reported offer in the Pakistan talks to suspend enrichment for several years is significant. Even if tactical and temporary, it suggests that parts of the Iranian state no longer treat enrichment as an untouchable strategic core, and are willing to elevate leverage rooted in Hormuz and maritime disruption in its place.

Other signs point the same way. Since succeeding his father, the new Supreme Leader Mojtaba Khamenei did not mention the nuclear programme once in his public statements. He has, however, repeatedly emphasised Iran's right to govern the Strait of Hormuz.

The extreme right-wing populist faction in the conservative camp, symbolised by former nuclear negotiator and national security adviser Saeed Jalili and the Paydari (Steadfastness) Front, has shown less fixation on the nuclear question. Foad Izadi, one of its key analysts, did not raise it once during a recent 50-minute appearance on state television, instead praising the Strait of Hormuz as a source of revenue greater than oil exports. "How long do we need to chase Americans and beg them to lift the sanctions?" he asked. "It's now India, as a buyer of Iranian oil, that has to lobby the American Congress to lift sanctions so it can pay for it."

More pragmatist conservatives close to parliament speaker — and now nuclear negotiator — Mohammad Bagher Ghalibaf had already begun justifying a suspension of enrichment after the June 2025 strikes on Iran's underground facilities, floating the idea of a "nuclear sunset" in exchange for greater investment in the oil industry. They now question more openly the deterrent value of threshold status and argue for a pivot to maritime control. "Enrichment, which was never strong leverage in the first place," wrote Jalil Mohebbi, a senior adviser to Ghalibaf, "is now replaced by the Strait of Hormuz, which, unlike nuclear facilities, can neither be bombed, nor oxidised, nor filled with cement."

Whatever the outcome of US-Iran talks, the two consecutive assaults on Iran's top political and military leadership, and on its military, security, and civilian infrastructure, have made one thing clear: nuclear-threshold status has not only failed to provide deterrence, but may even have undermined Iran's conventional defensive assets, as the pragmatist conservative

analyst Mostafa Najafi has argued.

If the Hormuz camp consolidates its position, the consequences for Iran's internal politics and for the wider region could be substantial.

The nuclear file made it easier for hardliners to define patriotism, stigmatise dissent and concentrate power in the security state. It helped drive a de facto Baathification, in which the Islamic Revolutionary Guard Corps captured much of the state and hollowed out representative institutions. A shift from nukes to Hormuz could weaken the hardliners' justification for purging reformers on national security grounds, and open more space for elected offices and civil society. It would also vindicate those who long argued that Iran's leverage lies in geography, trade and diplomacy rather than military-technological might, empowering diplomats and technocrats over military-minded ideologues. If maritime geography can impose effective global costs faster and more cheaply than atomic latency, Iran may no longer need the same level of enrichment and ambiguity to command attention or deter pressure.

A maritime doctrine would also shift Iran's strategic centre of gravity towards the Gulf and the southern coast. Ports, shipping, customs, logistics and energy transit would matter more than the inland symbolic projects tied to the nuclear-security complex. Southern Iran would gain economic and political weight.

Culturally, such a shift could begin to loosen the hold of the Cold War paradigms and Shia revolutionary narratives that have long defined the Islamic republic's worldview. The name Hormuz itself carries echoes, in Persian tradition, of Ohrmazd or Ahura Mazda, the Zoroastrian god of wisdom and order. A pivot towards Hormuz would not erase the revolutionary worldview, but it could begin to displace it with a different language: one of territory, exchange, geography and state interest. Over time, this could foster a more unified and stable Iran, as younger generations continue to drift from the regime's religious and at times apocalyptic outlook towards a more territorial, historical and nationalist understanding of the country.

Regionally, a Hormuz-centred order could push the Gulf monarchies towards accommodation rather than confrontation. Maritime security arrangements, deconfliction channels and transit frameworks would become more attractive, and Iran's relations with its Arab neighbours could become less ideological.

The West only discovers property rights when the landowners are white

Tafi Mhaka

Zimbabwe's Agriculture Minister Anxious Masuka announced in parliament that the government would return 67 farms seized during the country's land reform programme to European nationals from Denmark, Germany, the Netherlands and Switzerland. The farms, he said, were protected under bilateral investment protection agreements signed between Zimbabwe and the four European states before the land seizures.

The measure forms part of President Emmerson Mnangagwa's effort to restore relations with Western governments and international financial institutions after more than two decades of crisis, sanctions, isolation and debt default linked in part to the fast-track land reform programme of the early 2000s.

Zimbabwe is trying to restructure about \$11.7bn in external debt, including \$7.7bn owed to multilateral and bilateral creditors. On May 20, the International Monetary Fund approved a staff-monitored programme to support reforms and debt restructuring. Resolving disputes linked to land reform has become central to that re-engagement process. In July 2020, Zimbabwe signed a \$3.5bn compensation agreement with former white commercial farmers for infrastructure and improvements on acquired land. Last year, it began compensating treaty-protected foreign farmers, including claimants from Germany, Switzerland and Belgium.

But this development also exposes a deeper contradiction embedded in the global order governing land and property rights in former settler colonies: European claims arising from postcolonial redistribution are treated as urgent, enforceable and respectable, while African claims arising from colonial dispossession remain largely outside the same legal and moral framework.

The colonial dispossession that created white land ownership in Rhodesia never received the same urgency as the one now directed at restoring European claims after postcolonial redistribution. At independence in April 1980, no comparable mechanism forced Britain, Rhodesia or settler beneficiaries to compensate Africans dispossessed through conquest, racial legislation and forced removal. Yet once postcolonial Zimbabwe attempted to redistribute that land, its protection suddenly became tied to legality, investor confidence and international respectability.

In October 1889, Cecil John Rhodes's British South Africa Company (BSAC) received a royal charter from the British Crown,

accelerating white settler expansion across the territory that became Southern Rhodesia. The 1893 war against King Lobengula's Ndebele kingdom opened vast areas of land to settler occupation, while the crushing of the 1896-97 First Chimurenga, led by resistance figures such as Mbuya Nehanda, consolidated British control across the colony.

Early dispossession was not only territorial. After 1893, BSAC forces seized cattle on a large scale in Matabeleland, weakening the economic foundations of local communities. By 1958, Southern Rhodesia's European population of roughly 207,000 controlled almost 48

million acres of prime agricultural land, while about 2.55 million Africans had 41.95 million acres of poorer, overcrowded and less arable land. The 67 farms covered by Masuka fall into that category.

Africans dispossessed under colonial rule were never granted comparable access to international reparations or protected claims against empire.



million acres of prime agricultural land, while about 2.55 million Africans had 41.95 million acres of poorer, overcrowded and less arable land.

From the 1890s onwards, colonial land seizures in Rhodesia were enforced and legitimised through the selective application of British imperial law and BSAC decrees. African ownership of land was never recognised with the same standing granted to settler occupation.

That legal order survived the expansion of settler rule through the Land Apportionment Act of 1930 and continued to shape later legal frameworks.

That lopsided inheritance still shapes the global response to Zimbabwe's land question decades after independence. Bilateral investment treaties signed between Zimbabwe and foreign states gave protected investors the

right to seek compensation when property covered by those agreements was expropriated. In practice, certain foreign-owned farms seized during fast-track land reform entered an international system backed by arbitration mechanisms, treaty enforcement and diplomatic pressure, even though the land itself had been acquired through conquest and war.

Part of this asymmetry is structural: European farmers can invoke treaties their governments signed and a compensation deal Zimbabwe itself agreed, while the dispossessed have no counterparty to sue, no instrument to enforce and, in Rhodesia, no surviving state to hold to account. But that is precisely the point. The legal architecture was built to recognise one kind of loss and not the other.

In April 2009, Dutch farmers protected under a bilateral investment treaty brought *Funnekotter and others v Zimbabwe* before the International Centre for Settlement of Investment Disputes (ICSID), and the tribunal ordered Zimbabwe to compensate them for expropriated farms. In 2015, another ICSID tribunal ruled in favour of European claimants linked to Swiss and German property interests in *von Pezold and others v Zimbabwe* after land seizures under fast-track reform.

Advance income tax

The issue of quarterly advance income tax to be paid by non-salaried individual taxpayers having monthly income as low as Rs83,334 per month — or Rs1 million per year — urgently requires compassionate review by the Federal Board of Revenue (FBR). It should consider enhancing the advance income tax base from Rs1 million to Rs2.5 million. Besides, senior citizens, especially those aged at least 75 years and above, should be exempted from this quarterly hassle of undertaking frequent visits to their taxation lawyers for the purpose.

Nayyar Iqbal Khowaja
Karachi

Price hike

In the face of increasing petroleum prices, the already deprived sections of society are facing even greater hardships. As fuel prices directly affect the cost of daily commodities, poor people are forced to choose between essential items due to their limited budgets because even basic necessities, such as milk and fruits, are becoming unaffordable. Current government policies are in no way supporting the public. They are instead burdening them with the introduction of new direct or indirect taxes on a regular basis. Urgent steps must be taken to control the worsening situation before it gets too late because government policies have alienated the people rather than providing them relief.

Hannan Shah
Larkana

Governance in Pakistan

It is quite puzzling that the system of governance in Pakistan keeps coming up for debate in social gatherings, family get-togethers and media discussions. I find it puzzling because Islamic history is replete with examples during the era of the Pious Caliphs, and while we keep taking chest-thumping pride in our religion, we pay no attention to that rich tradition.

The period of Umar ibn al-Khattab, for instance, stands out as a remarkable example of governance rooted in justice, accountability and public service. In the context of Pakistan's political challenges, revisiting this model offers valuable insights for meaningful reforms.

We need to establish a system where the ruler is not above the law and where ordinary citizens have the right to question authority. The principle of accountability is crucial in today's Pakistan. Economically, the administration needs to prioritise public welfare through an organised treasury system that ensures fair distribution of resources. This is the only way to control wealth disparity. By adopting policies that emphasise economic justice and welfare, the state can

address poverty more effectively and create a more balanced society.

Personal simplicity and close connection with the people should be the hallmarks of Pakistani leaders. This will rebuild trust between the government and the people. By embracing these vital principles of justice, accountability and public welfare, the country can move towards a more stable and equitable political system.

Tajammul Shah
Karachi

Begging culture

AS soon as the holy month of Zilhaj starts, markets start overflowing with cattle, and city streets with beggars. Unfortunately, the culture of begging is flourishing across the country, especially in urban centres. It has practically turned into an industry, where gang leaders and organisers live luxurious lifestyles at the expense of helpless people.

Recently, a relative opened a restaurant in a posh area. As a responsible citizen, he preferred to hire people from among roadside beggars for cleaning, dishwashing and serving jobs, offering them attractive wages and benefits. Surprisingly, none of them agreed to take respectable employment because they were already earning more through begging. This is certainly not an isolated example.

It is the collective responsibility of both the government and the public to condemn and discourage this practice through every possible legal and social means. The government should declare professional begging a punishable crime under the law. However, instead of leaving everything to the government, people should stop giving money to roadside beggars or those who knock at their doors. There are several charitable organisations already working sincerely to help the needy. We should donate to such organisations.

Above all, we must make it a principle not to encourage professional begging. Around us are many respectable, self-respecting and white-collar individuals living modest lives and silently struggling with financial hardship. They deserve our support far more than do professional beggars, and we should help them without hurting their dignity or self-respect.

Aamir Aqil
Lahore

Time to resolve IPPs issue

The recent conflict involving the blockade of the Strait of Hormuz has created an acute petroleum crisis and disruptions in LNG supply that was, and is, serious enough for the government in Pakistan to invoke force majeure to settle the matter of capacity payments with independent power producers (IPPs). It is time to muster courage to resolve this IPP

cancer that has become the proverbial Achilles' heel hindering the country's struggle to achieve financial self-sustenance.

Majority of the IPPs rely on imported thermal fossil fuels and are a burden on the national exchequer, producing power that remains underutilised because of basic issues with distribution. The irony is that those at the helm of affairs were aware that the bulk of electricity produced would not be utilised because of grid issues and a distribution system that lacked capacity to carry it across the length and breadth of the country. Yet, they proceeded. There was an abundance of solar energy available, and it could have been optimised even back then, but that was not done.

Pakistan pays a massive Rs3.4 trillion to the IPPs as contractual charges, with consumption stagnant at 13,000MW against an installed capacity of 43,000MW. While IPPs are reaping a bonanza, the country has been driven to the verge of bankruptcy. Unfortunately, this continued economic paralysis has an adverse impact on national sovereignty and security.

Malik Tariq Ali
Lahore

Corrupt officials

People in Sindh are being routinely fleeced by corrupt officials sitting in almost all government departments and offices. Those approaching these various offices for the issuance of sale certificates, registration of properties, or other lawful revenue-related matters are often coerced into paying illegal gratification. In case of refusal, their legitimate work is deliberately delayed or denied on one pretext or the other. This malpractice has become so deeply entrenched that bribery is now treated as an unwritten 'prerequisite' for accessing basic legal services.

Sadly, there appears to be no effective mechanism to curb this open exploitation of the public by a well-organised nexus operating within these offices. The common citizen, already burdened by inflation and economic hardship, is left helpless, humiliated and exploited. The government should immediately order comprehensive computerisation of land records, and online issuance of sale certificates and property registration documents. A complete online system for application, tracking and delivery should be introduced, similar to the model successfully implemented in Punjab.

Such reforms will significantly reduce human discretion, enhance transparency, and protect citizens from bribery and corrupt practices. This step will restore public confidence in the government, and will save the people against daily exploitation at the hands of corrupt officials. Besides, this will improve governance and image of the provincial government to protect the fundamental rights of people.

Tariq Majeed
Hyderabad

A single day of attacks on Iranian oil refineries released as much sulfur dioxide as a volcanic eruption

Sophie Berdugo

A single day of attacks on four Iranian oil refineries produced as much sulfur dioxide (SO₂) as a volcanic eruption, a new analysis finds.

Remote sensing from Chinese and European meteorological satellites has revealed that fires caused by Israeli airstrikes launched on Iranian refineries and storage facilities on March 7 emitted a total of around 33,000 tons (29,800 metric tons) of SO₂ by March 8. The toxic gas cloud had traveled roughly 1,240 miles (2,000 kilometers) by March 9, reaching as far as East Asia, according to a study published in the journal *Advances in Atmospheric Sciences*.

Although the cloud had largely dissipated by the end of March 9, the impact of the "major emission event" should not be neglected because of its relatively short duration, the authors wrote in the study.

The pollutants mixed with precipitation to produce potentially corrosive "black rain" loaded with toxic particles such as hydrocarbons, and "some residents [in Tehran] experienced headaches, a bitter taste in the mouth, eye and skin irritation, and breathing difficulties," the authors wrote in the study. The war between the U.S., Israel and Iran is already known to be releasing an extraordinary amount of carbon dioxide (CO₂) alongside other greenhouse gases. A recent analysis found that, between Feb. 28 and March 14, the war contributed more CO₂ than Iceland emitted across the whole of 2024. Now, researchers have mapped the size and trajectory of the SO₂ plume emitted following the March 7 attacks on the Fardis, Shahran, and Aghdasieh oil depots, and the Tehran Oil Refinery.



Antarctica's 'Doomsday Glacier' is set to lose its ice shelf this year

Patrick Pester

A vital ice shelf is about to break away from Antarctica's "Doomsday Glacier," further destabilizing one of the world's largest and most vulnerable glaciers. The Thwaites Glacier is nicknamed the "Doomsday Glacier" because its collapse would send so much ice into the Southern Ocean that global sea levels would rise by 2.1 feet (65 centimeters or 26 inches), flooding coastal communities worldwide. This collapse could take centuries, but there is an imminent threat to Thwaites' eastern ice shelf, which will likely accelerate the glacier's demise. Researchers say that satellite images reveal that the Thwaites eastern ice shelf is about to detach from the glacier, *New Scientist* reported. While the glacier sits on land, the ice shelf is a floating body of ice that is attached to the glacier's mouth. Researchers still have a lot to learn about the glacier, but this shelf acts as a buttress, restraining the flow of ice from the glacier into the sea. Robert Larter, a marine geophysicist at the British Antarctic Survey, said that the ice shelf is very likely to break up in 2026. Larter runs the U.K. arm of the science coordination office at the International Thwaites Glacier Collaboration, where U.S. and U.K. research agencies have investigated the glacier's complex and rapidly changing environment "The last bit of ice shelf in front of the glacier is poised to disintegrate," Larter told *Live Science* in an interview. "We don't know quite how this ice shelf is going to break up, but it's definitely going to go." Around the size of Florida, Thwaites Glacier is the largest glacier in West Antarctica. The gigantic river of ice is more than 6,500 feet (2,000 meters) thick in some parts and 75 miles (120 kilometers) across — making it Earth's widest glacier.



A 'return to possibility': How to restore hope to your life

Eric Spitznagel

If you feel like everything is on fire, well, you're not alone. The world is living through what feels like a rolling existential crisis. Climate change is speeding up, global conflicts are building, and political divides have ripped apart families and friends.



The U.S. fell to its lowest ranking ever (24th) on the 2025 World Happiness Report. According to a national poll by the Institute of Politics at Harvard Kennedy School, more than half of Americans under 30 report no sense of belonging and feeling "depressed, down, or hopeless."

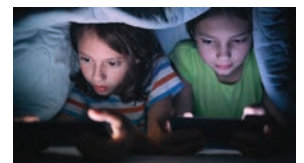
We're all doomscrolling — and taking the doom to heart. And when someone tells you to "just stay positive," it can feel like being handed a juice box after a house fire. How are we supposed to stay hopeful? Is that even a reasonable goal anymore? A new study from the University of Missouri offers a timely reminder: Hope isn't just a luxury — it supports our sense of meaning and direction. Researchers found that people who report higher levels of hope are significantly more likely to find their lives meaningful.

Psychologists, researchers, and philosophers believe hope is still possible, but not in the ways we might expect. It isn't about ignoring reality or forcing ourselves to stay positive. It's about something deeper and more durable. It's about showing up for your own life, even when it's messy. It's about making space for grief and humor and gratitude and allowing it all to live side by side. Robin Stern, PhD, co-founder of the Yale Center for Emotional Intelligence, says hope starts not with forced optimism but with giving yourself permission to feel terrible. "It grows out of emotional honesty," she explains.

Why 'screen time' for kids is a parenting pitfall

Lisa O'Mary

You've set limits on screen time, taken your kid's iPad away, maybe even tried a digital "fast" — but these may not be the most effective ways to manage the impact of screens on your child's mental health. Increasingly, research suggests it's not the amount of time kids spend on screens that matters — it's how they spend it. The latest such study linked suicidal thoughts and behavior to addictive screen use — but not length of screen use — in children ages 10 to 14. Findings like this are becoming a consistent trend in screen research, pointing toward habits of use and what happens in your child's online world as the most important intersection of health and screen time. "This really is good news for parents because screens are everywhere in teens' lives and they use screens in so many different ways," including for schoolwork and leisure, said Jessica L. Hamilton, PhD, a Rutgers University professor and expert in how social media is linked to suicidal thoughts and behaviors among teens. You can take comfort in knowing that most young people use screens daily without experiencing mental health problems — and that a lot can go right with screen time. "Not all screen time is created equal," said Brooke Ammerman, PhD, a psychology professor at the University of Wisconsin-Madison. "I encourage young people and their parents to think about: How are screens being used by yourself and members of your family? When are you using them? Why are you using them? Rather than thinking screens are bad, look for how they could potentially be a signal for other things that could be going on."



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