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SAUDI-TURKIYE-PAKISTAN DEFENCE PACT: THE WAY TO MIDEAST PEACE AND STABILITY

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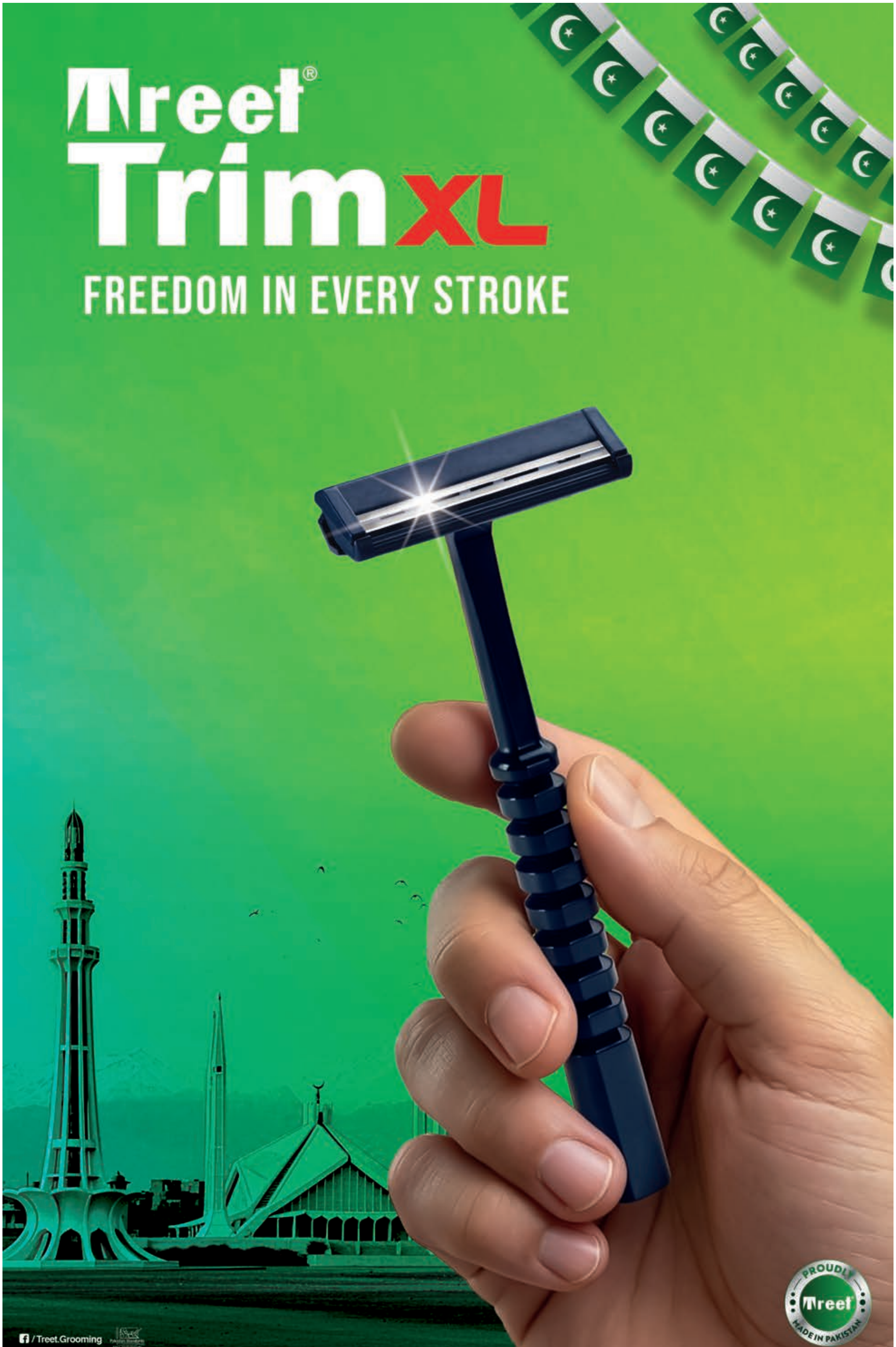
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Founding Editor
Dr Niloufer Mahdi
Sub-Editor
Rizwan Ahmad
Communication Manager
Usman Riaz
Webmaster
Imran Shoukat

Editorial Office:
Treet Corporation Limited
2-H, Gulberg-II, Lahore
Phone +92-42-35817141-47,
Fax: +92-42-35817138
weeklycuttingedge@gmail.com
editor@weeklycuttingedge.com
info@weeklycuttingedge.com
Printed by Creative Vorks,
Plot# 203, Green Light Street,
Mughal Park, Bund Road, Lahore.

For subscription, please contact
info@weeklycutting.com

Saudi-Turkiye-Pakistan defence pact: the way to Mideast peace and stability

Nasim Ahmed

On August 7, Saudi Crown Prince Mohammed bin Salman, Turkish President Recep Tayyip Erdogan and Pakistani Prime Minister Shehbaz Sharif signed the Mecca Joint Defence Agreement, a trilateral pact declaring that an armed attack on any one of the three nations "shall be regarded as an attack against them all." The clause, deliberately reminiscent of NATO's Article 5, has been described by analysts as the most significant realignment of Middle Eastern security architecture in decades — and, some say, the founding document of an emerging "Islamic NATO.

The Mecca pact builds on the Strategic Mutual Defence Agreement signed by Saudi Arabia and Pakistan in Riyadh on September 17, 2025 — itself a formalisation of a security relationship stretching back to the 1960s, when Pakistani troops began training and, at times, defending Saudi forces. That earlier deal was widely read as Riyadh's response to Israel's September 2025 strike on Hamas negotiators in Doha, an attack that shook Gulf capitals which had assumed their alignment with Washington offered protection from Israeli operations on their soil.

Since then, the region has been consumed by a far larger conflagration: the US-Israeli war against Iran, alongside continued fighting in Gaza, Lebanon and Syria. Iran and allied forces — Yemen's Houthis and Iraqi Shia militias among them — have struck Saudi Arabia, Kuwait, Bahrain, Qatar, the UAE, Oman, Jordan and Israel, disrupting energy shipments and unsettling Gulf capitals. Turkish Foreign Minister Hakan Fidan has said negotiations over the trilateral pact were nearly two years and eight months in the making, suggesting the agreement was not conceived purely as a reaction to the Iran war — but the conflict clearly accelerated its signing. Riyadh, in particular, has found its oil exports and giant development ambitions imperilled, and its faith in Washington's security umbrella shaken.

Officially, the agreement names no adversary. A Saudi spokesman, deputy minister for public diplomacy Rayed Krimly, insisted the pact "does not represent any intention to build a military axis or a sectarian/religious bloc" and is "not linked to nuclear ambitions or an arms race." Turkiye has echoed this, with Fidan stating there is "no common threat that we have put in writing" and describing the pact as open to other regional states.

Yet the subtext is difficult to miss. The joint statement speaks of "strengthening collective deterrence against any act of aggression" and deepening cooperation across intelligence-sharing, military training, joint exercises and defence technology. Analysts at the Royal United Services Institute have suggested the pact is aimed at counterbalancing Iranian power while also building deterrence against Israel — without naming either.

Each partner brings something distinct to the table. Saudi Arabia offers financial muscle and religious legitimacy as custodian of Islam's two holiest sites. Turkiye brings NATO's second-largest standing military and an increasingly capable domestic defence industry, including combat drones Riyadh has already purchased in what Ankara called its largest-ever arms export deal. Pakistan contributes a battle-hardened, nuclear-armed military of roughly 650,000 troops and decades of experience training Saudi forces.

Formalising an Article 5-style commitment among three militarily serious states raises the cost of any future attack on Saudi Arabia, making Iran — or anyone else — think twice. Sceptics note that Saudi Arabia has held a similar mutual-defence arrangement with the Gulf Cooperation Council since 2000, and none of these pacts has ever triggered a NATO-style collective response. Much will depend on what "all military means" and "collective deterrence" mean in practice, since the joint statement does not specify binding commitments. As one Gulf analyst put it: Israel and Iran have shown they are willing to go to war and absorb the consequences — it remains to be seen whether Saudi Arabia, Turkiye and Pakistan are equally willing to do so for one another.

Pakistani officials have suggested Qatar could eventually join a wider security arrangement, and reports indicate Bahrain and Kuwait have separately explored expanding defence cooperation with Islamabad, though no formal decisions have been made. Analysts have also floated Egypt, Syria and the UAE as potential future members, given the shared interest of Sunni-majority states in cushioning themselves against both Iranian and Israeli pressure. Some Israeli and American commentators have characterised the deepening security ties among these Sunni-majority states as an emerging anti-Israel bloc, particularly given Israel's expanding military operations across Gaza, Lebanon, Syria and now Iran.

Tehran's initial response has combined dismissal with defiance. Iranian parliamentarian Ebrahim Rezaei mocked the agreement on social media, warning that "a paper agreement with Turkiye and Pakistan will not bring [the Saudis] security, just as years of one-sided dependence on the Americans did not." Fellow lawmaker Mahmoud Nabavian issued a similar warning. Iranian state media and clerics have reportedly gone further, invoking the threat of missile strikes reaching the pact's signatories.

For Ankara, the pact offers deeper defence-industrial cooperation with a cash-rich Gulf patron at a moment when questions swirl over the durability of the US commitment to NATO, and an opportunity to expand its regional influence and arms exports — building on the drone deals already inked with Riyadh. For Islamabad, the dividends are both strategic and economic: closer integration with Gulf capitals reinforces Pakistan's role as a security anchor for the Muslim world, and adds weight behind army chief Asim Munir's earlier push to attract $75-100 billion in Gulf investment. Coming on the heels of Pakistan's clashes with India in May 2026 and tensions with Afghanistan's Taliban government, the pact also offers Islamabad a hedge against isolation and a claim to enhanced regional standing.

The Trump administration's response has been conspicuously muted, with no official statement issued in the immediate aftermath — a silence analysts say reflects the still-unfolding implications for US strategy in a region where Washington's reliability is increasingly being questioned by its own partners. Some observers believe Washington may ultimately look favourably on the pact as a form of burden-sharing among allies. Russia and China, meanwhile, have signalled interest in reshaping Gulf security more broadly: President Vladimir Putin and China's Foreign Minister Wang Yi both called for a "new security architecture" for the Persian Gulf during separate meetings this year with Iran's foreign minister, Abbas Araghchi — remarks that some analysts read as an attempt by Moscow and Beijing to position themselves as alternative security guarantors as Gulf states diversify away from sole reliance on Washington. India, for its part, has said it is studying the implications of the pact for its own national security.

The Mecca agreement is, for now, a statement of intent more than a fully codified military alliance — its text leaves unclear exactly what obligations each signatory has accepted. Whether it evolves into a genuine collective-security bloc capable of reshaping the regional balance, or remains a largely symbolic deterrent gesture like its GCC predecessor, will depend on how the parties respond if and when it is actually tested. What is not in doubt is the message it sends: at a moment when longstanding assumptions about American protection are being questioned across the Middle East, three of the Muslim world's most powerful states have chosen to bet, at least partly, on each other. ■

Population explosion: a crisis we can no longer ignore

Farhan Khan

The Health Ministry's warning that Pakistan's population could reach 400 million by 2040 is concerning for the future of this country. The warning should trigger a serious debate at the national level about how the government intends to provide jobs, food, water, education, healthcare and housing to millions of additional citizens when the existing system is already under severe strain.

Pakistan is already one of the world's most populous countries. Rapid population growth places additional pressure on overcrowded schools, underfunded hospitals, housing, sanitation, transport and labour markets. The problem is no longer about what might happen tomorrow. It is about pressures already confronting Pakistani society.

Perhaps the most disturbing dimension is the condition in which many Pakistani children enter the world. The attached assessment rightly highlights the extraordinarily high prevalence of childhood stunting and malnutrition. More than 60 per cent of children being affected by stunting or related forms of malnutrition would constitute a national emergency in any serious policy framework. Malnutrition damages physical development, cognitive capacity, educational performance and eventually earning potential. This is why population policy cannot be separated from human development. Having more children is not necessarily an economic asset if the state and families cannot provide them with adequate nutrition, healthcare and education. A large population becomes an economic dividend only when people are healthy, educated, skilled and productively employed.

The country's population challenge is also closely connected with women's education, early marriage, maternal health and access to reproductive healthcare. Family planning remains underutilised, while millions of women do not have convenient access to reliable reproductive-health services. The solution, however, cannot simply be another advertising campaign telling families to have fewer children. Information must be accompanied by accessible services, trained health workers, contraceptive choices and genuine reproductive autonomy.

There are countries that have demonstrated that demographic change is possible. Bangladesh provides perhaps the most relevant example for Pakistan. The two countries share many cultural and social characteristics, yet Bangladesh succeeded in reducing fertility dramatically. According to UNFPA, Bangladesh's total fertility rate fell from 6.3 births per woman in 1975 to 2.3 in 2011.

How did it happen? Not through slogans alone. Bangladesh developed a national family-planning programme in the 1980s that deployed large numbers of female health workers who went door-to-door providing information and contraceptives. The World Bank has described this as a major factor behind Bangladesh's fertility decline and demographic transition. The country subsequently combined family planning with investments in female education, including a major secondary-school stipend programme.

Thailand offers another striking example. Its fertility rate fell from about 6.1 children per woman in 1965 to 1.5 in 2015, with the World Bank attributing much of the transformation to rising education and incomes and the successful National Family Planning Programme launched in 1970. The programme benefited from a strong network of government health services, trained personnel, administrative coordination and sustained political commitment. The World Bank once described Thailand's programme as among the most successful national family-planning programmes in the world.

These examples also contain an important lesson. Population planning must not be reduced to fertility reduction alone. Thailand's success eventually created a new challenge: rapid population ageing and a shrinking working-age population. The objective for Pakistan, therefore, should not be coercive population control but planned demographic transition accompanied by human development.

Pakistan must also recognise the economic dimension of the problem. Every year, millions of young people enter the labour market. If the economy does not create sufficient productive employment, the much-discussed "youth bulge" can become a source of unemployment, frustration, poverty and social instability rather than a demographic dividend.

This is where population policy intersects directly with economic reform. A smaller or slower-growing population without jobs and skills will not automatically produce prosperity. Conversely, a large population can become a tremendous economic asset if the country invests in education, healthcare, vocational training and employment-generating industries.

If population growth is genuinely considered a national emergency, Islamabad and the provinces should establish measurable targets for contraceptive availability, maternal healthcare, female literacy, child nutrition and fertility reduction. Progress should be reported publicly every year. Population planning should be incorporated into education, health, poverty reduction, urban planning and economic policy rather than treated as the responsibility of one ministry.

Pakistan also needs a massive expansion of primary healthcare and community-based reproductive services. Lady health workers and other frontline personnel should be properly trained, supported and equipped. Couples should receive accurate information and access to a range of safe family-planning methods without unnecessary administrative barriers.

Female education is equally critical. International experience shows that women's education, delayed marriage, better employment opportunities and access to healthcare are closely associated with smaller family sizes. Pakistan cannot seriously address population growth while millions of girls remain outside school.

Above all, population planning requires continuity. The country cannot afford another cycle of announcing a policy, establishing a committee and then abandoning implementation. The choice is not between population and development. It is between planned human development and unmanaged demographic pressure.

Beyond accounting tricks and broken promises

Muhammad Ali

Prime Minister Shehbaz Sharif's decision to give the right-sizing committee one month to complete its remaining recommendations on abolishing unnecessary posts and restructuring federal institutions has placed a clear deadline before a reform process that has too often suffered from delay, bureaucratic resistance and lack of follow-through.

The deadline matters because Pakistan has heard promises of a smaller, more efficient and less expensive government many times before. Announcements about eliminating redundant positions, reducing administrative expenditure and improving the performance of federal institutions have regularly generated headlines, only to lose momentum once the initial political attention fades. The latest directive should therefore be judged not by the strength of its language but by what the government is able to place before the public when the one-month period expires.

The case for right-sizing is difficult to dispute. Pakistan's federal government has accumulated layers of ministries, departments, autonomous bodies, vacant posts and overlapping functions over the years. Some institutions continue to perform functions whose relevance has diminished, while others have responsibilities that overlap with those of provincial or other federal bodies. Maintaining such structures consumes public resources at a time when the government is struggling to contain expenditure and taxpayers are being asked to shoulder a growing fiscal burden.

Every unnecessary position carries a recurring cost in the form of salaries, allowances, pensions and administrative overheads. The issue becomes even more difficult to justify when development spending is constrained and the state repeatedly seeks additional revenue through taxes and levies. A government that asks citizens and businesses to make sacrifices cannot indefinitely defend institutional excess simply because restructuring is difficult.

Some progress has already been reported. The government has closed the Utility Stores Corporation, the Pakistan Public Works Department and the Pakistan Agricultural Storage and Services Corporation. Vacant posts in various ministries and departments have also reportedly been abolished. These measures represent a move in the right direction, but the claims of savings need to be examined carefully.

Administrative reform cannot be measured merely by counting institutions closed or posts removed. An institution may disappear from the government's organisational chart while its functions, employees and expenditure are transferred to another department. Similarly, abolishing posts may create immediate savings on paper but leave behind pension obligations, severance costs, contractual liabilities or expenses associated with outsourcing the same functions.

This is why the prime minister's instruction for a third-party audit is particularly important. An independent review should establish precisely how many positions have been eliminated, what recurring expenditure has been removed, what one-time costs have been incurred and what liabilities remain. It should also determine whether functions of abolished institutions have genuinely disappeared, been streamlined or simply shifted elsewhere.

Without such verification, right-sizing could become another accounting exercise in which costs move from one column to another without producing meaningful fiscal savings.

Transparency will be critical. When the one-month deadline expires, the government should make the committee's remaining recommendations publicly available. A ministry-wise breakdown should identify the posts proposed for abolition, institutions recommended for restructuring or merger, the estimated annual savings and the timeline for implementation.

The same principle should apply to the third-party audit. Its findings should be published once completed, with any information withheld from the public properly justified. References to administrative sensitivity should not become a convenient way of concealing decisions that affect public finances.

At the same time, right-sizing must not be confused with indiscriminate downsizing. Cutting positions simply to produce a headline number could weaken institutions that are already understaffed and impair the government's ability to deliver essential services. The objective should be to eliminate genuine redundancy while protecting critical administrative capacity.

Each institution therefore needs to be assessed on the basis of its actual functions. Does the function remain necessary? Is it legally or constitutionally required at the federal level? Is another institution already performing the same task? Can the function be delivered more efficiently through technology or shared services? And if it is retained, can it be performed with fewer resources without compromising public service?

These are more meaningful questions than simply asking how many jobs can be cut. Technology can certainly improve productivity, but digitisation is not a substitute for institutional reform. A poorly designed process remains inefficient even after it is put online. Similarly, technology cannot compensate for unclear authority, weak accountability or unsuitable appointments. A successful restructuring exercise must therefore examine organisational design, decision-making chains and performance standards alongside staffing levels.

The government's past record provides ample reason for caution. Successive administrations have announced plans to reduce the size of government, reform state-owned enterprises and eliminate fiscal waste. Yet implementation has often been partial or delayed. Bureaucratic resistance, political considerations and patronage have repeatedly diluted reform proposals.

That history makes the present one-month deadline significant. It converts another broad reform promise into a measurable commitment. The government will have considerably less room for ambiguity when the deadline arrives because it has itself established the timetable.

The credibility of the exercise will ultimately depend on whether politically difficult decisions are applied consistently. Right-sizing cannot mean abolishing positions in less influential departments while protecting redundant structures elsewhere. Nor can it become a mechanism for replacing permanent employees with more expensive consultants, contractors or temporary appointments. Genuine reform requires a comprehensive examination of expenditure and performance across the federal government.

There is also a broader principle at stake. Government should not be judged by its size but by the quality and value of the services it provides. A smaller state is not automatically a better state. What Pakistan needs is a government that performs essential functions effectively, avoids duplication, controls administrative costs and directs scarce resources towards areas that generate the greatest public benefit.

That means savings from right-sizing should not simply disappear into the general budget. Where possible, they should help create fiscal space for development, education, healthcare, infrastructure and other productive priorities.

The government has an opportunity to turn right-sizing from another reform slogan into a meaningful administrative transformation. But that will happen only if the process is transparent, independently audited and insulated from political interference.

When the one-month deadline expires, the public should not be asked to accept another assurance that progress has been made. It should be shown the numbers: how many posts have gone, which institutions have been restructured, how much recurring expenditure has been eliminated and when the remaining reforms will take effect.

Prime Minister Shehbaz Sharif has set the deadline himself. The real test begins when it expires. If the government can demonstrate measurable savings and lasting institutional reform, right-sizing could become one of the more consequential components of fiscal restructuring. If not, it will risk becoming another familiar story of committees, meetings and promises that ultimately disappear into the bureaucracy they were created to reform.

Another $10bn loan? Pakistan cannot borrow its way out of crisis

Shahid Hussain

The reported discussion over the possibility of securing a $10 billion loan from the United States raises a fundamental question about Pakistan's economic strategy: can a country already burdened by a mountain of debt really borrow its way to prosperity? At a time when debt servicing consumes a substantial share of public resources and the government repeatedly seeks rollovers and fresh financing to meet its external obligations, another large loan may provide temporary breathing space. But breathing space is not the same thing as economic recovery.

The more important question is what Pakistan intends to do with such a facility. Borrowing is not inherently harmful. Countries routinely borrow to finance productive investments, build infrastructure and accelerate economic growth. Debt becomes a problem when it is repeatedly used to meet routine expenditures, repay previous obligations or fill fiscal and external financing gaps without creating the capacity to generate higher revenues and foreign exchange in the future.

Pakistan's experience provides ample reason for caution. The country has repeatedly approached international financial institutions, friendly countries and commercial lenders for loans and deposits. Each new financing arrangement has been presented as an opportunity to stabilise the economy and create conditions for sustainable growth. Yet the underlying weaknesses have remained largely intact. If another $10 billion is secured, will it significantly reduce the budget deficit? Will it strengthen exports enough to generate the dollars required to repay the loan? Will it reduce the country's dependence on imports, particularly non-essential and luxury goods? Will it address the persistent trade deficit? These are not peripheral questions. They go to the heart of whether additional borrowing would merely postpone the next crisis.

Pakistan's fundamental economic problem is not simply a shortage of dollars. It is the inability to consistently generate enough dollars through exports, investment and other sustainable sources to meet its external financing requirements. Remittances provide vital support, but they cannot indefinitely substitute for a competitive export sector. The same concern applies to domestic production. Pakistan's agricultural sector continues to operate well below its potential, while water scarcity, low productivity, outdated farming practices and inadequate infrastructure constrain output. The manufacturing sector, meanwhile, faces high energy costs, taxation, regulatory uncertainty and other structural problems that have contributed to concerns about de-industrialisation.

A large foreign loan cannot, by itself, modernise agriculture or revive manufacturing. Those objectives require long-term investment, technological upgrading, better water management, reliable energy supplies, improved logistics and a regulatory environment that encourages businesses to invest rather than merely survive.

The water challenge is becoming particularly serious. Pakistan is already one of the world's water-stressed countries, and growing populations, inefficient irrigation and climate-related changes are increasing pressure on available resources. Any future deterioration in transboundary water relations would make the situation even more difficult. Addressing such a challenge requires major investment in storage, conservation, irrigation efficiency and water governance. A loan can finance some of that investment, but only if it forms part of a coherent national strategy.

The same principle applies to employment and poverty. Pakistan needs millions of new jobs over the coming years simply to absorb its growing working-age population. Borrowing can help finance infrastructure and productive projects, but it cannot create sustainable employment unless the private sector expands and the economy becomes more productive.

Education presents another example. The country continues to struggle with poor learning outcomes, inadequate infrastructure and insufficient investment in human capital. Development spending is often squeezed when fiscal pressures intensify, leaving long-term projects vulnerable to repeated cuts. Borrowing to finance current expenditures does little to address these structural weaknesses.

Perhaps the most important issue is government expenditure. Pakistan has repeatedly announced austerity measures, yet the size and cost of the public sector remain major concerns. If a $10 billion loan simply provides additional resources without compelling the government to reduce wasteful spending, reform state-owned enterprises, improve tax collection and rationalise public administration, it will only increase the future debt burden.

There is also a basic question of repayment. Pakistan already struggles to meet external financing requirements and frequently seeks the rollover of existing loans and deposits. If the country has difficulty repaying or refinancing current obligations, how will it service another $10 billion facility?

The answer cannot simply be that the loan will be rolled over when it matures. A country cannot build a sustainable economic model around the assumption that creditors will indefinitely extend repayment schedules. Rollovers may ease immediate pressure, but they do not eliminate the underlying liability.

This is why Pakistan urgently needs to reduce its dependence on external borrowing. External financing should be used selectively for projects capable of generating future economic returns, particularly foreign exchange earnings or substantial productivity gains. It should not become a substitute for difficult domestic reforms.

The country needs to increase its tax-to-GDP ratio by broadening the tax base rather than repeatedly squeezing existing taxpayers. It needs to improve energy-sector efficiency, reduce circular debt, reform loss-making public enterprises and bring government expenditure under tighter control. Export competitiveness must become a national priority, while domestic industries should be encouraged to move towards higher-value products rather than relying primarily on protected domestic markets.

Agriculture requires equally serious attention. Water conservation, modern irrigation, better seeds, mechanisation, storage and agricultural research could substantially improve productivity. At the same time, investment in education and skills is essential if Pakistan is to benefit from its large young population rather than face growing unemployment and underemployment.

All of this requires something that has been conspicuously missing from Pakistan's economic policymaking: continuity.

Governments have frequently responded to crises with short-term measures designed to meet immediate financing needs. Policies change, priorities shift and long-term plans are abandoned or replaced. The result is an economy that repeatedly returns to the same lenders with the same problems.

The proposed $10 billion facility, if it materialises, should therefore not be judged simply by its size or the relief it provides to the balance of payments. The real test should be what Pakistan does with the opportunity it creates.

If the money is used to finance productive investment, strengthen exports, modernise agriculture, improve water management and support structural reforms, it could potentially contribute to long-term economic stability. If it is used primarily to plug existing fiscal and external gaps, it would merely defer the problem to a later date—while adding another liability to an already heavy debt burden.

Pakistan does not need to stop borrowing overnight. It needs to stop treating borrowing as an economic strategy. The country's long-term salvation lies in generating more domestic revenue, producing more competitively, exporting more, importing intelligently, investing in human capital and controlling government expenditure. Without those changes, every new loan—however large, generous or strategically important—will eventually have to be repaid by an economy that remains fundamentally unchanged.

The real question, therefore, is not whether Pakistan can secure another $10 billion. It is whether it can finally build an economy that does not need to keep asking for it.

Pakistan's recovery faces the same old test

Husnain Shahid

The latest monthly economic and development reports issued by the Planning and Finance Divisions present a cautiously encouraging picture of Pakistan's economy as it enters FY2026-27. Growth improved to 3.7 percent in FY2025-26, large-scale manufacturing returned to expansion, the fiscal deficit narrowed, foreign exchange reserves strengthened and average inflation remained within the government's target range. After several years of economic adjustment and weak activity, these gains should not be dismissed.

Yet beneath the improved headline numbers lies a familiar vulnerability. As the economy begins to recover, imports are rising much faster than exports, foreign investment remains weak and remittances are once again providing the critical cushion for the external account. This is the same structural imbalance that has repeatedly brought Pakistan's previous recovery cycles to an early end.

Goods exports declined by 4.6 percent during FY2025-26, while goods imports increased by 9 percent. Including services, exports were virtually stagnant at $40.9 billion, whereas imports rose 8.5 percent to $76.4 billion. The trade deficit consequently widened by nearly $6 billion. The current account, which had recorded a surplus of $1.84 billion a year earlier, slipped into a deficit of $139 million.

The size of the current account deficit is not particularly alarming. The direction of the underlying numbers is. Pakistan was able to absorb the deterioration largely because workers' remittances rose 8.6 percent to a record $41.6 billion. This is an important achievement and provides valuable support for foreign exchange reserves, which are now considerably stronger than they were during the worst phase of the recent stabilisation period.

But remittances cannot be mistaken for a structural transformation of the economy. It is difficult to claim that the productive base has fundamentally strengthened when Pakistan's workers abroad are generating more foreign exchange than the country's export-oriented industries and productive investment at home. The decline in net foreign direct investment makes the contrast even sharper. FDI fell by almost one-third to $1.6 billion during the year. An economy seeking durable growth should ideally see investment responding alongside demand. Instead, domestic activity is recovering while foreign investment remains subdued and merchandise exports are contracting.

The rise in imports should not, however, automatically be interpreted as evidence of another consumption-led boom. Machinery, raw materials and intermediate goods are essential for restoring industrial capacity and supporting expansion. The revival of large-scale manufacturing suggests that at least some of the increase in imports is connected with productive activity.

The concern is what happens next. If higher imports are financing greater productive capacity, exports should eventually respond. If investment is expanding, the economy should develop the capacity to produce more competitively. If neither occurs with sufficient speed, the familiar pattern will re-emerge: domestic demand recovers, imports accelerate, the external deficit widens and policymakers are eventually forced to tighten economic conditions to prevent another balance-of-payments crisis.

This is Pakistan's longstanding growth dilemma. Demand can recover relatively quickly once financial conditions stabilise, but export capacity, productivity and investment take much longer to develop. Stronger foreign exchange reserves provide a larger cushion and can delay the point at which external pressures become binding. They cannot, however, change the underlying arithmetic. There is one particularly promising area: services exports. Information technology and other business services recorded strong growth, with IT exports reaching $4.6 billion. This is an encouraging development and should be viewed as the foundation of a potentially much larger export sector.

But services cannot yet compensate for weakness in merchandise exports. Expanding them further will require reliable electricity, better digital infrastructure, skilled workers, predictable taxation, improved connectivity and regulatory stability. Without such improvements, the same structural constraints that have limited manufacturing exports could eventually restrict the expansion of services.

The domestic inflation picture provides another reason for caution. Headline inflation fell from 11.1 percent in June to 9.2 percent in July, but consumer prices increased by 1.2 percent during the month after declining in June. Food prices rose 4.16 percent, while perishable food prices surged 17.69 percent. The Sensitive Price Indicator increased 2.4 percent during the month and remained 12 percent higher than a year earlier.

For an economy in which a large proportion of household income goes towards basic necessities, the composition of inflation matters as much as the headline rate. Food alone contributed 1.45 percentage points to the monthly increase. Declines in transport and housing-related costs helped keep overall inflation to 1.2 percent, but that provides little comfort to families facing sharply higher food prices. The rural picture is particularly concerning. Rural inflation remained above the urban rate, while rural food prices increased 3.86 percent during July. A lower year-on-year CPI therefore does not necessarily translate into relief for households whose budgets are dominated by food and other essentials.

Agriculture is also facing constraints that monetary policy cannot solve. The Finance Division reported a 37.3 percent decline in DAP fertiliser offtake during the Kharif season, partly because of high prices. Below-normal rainfall and elevated water stress are adding to the difficulties facing major crops. These problems are compounded by inadequate storage, inefficient logistics, fragmented agricultural markets and persistently low productivity. Interest rates can influence demand and inflation expectations, but they cannot manufacture fertiliser, improve irrigation, conserve water, increase crop yields or eliminate post-harvest losses.

The development spending strategy deserves similar scrutiny. More than 97 percent of the federal Public Sector Development Programme for FY2026-27 has reportedly been allocated to ongoing projects, with more than 60 percent of resources directed towards infrastructure. Prioritising the completion of existing schemes over launching new, thinly funded projects is sensible. Pakistan's development programme has suffered for years from politically motivated additions, delays and cost overruns.

However, the largely pre-committed nature of the programme also limits the government's ability to redirect resources towards the supply-side weaknesses now becoming increasingly visible—particularly in agriculture, logistics, technology, exports and human capital. Fiscal consolidation has also produced a mixed picture. The fiscal deficit declined to 1.6 percent of GDP during July-May from 3.8 percent in the corresponding period a year earlier, helped by stronger revenues and lower mark-up payments. But development spending also fell by 8.9 percent.

A lower deficit is clearly desirable, but lower expenditure is not necessarily equivalent to better expenditure. If fiscal consolidation is achieved partly by reducing productive public investment, it may strengthen the immediate balance sheet without improving the economy's long-term capacity. The government has set a 4 percent growth target for FY2026-27. This is neither an implausibly ambitious objective nor a particularly high one after years of weak growth and disappointing per-capita performance. The real issue is not whether Pakistan can reach 4 percent growth, but what kind of growth will produce that number.

If expansion is driven primarily by domestic demand and import-intensive activity, without corresponding gains in exports, investment and agricultural productivity, the country could simply be bringing the next external constraint closer. Pakistan enters FY2026-27 with better buffers, stronger reserves and greater policy space than it had during the most difficult phase of the stabilisation cycle. That is an important achievement. But the latest official reports provide limited evidence that the underlying structure of the economy has changed fundamentally.

The real test of the new fiscal year will therefore not be whether growth reaches 4 percent. It will be whether exports begin rising alongside imports, whether private and foreign investment respond to stronger demand, and whether agricultural supply improves enough to keep food inflation under control. If those changes do not occur, Pakistan will have achieved another recovery on the same old foundations. The immediate crisis may have been postponed, but the structural weaknesses that repeatedly bring recoveries to an end will remain waiting in the background.

Pakistan's crisis of democratic culture

Raza Khan

There is an increasing realization within the power circles of Pakistan that the country's political and administrative system has collapsed and that it is no longer capable of serving as a panacea for the multifarious political, economic and social issues confronting the people.

Although Interior Minister Mohsin Naqvi recently openly admitted that the present political system has collapsed, he did not specify the reasons for this collapse. A deeper look into the matter, however, would reveal that it is, in fact, the failure of the prevailing democratic system in the country that lies behind the collapse of the political and administrative system. Rather, an even deeper examination would bring to the fore the fact that it is not even the failure of the existing democratic dispensation per se, but the failure of society to give birth to a democratic culture in the country.

The current political and economic crisis in the country has revealed beyond doubt that democracy is far from having taken root in this society of ours. The lack of democracy, which is fundamentally about freedom and tolerance, is nowhere more evident than in the widespread violence and intolerance that have become features of public and political life. Having said this, it is critical to understand that without democracy Pakistan does not have any future and, therefore, democracy has to be promoted anyway.

Though Pakistan has been experiencing a fragile democratic system of government since 2002, there has been a discernible trend whereby elected governments and parliaments have been completing their constitutional tenures. But democracy as an institution has failed to flourish and evolve in the country. There are various reasons for the failure of democracy to evolve as an institution, and these need to be looked into so that the future of democracy in this country can be better understood and predicted.

Each culture and institution, whether of society or the state, evolves from the practices and customs of the people of that society. Against this backdrop, the foremost and underlying cause of the failure of democracy to evolve in Pakistan is the incompatibility of the country's social structure with the essence and values of a democratic culture. The social structure of Pakistan is largely undemocratic in form and substance. A democratic culture is primarily based on the values of equality and equity, justice, freedom and individualism, together creating a culture of merit, inventiveness and amity. These values are hardly to be found in Pakistan's prevailing social structure.

The social structure of Pakistan is profoundly tribal and ultraconservative in orientation. In such a social structure, there is hardly any space for the above-mentioned democratic ideals to be attained and consolidated. That is the fundamental reason why symbols of traditional authority such as Khan, Malik, Chaudhry, Wadera and Sardar, on the one hand, and maulvis, on the other, have continued to dominate society through their social power and influence, to the exclusion of the masses and their consciously and freely elected democratic and liberal leaders.

These symbols of traditional authority have been working in collusion to entrench their power bases and ward off any challenge to them. As such a challenge could only come from liberal and democratic figures, values and institutions under the umbrella of a democratic political structure, tribal chieftains and clerical leadership have been trying their utmost to prevent democracy from evolving and taking root.

Traditional authorities and elites have been successful in stunting the growth of democracy in Pakistani society. This is what is really taking place in Pakistan at the moment. The democratic institutions may exist in form, but the social forces that are supposed to sustain and strengthen them have remained weak, allowing traditional power structures to retain their influence over political, economic and social life.

Moreover, in theory, the Pakistani political system, which is outwardly democratic but inwardly not, operates on the principle of one person, one vote. Yet most people cannot exercise their vote freely, either because of pressure from respective traditional authorities and local power brokers or because of their lack of education, awareness and access to independent information. The existence of elections, therefore, does not necessarily mean the existence of democracy in its true sense. Democracy requires not merely the right to vote but also the freedom and capacity to make informed choices.

Another very important aspect of the failure of democracy to evolve in Pakistan is that the auxiliary institutions, which ought otherwise to provide support to parliament, the people and political leadership in building their capacities for policymaking and policy execution by providing them education and information, have been working at cross purposes. These institutions, which include the bureaucracy and various government departments, have, due to the relatively good education and administrative skills of their human resources, often been able to work for personal and institutional benefits by taking advantage of the ignorance and lack of awareness among the masses.

This is the basic reason why bureaucrats and top civil servants have been enjoying all kinds of perks and privileges out of taxpayers' money, while the very purpose for which they are there — good governance — remains a pipedream in the state of Pakistan. As the flourishing of true democracy is against the interests of many powerful figures within government institutions, they develop a natural affinity with members of traditional authorities and power structures, thereby helping to stunt the growth of democracy.

It is, therefore, safe to conclude that it is the culture of a society that determines the nature, structure and functions of the institutions of that society, including the state. Looking at the institutions of democracy from that standpoint reveals that the foremost and underlying cause of the failure of a democratic culture to evolve in Pakistan has been the incompatibility between the social structure of the country and the essence and values of a democratic culture.

The success of traditional authorities in this connection has mainly been due to the strategy of traditional power brokers to infiltrate and dominate the institutions of democracy, including parliament, political parties and elected governments. Therefore, it is no surprise that most Pakistani political parties have evolved into family-limited companies, with politics becoming their prime business. Traditional authorities have used their established power bases to dominate the institutions and values of democracy. Thus, the very institutions that could otherwise have served as guarantees for facilitating the flourishing of democracy in Pakistan have instead served as stumbling blocks to its evolution.

Democracy is fundamentally a culture and not merely a system per se. Yes, a political system is generally erected on a democratic base, but such a system cannot function effectively unless the society itself possesses democratic attitudes and values. Even the attitude of a common man and woman in Pakistani society is often not democratic. One can observe this within the institutions of the family, religious places of worship, educational institutions and economic institutions such as markets. Authority, hierarchy, privilege and conformity frequently take precedence over equality, individual freedom, merit, tolerance and open debate.

Therefore, if a true democratic culture has to be promoted in Pakistan, the state must come up with a comprehensive educational strategy to make people understand how democracy flourished in Western societies and how those societies transformed themselves from authoritarian cultures into democratic cultures. Such education would go a long way towards promoting a democratic culture and ultimately developing a democratic system based on that culture. Only then would democracy truly serve the interests of common Pakistanis rather than those of the social, political and economic elite.

Creating more provinces could set the ball rolling for the disentanglement of the stranglehold of traditional authorities over the state and society by bringing governance closer to the people and weakening entrenched centres of power. But the ultimate key remains the development of a democratic culture. Without transforming the social attitudes, values and practices that underpin political institutions, structural reforms alone will not be sufficient. Pakistan's political and administrative crisis, therefore, cannot be resolved merely by changing governments, redrawing administrative boundaries or introducing new institutional arrangements. The real challenge is to create a society in which democracy becomes a way of life rather than merely a method of choosing governments.

Pakistan's water crisis is now a national security challenge

Dr. Zaheer Ahmed Babar

The recent surge in water flows in the Chenab River has once again highlighted Pakistan's vulnerability to flooding. Yet viewing the development merely as another seasonal flood threat would be to miss the larger and more consequential issue. Pakistan's water crisis has moved well beyond disaster management. It now lies at the intersection of climate change, economic stability, food production, energy security and, increasingly, national security.

The renewed call for a comprehensive national water security policy, alongside concerns over massive cost increases in major hydropower projects, should therefore be treated as an opportunity to reconsider how the country manages its most critical natural resource. Water can no longer be dealt with through disconnected projects, emergency measures and short-term responses. Pakistan needs a coherent strategy that addresses both too much water and too little.

The country's vulnerability is hardly a new phenomenon. Pakistan is among the countries most exposed to the effects of climate change, despite contributing only a small share of global greenhouse gas emissions. Glaciers are melting, rainfall patterns are becoming increasingly unpredictable and extreme weather events are becoming more frequent and severe. Long periods of drought can now be followed by intense rainfall and destructive floods.

At the same time, groundwater is being extracted at increasingly unsustainable rates, while population growth and rapid urbanisation are placing additional pressure on already limited water resources. Agriculture, which remains the largest consumer of water, is particularly vulnerable. A shortage of water can reduce crop production, while excessive flows can destroy crops, irrigation networks and rural infrastructure.

This produces the paradox Pakistan has become increasingly familiar with: devastating floods during one season followed by serious water shortages during another.

Climate change is an important part of the explanation, but it is not the whole story. Pakistan's exposure has been magnified by decades of inadequate investment in water storage, ageing irrigation networks, fragmented institutional responsibilities and delays in implementing major water projects. Poor maintenance, inefficient irrigation practices and weak groundwater regulation have further reduced the country's ability to manage changing hydrological conditions.

The escalating cost of major hydropower and water-storage projects illustrates the price of delay. Inflation, currency depreciation, extended construction periods and repeated design changes have substantially increased the financial requirements of projects such as Diamer Bhasha, Mohmand and Dasu. The longer these projects take, the more expensive they become, while the benefits they were designed to deliver remain deferred.

The issue should not be viewed simply in terms of the cost of generating electricity. Major hydropower projects can also provide water storage, regulate flows, improve irrigation reliability and strengthen the country's ability to manage floods and droughts. Their value therefore extends well beyond the power sector.

Pakistan's storage capacity remains inadequate relative to its needs. Water that arrives in abundance during periods of heavy rainfall can be lost or cause destruction rather than being conserved for use during dry periods. Expanding storage capacity, therefore, is no longer merely a development objective. It is becoming an economic necessity in an increasingly unpredictable climate.

The strategic dimension of the water issue has also become more pronounced. India's increasingly assertive rhetoric surrounding the Indus Waters Treaty has added another layer of complexity to Pakistan's water-security debate. The treaty remains an internationally recognised legal framework, and its provisions cannot simply be disregarded through unilateral action. Nevertheless, recent developments have demonstrated that water resources can no longer be considered solely an environmental, agricultural or engineering matter.

Water has geopolitical consequences. But the external dimension should not obscure Pakistan's own responsibilities. Concerns about actions or policies across the border cannot become an excuse for neglecting domestic weaknesses. In fact, they make effective internal water management even more urgent. Pakistan needs to strengthen implementation of the Water Apportionment Accord, improve coordination among federal and provincial institutions, regulate groundwater extraction and promote climate-smart agriculture. Better hydrological forecasting and early-warning systems can help reduce losses from extreme weather, while digital water accounting could improve monitoring and allocation.

The agricultural sector requires particular attention. Traditional irrigation methods waste significant quantities of water, while farmers often lack access to technologies and incentives that would allow them to produce more with less. Efficient irrigation, improved crop choices, better water pricing mechanisms and investment in modern agricultural practices should form part of a broader water strategy.

Project governance is equally important. Not every increase in the cost of major projects can be blamed on inflation or currency depreciation. Land acquisition problems, administrative delays, procurement disputes, weak coordination and repeated implementation slippages can add substantially to project costs. This means that increasing investment alone will not solve the problem. Pakistan must also improve the institutions responsible for delivering that investment. Major projects need professional project management, realistic timelines, transparent procurement and clear accountability for delays and cost overruns.

The broader challenge is to shift from reacting to water emergencies to managing water as a strategic national resource. Flood relief, emergency funding and post-disaster reconstruction will always remain necessary. But these measures address the consequences rather than the underlying vulnerability. A national water-security policy should bring together flood management, water storage, irrigation, groundwater, agriculture, energy, climate adaptation and urban planning. It should establish measurable targets and assign responsibility for achieving them. Water policy cannot remain divided among institutions that often work independently of one another.

The stakes are enormous. Water shortages can undermine food security, reduce industrial activity, increase energy costs and intensify competition among provinces and communities. Floods can destroy infrastructure, displace populations and impose huge reconstruction costs on an already financially constrained government.

The encouraging fact is that Pakistan is not lacking in knowledge about what needs to be done. The country has discussed storage, conservation, groundwater regulation, efficient irrigation, better forecasting and climate adaptation for years. The central failure has been implementation.

Pakistan has now entered an era in which water security is inseparable from economic security, food security, energy security and national security. Climate change and evolving regional dynamics have made the consequences of inaction even more severe. The country cannot afford to wait for the next flood to discuss water management or the next drought to remember conservation. Water policy must become a permanent national priority rather than a seasonal response to the monsoon.

The real challenge is no longer identifying Pakistan's water problems. It is finding the political will, institutional capacity and financial discipline to address them before the next crisis arrives. Without that shift, every flood will be treated as a disaster and every shortage as an emergency. With it, Pakistan can begin turning its water vulnerability into greater resilience in an increasingly uncertain climate and geopolitical environment.

The Mecca pact is not just another regional alliance

Khalid Al-Jaber

The joint defence agreement signed by Saudi Arabia, Turkiye, and Pakistan in Mecca is not another entry in a region already crowded with alliances and communiques. Its significance lies less in its provisions than in what it signals: a shift in how the Gulf states conceive of their own security.

Riyadh and its neighbours appear increasingly unwilling to tie strategic security to a single guarantor. The alternative is a wider network of partnerships that diversifies options, capabilities, and room for manoeuvre. Read this way, the pact does not mark the end of the United States-led order. It marks the start of preparation for a more pluralistic one — a system in which regional powers produce security rather than import it. It is, in effect, an insurance policy against a world where the US is less present and less predictable.

The pact has all the potential to jump-start a major transformation of regional security. Events of the past decade have changed the calculus in the Gulf. The question is no longer the magnitude of American power, but the predictability of its use. A state can buy tens of billions worth of US weapons, host bases and troops, and cultivate deep ties with Washington — then discover in a crisis that the decision to act is determined by American domestic politics and geopolitical calculations largely unrelated to allied security.

Gulf capitals have now concluded that partnership, however deep, is not an automatic guarantee of protection. The resulting strategy is straightforward: keep the alliance with Washington, but build options beyond it. This is not a defection from the American camp to the Chinese, Russian, or Turkish one. It is an attempt to move past the logic of camps altogether. It is also a reflection of a region preparing itself for a likely US withdrawal in the future. The most sensitive dimension of regional security in this scenario concerns the balance of power. If the American role recedes, the danger lies in who may fill the vacuum it leaves behind. Iran has spent decades building regional influence beyond its borders and continues to direct missiles and drones at Gulf and Arab capitals. Israel has demonstrated military and intelligence superiority that has enabled force projection across the region. At the same time, it continues to pursue occupation and settlement policies and military action against Arab states. Diminished American weight could leave the region inside an order whose rules are set by two actors alone: Israel and Iran.

The Mecca pact is best understood as an early attempt to build a third pole — a bloc that does not need to fight either power, but one that has enough weight to deny either a monopoly over the region. The objective is not victory. It is the prevention of hegemony.

Iran cannot be written out of the Gulf equation. Turkiye's ties to Tehran mix cooperation and rivalry; Pakistan shares a long border with Iran and will not open a permanent front. The alliance's most useful function is therefore deterrence: raising the cost of any attack on a member. For decades, the Gulf was a security consumer. It bought advanced weapons, hosted foreign forces, and relied on Western-designed intelligence, communications, and protection networks. The model worked in many respects, but carried a structural flaw: final decisions came partly from the outside.

What the Mecca pact could do is accelerate defencelocalisation. The agreement is meant to go beyond a standard military alliance and build capacity at home. The pact brings together three regional powers with complementary strengths: Saudi Arabia offers capital, geographic position, political weight, and a substantial defence market; Turkiye contributes an advanced military-industrial base, particularly in drones, missiles, naval platforms, and electronic systems; Pakistan adds a large and experienced military, significant strategic capabilities, and the distinction of being the pact's only nuclear-armed member.

The pact's value will be measured in integration: joint air defence, early warning, intelligence, munitions, cyber defence, and a joint command able to function under fire. Just as important will be defence cooperation that evolves from purchasing Turkish and Pakistani systems to co-producing and co-developing them in Saudi Arabia.

The maritime dimension will also be crucial. Gulf security no longer begins at the region's borders. It stretches from the Gulf to the Red Sea and from the Strait of Hormuz to Bab al-Mandeb arteries where the majority of regional energy trade and a significant share of global commerce move. If the pact matures into organised maritime cooperation, it could underpin arrangements to protect ports, shipping, and energy routes without total dependence on Western fleets. That is precisely the capability the region needs to hedge against future US retrenchment. The region has never lacked agreements; it has lacked shared political foundations. The Arab coalition in Yemen established in 2015 eventually faltered after divergent views of the war clashed. The Islamic Military Counter Terrorism Coalition, also set up in 2015, assembled an impressive roster of participants but failed to translate numbers into unified capability.

Bringing states together is not the same as aligning their interests. The Mecca pact could become the first serious building block of a more autonomous regional security order. The outcome will be determined not by defence budgets or membership numbers. It will be determined by the answer to one question: are the signatories genuinely willing to bear the cost of defending one another? If yes, the region may finally begin building a balance that does not rest entirely on power arriving from across an ocean.

Iran's grip on trade is a potent weapon, but it has an expiry date

Mohammad Reza Farzanegan

Iran has turned its ability to restrict commercial passage through the Strait of Hormuz into a potent economic weapon in the war imposed by the United States and Israel.

IMF PortWatch shows that in the seven days ending August 2, an average of only about four ships per day passed through the strait, compared with about 90 during the corresponding week of 2025. Estimated transit volume fell from 3.5 million to about 143,000 metric tonnes per day. Both indicators declined by approximately 96 percent.

This was not a temporary collapse in traffic but a sustained disruption. Since February 28, both vessel traffic and estimated tonnage have remained far below their levels in the previous year, with only brief recoveries. Tehran has therefore already demonstrated that it can impose severe disruption on commercial traffic. The question is no longer whether Iran can disrupt trade through Hormuz, but how effectively it can convert that disruption into political leverage, and for how long.

A useful framework for understanding this strategy comes from political scientists Henry Farrell and Abraham Newman, who describe how states can turn control over central nodes in international networks into coercive power, a process they call "weaponised interdependence". In Hormuz, the critical node is physical rather than financial or digital. Geography gives Iran leverage over a corridor on which energy producers, shipping companies and importing economies remain heavily dependent.

The scale of that dependence shows Tehran's leverage. In 2025, almost 20 million barrels of crude oil and petroleum products crossed Hormuz each day, equivalent to about one-quarter of global seaborne oil trade. Around 80 percent of those flows went to Asia. China and India alone received 44 percent of the crude oil that passed through the strait. Qatar and the United Arab Emirates also shipped liquefied natural gas (LNG) equivalent to almost one-fifth of global LNG trade through Hormuz, with no practical alternative export route.

The economic effects begin before any formal closure. Shipping companies and insurers respond to perceived risk as well as actual attacks. Even the threat of missiles, mines, drones or vessel seizures can increase insurance premiums, freight rates and waiting times. Research published in Nature Communications shows that disruptions at maritime chokepoints transmit economic losses through delays, rerouting, insurance costs and interruptions to production.

Iran can therefore exert pressure on several audiences at the same time. Gulf states face risks to export revenues, ports and logistics. Major Asian importers such as India face higher energy costs and possible supply shortages. The US imports comparatively little oil through the Strait of Hormuz, yet it remains exposed to higher global energy and domestic fuel prices, and the military costs of protecting commercial navigation. Tehran's strongest leverage may therefore come indirectly by pushing Gulf governments and Asian importers to press Washington for de-escalation.

The consequences also extend to less obvious areas, including the emerging competition over artificial intelligence. Gulf states are investing heavily in data centres and computing infrastructure, seeking to use their access to relatively inexpensive energy to become important hubs in the global AI economy. By raising energy prices and increasing risks to Gulf infrastructure, disruption at Hormuz can raise the cost of expanding AI capacity and weaken one of the region's central economic diversification strategies.

Hormuz also carries commodities whose importance is often obscured by the focus on oil. In our recent Nature Food study, we showed that several major agricultural economies depend heavily on fertilisers exported through the Strait of Hormuz. For example, India sources around half of its imported ammonia and nitrogen fertilisers, about nine million tonnes, from Gulf producers. Disruption would combine lower fertiliser availability with higher natural gas and shipping costs, increasing risks to crop yields and food prices in the short term, especially in food-importing countries.

Helium provides another example of this less visible dependence. Qatar and the UAE supply helium used in semiconductor production, medical imaging, scientific research and clean technologies. Helium is difficult to store, liquefaction capacity is concentrated, and there are few substitutes for several applications. Our analysis shows that several economies responsible for more than 60 percent of global integrated-circuit exports are highly dependent on helium supplied through the Strait of Hormuz. Hormuz therefore links a regional security crisis to advanced manufacturing and healthcare supply chains in Asia.

These vulnerabilities give Iran bargaining power in the war imposed by the US and Israel. Yet they also define the limits of that power. First, disruption harms Iran itself. Iran's petroleum exports, food imports, industrial inputs and maritime trade depend heavily on its southern waterways. Saudi Arabia and the UAE have pipelines that can redirect an estimated 3.5 to 5.5 million barrels per day away from Hormuz. These countries will therefore have stronger incentives and greater resources to expand alternative routes. Iran's Jask route outside the strait remains effectively non-operational. A prolonged interruption would therefore deprive Tehran of export earnings while worsening inflation and shortages at home.

Banking facilities in rural Balochistan

There is a serious lack of ATMs in rural areas of Balochistan. In most emergency cases, people have to travel to cities to use ATMs. Even in some areas where an ATM exists, people often have to wait for hours in queues. In larger towns, ATMs frequently break down or run out of cash when people come to draw their salaries or pensions. Even small farmers, labourers and elderly pensioners struggle to access the digital or formal cash system. The government must take immediate action to establish more bank branches as well as install ATMs in rural areas.

Muzzamil Karim
Turbat

Hub roads

Damaged roads and bumpy streets have become one of the main characteristics of Hub. Roads are frequently dug up for one purpose or the other, but are left unrepaired afterwards, leaving a trail of issues for commuters to face. A major issue is the unprofessional refilling of soil, which leaves uneven surfaces and dust everywhere. The dust and discomfort make even a short journey exhausting. The department concerned should ensure that roads are repaired after development work.

Safia Imam Deen
Hub

Prioritise devotees over VIPs

The urs of Shah Abdul Latif Bhittai is held every year with great enthusiasm during which devotees from all over the country reach his shrine in Bhitshah. Despite millions of rupees spent on the preparations of the festival each year, attendance has been steadily declining in recent years, and the reason, according to the locals, is the VIP protocol of the politicians attending the event.

Road blockades and shop closures due to VIP movement are negatively impacting the businesses of thousands of daily-wage earners of the deprived town where half the population earns its bread through visitors to the shrine, especially during urs. The locals are denied access to even their own homes for hours whenever a VIP convoy has to pass. Shopkeepers suffer and devotees end up having a poor experience.

A few minutes of political rhetoric by politicians on the shrine's premises cost thousands of devotees and local residents their precious time, money and energy. If the government sincerely wants to preserve this centuries-old festival, its politicians must give up their lavish colonial-era VIP protocols. The people should not suffer in the name of 'security' for politicians.

Mujtaba Aftab
Bhitshah

SECP's new IPO reforms

The recent policy of the Securities and Exchange Commission of Pakistan (SECP) related to initial public offerings (IPOs) has opened the door for a number of new companies to get listed on the Pakistan Stock Exchange (PSX).

While established players may guide newcomers to the gong ceremony, the real challenge begins afterwards. Can these new entrants withstand the pressures of regulatory compliance, market perceptions and news-driven volatility?

Political instability and bureaucratic hurdles remain the biggest obstacles to delivering on IPO commitments. This is not only a test for the newcomers, but also for PSX and SECP to ensure that retail investors are protected in the long run. Institutional investors often enjoy early access to information, while individual investors rely on news filtered through social, electronic or print media — creating an uneven playing field. It is imperative that underwriters take their responsibility seriously. Strong know-your-customer (KYC) routine, rigorous due diligence, and clear assessment of a company's status must be ensured before listing. Only then can investors feel secure that their trust is protected.

IPO reforms represent a bold step, but success will depend on whether the new companies can sustain and thrive under the pressure put by regulators to protect the confidence of retail shareholders.

Jhanzeb Abbas
Islamabad

The cost of short-term stabilisation

For several decades, Pakistan's economic management has mirrored the frantic energy of a hospital emergency room, treating deep structural systemic failure with temporary stabilisation tourniquets. As the dust settles on another cycle of International Monetary Fund (IMF) disbursements and celebrated short-term credit rating upgrades, the familiar sigh of relief echoing through the halls of power feels prematurely triumphant. The hard truth is that balancing the external account on borrowed liquidity does not equal economic health; it merely delays the inevitable.

Actual macroeconomic stability will remain an illusion until Islamabad pivots away from the low-hanging fruit of squeezing compliant taxpayers and confronts the structural cracks within its own fiscal architecture: a deeply undocumented parallel market, an unsustainably narrow taxation base, and an incomplete model of provincial fiscal decentralisation.

The core pathology of Pakistan's revenue collection lies in its extreme structural asymmetry. Rather than expanding the tax net outward, successive stabilisation regimes chose to dig deeper into the pockets of a captive minority. This policy of extraction focuses disproportionately on organised corporate manufacturing and the formal salaried class.

While sectors like real estate, wholesale retail, and large-scale agriculture contribute massively to the national GDP, their share in direct tax revenues remains negligible. Instead, the Federal Board of Revenue (FBR) totally relies on stringent enforcement mechanisms, complex withholding regimes, and high corporate surcharges targeting the documented corporate environment. This creates a severe structural distortion.

Furthermore, short-term fiscal consolidation actively sabotages long-term macroeconomic stability. To satisfy immediate lending targets under emergency bailouts, policymaking corridors frequently resort to adjusting indirect levies. In a demand- driven developing economy, this approach acts as a structural drag. Raising indirect taxes on essential inputs immediately elevates the cost of doing business, which generates cost-push inflation.

As consumption-based taxes drive up retail prices, real purchasing power falls. The resulting drop in domestic demand forces formal manufacturers to scale down operations, shrinking the very tax base the state relies upon. The end result is a self-defeating cycle: blunt stabilisation achieves short-term revenue collection at the expense of industrial contraction, driving the formal economy further into recession.

Compounding this crisis is the stark disconnect within Pakistan's devolved fiscal framework. The 18th Amendment led to a massive resource transfer that was never matched by an equal transfer of fiscal responsibility or internal revenue mobilisation. The provinces currently receive the lion's share of federally collected pools, but show little political will to develop their own tax collection mechanisms. Simultaneously, genuine third-tier local governments remain financially crippled and administratively hollowed out.

To break this cyclical trap, the state must move past defensive revenue collection and execute a profound transformation. First, the policy paradigm must switch from deepening taxes on existing filers to aggressively broadening the net.

Second, provincial resource allocations need to be revisited. Pakistan cannot spend its way out of structural imbalances, nor can it borrow its way into sustainable growth. True economic sovereignty will be found not in the waiting rooms of international lenders, but in the political courage to rebuild a fair, equitable and comprehensive domestic fiscal architecture.

Meena Ishaque
Karachi

The first self-driving vehicle on Mars has proven to be a smashing success

Eric Berger

Sometime next week, NASA's newest rover on Mars, Perseverance, will set a record for the most distance driven by any vehicle on another world. The automobile-sized rover, which landed on Mars in February 2021, will traverse beyond 45.16 km (28.06 miles) across the Martian surface. In doing so it will break the previous distance record held by the long-lived Opportunity rover, which ceased communications with NASA in 2018. So how did Perseverance reach this record-setting distance in just a third of the time? "The real enabling technology has been its auto navigation system," said Steven Lee, the project manager for the Perseverance rover at NASA's Jet Propulsion Laboratory, in an interview. Much like self-driving cars on Earth, Perseverance has sophisticated onboard cameras that image the surrounding terrain, and these images are then processed algorithmically by an onboard computer to calculate the safest route. Terrestrial vehicles have some advantages of course, like clearly defined maps, street signs, lanes, and more. Additionally there are plenty of "road" hazards on Mars, from large boulders to sandy slopes. But at least Perseverance does not have to contend with other traffic and bad drivers. The Curiosity rover, largely a twin of Perseverance that launched nine years earlier, had similar imaging capability and algorithms. But its onboard computer was a generation older, and some of its chipset dated back to the 1990s, Lee said.

Loneliness may damage health in ways isolation does not: New study

Zoe Reed

You can spend every day surrounded by other people and still feel lonely. You can also spend long periods alone without finding the experience distressing.

That difference may help explain why loneliness affects health differently from social isolation. In a new study, my colleagues and I found evidence that loneliness may contribute to poorer mental health and well-being, and to some measures of poorer general health. Social isolation appeared to have a narrower influence, with the clearest evidence involving poorer well-being. Around 1 in 6 people worldwide experiences loneliness, according to the World Health Organization. Loneliness is the distress someone feels when their relationships do not provide the closeness or connection they want. Social isolation describes the number and frequency of a person's social contacts. The experiences can overlap, although a person may experience either one without the other. Previous research has linked loneliness and social isolation with poorer mental and physical health, including depression and cardiovascular disease. An overview of systematic reviews also found associations with poorer general health. These patterns cannot establish cause and effect. Loneliness might contribute to ill health, while illness can restrict someone's activities and relationships. Poverty, disability and childhood circumstances may also influence both health and social connection. Our study used several statistical approaches with different strengths and sources of bias. Taken together, the results suggest that loneliness may contribute to depression and increase the risk of self-harm or a suicide attempt. It may also reduce life satisfaction and other aspects of well-being.

Tiny animals beneath our feet are quietly rebuilding forests

RodielonPutol

A seed doesn't need wings to travel, just something willing to eat it. Most people picture a bird doing that job, swallowing a berry and flying off before the seed drops somewhere new. Slugs and beetles do the same thing at ground level, and a new review makes the case that nobody's been giving them credit for it. Si-Chong Chen, a professor at the University of Hong Kong's School of Biological Sciences, led the team behind it. She worked with researchers from the Chinese Academy of Sciences, Durham University in the United Kingdom, and Kobe University in Japan. None of the animals in this review are the ones you'd expect: slugs, earthworms, beetles, crickets, and crabs, all eating seeds along with the fruit or plant matter around them. The seeds don't die in the process. They pass through the gut and come out able to sprout. Kenji Suetsugu, a professor at Kobe University and a co-author on the review, pointed to one example. "A single crab can ingest over a thousand tiny seeds in a single night and later deposit them inside underground burrows," he said.

"These humid burrows can protect the seeds from being eaten by rodents or drying out, giving them a better chance to grow." Bird and mammal seed dispersal has received decades of attention for good reason. A monkey or a toucan can carry a seed a long way from the tree it fell off.

Rising heat is linked to mental health problems in children

Sanjana Gajbhiye

Hot weather can affect both the body and the mind. As the climate warms, extreme heat is becoming more common.

There is growing concern that high temperatures may affect mood, behavior, sleep, learning, and mental health, especially in children and teenagers. A global review now brings together evidence on this question for people up to age 25. The results suggest that hotter days are linked with a small but measurable rise in mental health problems, while some school-age children may face greater risks during heatwaves. The authors reviewed 23 earlier papers published between 2003 and 2024. Nineteen examined everyday outdoor temperatures, while four focused on heatwaves, meaning periods of unusually high heat as defined for each local area.

Across those papers, each 1.8°F (1°C) increase in daily temperature was linked with a 0.9% rise in mental-health-related problems. These outcomes included emergency department visits, hospital admissions, outpatient care, crisis support calls, and recorded mental health diagnoses.

Age made a difference in the results. Children ages five to 18 showed a 1.5% higher risk of mental health problems with higher temperatures, while the data did not show a clear link in children younger than five. Across all ages, the four heatwave papers did not show a clear overall association. However, the group of children ages five to 18 had a 25.3% higher risk during heatwaves compared with periods without heatwaves. "There's a range of reasons why children are more susceptible to changes in climate that are linked to social and developmental stressors, including disruptions to outdoor activities, their education, and recreational opportunities," said Professor Jacqueline Stephens, an epidemiologist at Flinders University.

پاکستان کا اپنا بلیڈ
New
Treet
A Treet FOR YOUR FACE
10 BLADES
Treet
WHITE CARBON STEEL DOUBLE EDGE BLADE
PROUDLY
Treet
MADE IN PAKISTAN
/Treet.grooming
Pakistan Standards