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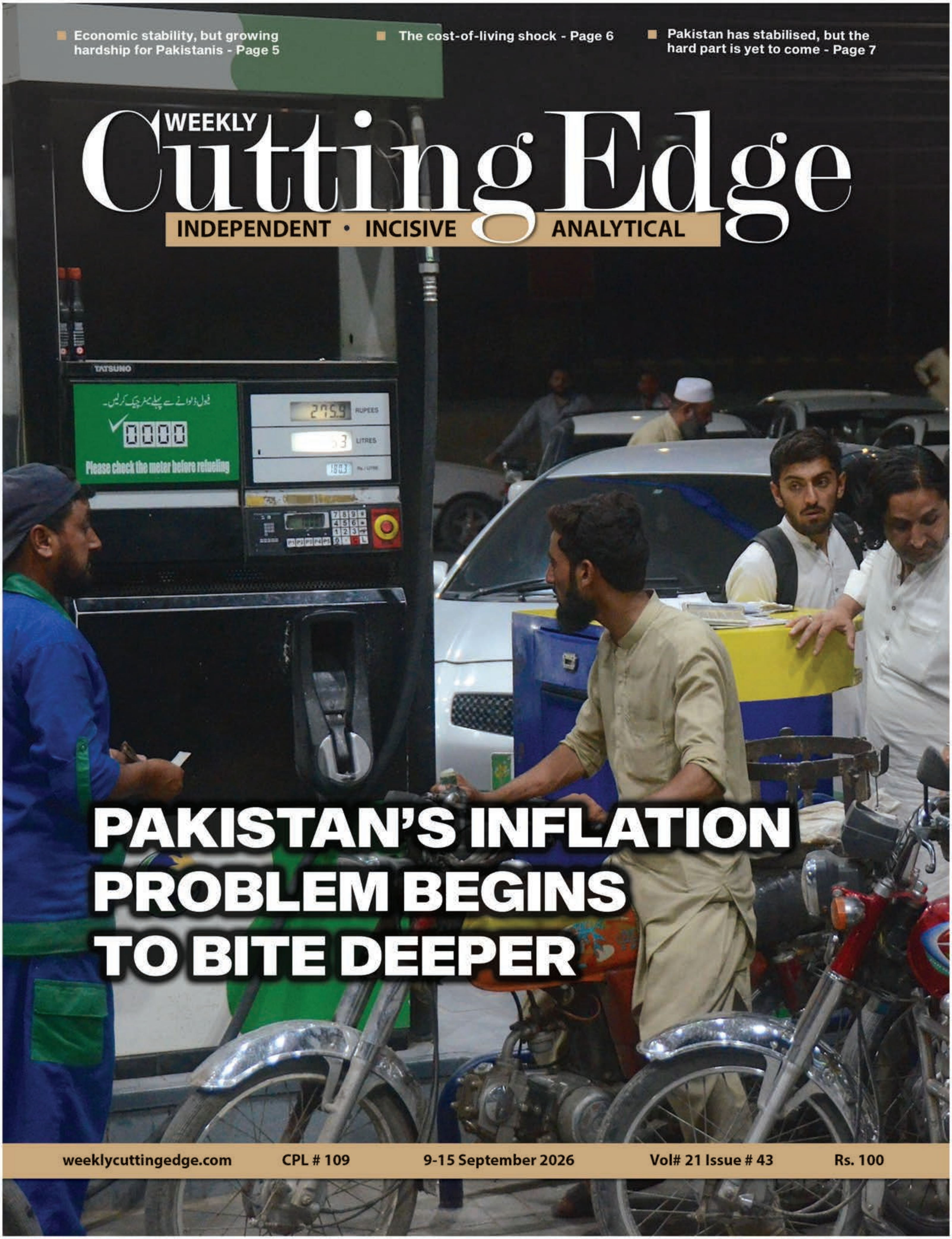

PAKISTAN'S INFLATION PROBLEM BEGINS TO BITE DEEPER

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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

Pakistan's inflation problem begins to bite deeper

Farhan Khan

Pakistan's inflation problem is once again accelerating, and this time the causes are impossible to disentangle into a single, tidy narrative. Part of the pressure is coming from thousands of miles away, in the form of a Middle East war that has disrupted fuel and fertilizer supply chains. Part of it is coming from home — from a tax structure that leans heavily on the poor, a petroleum levy that keeps climbing, and a statistical apparatus whose numbers are increasingly being questioned by independent economists. Together, these forces are squeezing household budgets at a pace the official figures may not even be fully capturing.

The Pakistan Bureau of Statistics (PBS) calculated the Consumer Price Index (CPI) for August at 11.1 percent, a full 1.9 percentage points higher than the 9.2 percent estimated for July. That August figure matches June's reading exactly, sits 0.6 percentage points below May's CPI, and is 0.2 percentage points above April's. The year-on-year comparison is the more alarming figure: inflation for the July-August period has jumped from 3.56 percent in 2025 to 10.17 percent in 2026 — nearly triple the level recorded a year earlier.

The ongoing Middle East crisis is the major driver of these elevated CPI readings, as it continues to choke the international supply of petroleum products — including diesel and aviation fuel — along with fertilizers and helium. Imports into the Gulf are now being flown in rather than shipped, a far costlier logistical fix that inevitably filters down into domestic prices. The disruption is therefore not confined to the immediate cost of energy; it is feeding into transportation, industrial production, agriculture and ultimately the prices paid by consumers.

The weekly Sensitive Price Index (SPI), which tracks 51 essential items across 50 markets in 17 cities, tells a similar story at a more granular level. For the week ending 27 August, the SPI rose by 0.05 percent, driven by sharp increases in LPG (3.46 percent), diesel (2.44 percent), electricity (2.06 percent) and petrol (1.71 percent) — all items directly exposed to the external shock from the Middle East conflict. Other items rose more modestly: pulse gram by 0.88 percent, wheat flour by 0.39 percent, pulse mash by 0.17 percent and eggs by 0.14 percent, reflecting a mix of seasonal supply fluctuations and higher transport costs rather than the war itself.

Layered on top of the external shock is a domestic agricultural strain. Pakistan's annual food inflation reached 10.64 percent in July 2026, following a climb from 7.63 percent in April, to 7.93 percent in May, and then to 9.38 percent in June. The National Disaster Management Authority (NDMA) reports that the 2026 monsoon season has, between June 26 and August 28, caused 175 deaths, 500 injuries, and damaged 34.43 kilometres of roads and 41 bridges — though the toll on crop output has not yet been quantified since the monsoon season is not yet over.

Counterintuitively, the NDMA has also flagged below-normal rainfall in key agricultural belts — north-eastern and central Punjab, south-eastern Sindh, and parts of Khyber Pakhtunkhwa — alongside above-normal daytime temperatures. Add to this the looming prospect of a global fertilizer shortage tied to the Middle East conflict, likely to hit African farm output hardest but with knock-on effects on food prices worldwide, and Pakistan's food-price trajectory looks unlikely to ease soon. A combination of weather volatility, disrupted fertilizer supplies and elevated energy costs could place further pressure on farmers and consumers alike.

Much of the pain is being caused by fuel prices, and specifically through the petroleum levy — budgeted at a whopping Rs1.6 trillion for the current fiscal year. Because petroleum products cascade through transport costs into the price of nearly everything else, this levy behaves less like a fee on motorists and more like a broad, regressive tax on the entire population — one that falls hardest on those with the least room to absorb it. With an estimated 42.4 percent of Pakistanis living below the poverty line, according to World Bank figures, a levy of this scale is not a marginal irritant; it is a structural driver of hardship. Compounding this, indirect taxes are officially estimated at 50 percent of revenue, but the real figure is likely higher once withholding taxes on sales — which function as indirect levies despite being booked as direct tax — are properly accounted for, given that they make up an estimated 70 percent of direct tax collections.

Perhaps most troubling is the growing credibility gap around the data itself. Independent economists are increasingly arguing that the official inflation rate understates reality by 2 to 3 percentage points. That suspicion is reinforced by an odd wrinkle buried in the PBS's own weekly release: the SPI for the lowest expenditure quintile — households earning up to Rs17,732 — actually fell, from 350.03 in the week ending 20 August to 340.42 the following week, even as the combined, all-quintile index inched up from 360.9 to 361.07. Whether that reflects a genuine easing of prices facing the poorest households or a data twist, it deserves closer scrutiny rather than quiet acceptance.

When political incentives push government entities to understate inflation, the damage is not merely reputational — it is deliberate manipulation that prevents policymakers from designing timely, targeted relief, disguising a crisis that is very real for the households living through it. Reliable inflation data is not simply an accounting exercise; it is essential for determining wages, pensions, interest rates, social protection payments and broader economic policy. If the numbers fail to capture the actual burden being experienced by households, policy responses can be misdirected precisely when they are most needed.

If policymakers are serious about controlling this spiral, several steps stand out. First, the petroleum levy should be reviewed and, where possible, tapered during periods of external price shocks, with targeted cash transfers used instead to protect the poorest quintiles. Second, the PBS's data collection and reporting methodology needs an independent, transparent audit to rebuild public and market confidence in the numbers. Third, agricultural resilience — irrigation efficiency, crop-disease monitoring, and fertilizer stockpiling — deserves urgent investment given the mounting climate and supply-chain risks.

The government must also recognise that inflation cannot be tackled simply by suppressing one price while allowing the underlying structural pressures to continue building. Energy-sector inefficiencies, high transportation costs, weak agricultural productivity, taxation and supply-chain disruptions all feed into the final price paid by consumers. Addressing these issues requires coordinated economic policy rather than temporary administrative interventions.

Absent such measures, Pakistan risks a prolonged squeeze on its most vulnerable citizens. An inflation rate above 10 percent, combined with rising energy costs, food insecurity and a heavy indirect-tax burden, can rapidly erode whatever gains households have made in income or employment. The danger is not only economic. Persistent inflation undermines public confidence, widens inequality and can deepen social and political instability. Pakistan therefore needs not merely lower inflation, but credible data, fairer taxation and policies that ensure the burden of economic shocks is not repeatedly transferred to those least capable of carrying it.

Economic stability, but growing hardship for Pakistanis

Nasim Ahmed

Pakistan's poverty crisis is no longer a question of statistics alone. It is visible in shrinking household budgets, children leaving school, families cutting back on food and patients delaying treatment because they cannot afford medicines. Behind the macroeconomic figures of stabilisation and fiscal consolidation lies a harsher reality: millions of Pakistanis remain economically vulnerable, while the cost of survival continues to rise.

Pakistan's poverty story contains a disturbing paradox. The country has repeatedly announced economic stabilisation, yet the gains have not translated into a meaningful improvement in the lives of ordinary citizens. The World Bank estimates that the national poverty rate, after rising to 25.3 per cent in FY2024, declined to 22.5 per cent in FY2025 as food inflation eased and economic growth improved. But another World Bank measure is far more sobering: at the lower-middle-income poverty line, poverty is estimated to have risen from 44.7 per cent in FY2019 to 47.9 per cent in FY2025.

The World Bank changed its international poverty lines in 2025, raising the extreme-poverty threshold to $3 a day in 2021 purchasing-power-parity terms. Its latest data also put Pakistan's poverty headcount at 23 per cent at that $3-a-day threshold in the latest comparable survey data. Independent Pakistani research paints an equally troubling picture. The Pakistan Institute of Development Economics estimates poverty at 27.3 per cent in 2024, with rural poverty at 33.3 per cent compared with 14.4 per cent in urban areas. PIDE argues that the inflation shock alone increased poverty by 6–7 percentage points.

The geographical disparities are even more shocking. The World Bank says poverty ranges from just 3.5 per cent in Islamabad to 76.9 per cent in Tharparkar, illustrating how national averages conceal enormous inequalities between regions. The IMF does not offer a competing single poverty estimate in its current Pakistan programme, but its recent assessments repeatedly underline the need to strengthen social protection and rebuild spending on health and education while reforming the economy. The message is clear: fiscal stability cannot be achieved by sacrificing the vulnerable.

Successive governments have treated taxation primarily as a revenue-raising exercise rather than as an instrument of redistribution. The formal economy is squeezed because it is easier to tax. Salaried employees, documented businesses and consumers have little ability to escape the tax net. Meanwhile, politically influential sectors remain comparatively difficult to tax effectively. Reuters reported during the 2026 budget debate that agriculture, real estate and parts of the retail sector remained difficult to bring fully into the tax system, while the burden fell disproportionately on salaried workers and registered businesses.

The 2026-27 budget illustrates the dilemma. The government has set a tax-revenue target of Rs15.26 trillion, while the overall budget stands at about Rs18.77 trillion. Defence spending is rising substantially while federal development allocations have been cut, leaving limited fiscal space for the social sectors. For ordinary families, however, taxation is only one part of the assault on purchasing power. Electricity has become a particularly cruel burden. NEPRA's 2026 tariff determinations put the national average distribution-company tariff at about Rs33.38 per unit, before the complicated structure of taxes, surcharges and other charges that can make household bills considerably

higher.

The proposed restructuring of electricity tariffs has generated even greater concern. Analysts estimated that some households consuming between 100 and 300 units a month could face increases approaching 76 per cent under proposed arrangements, while industrial consumers would receive substantial relief. The proposed changes were also estimated to add about 1.1 percentage points to inflation.

Petroleum prices provide another example. In April 2026, petrol prices jumped by roughly Rs137 per litre and diesel by about Rs184.49, following a dramatic international oil-price shock. Such increases do not affect only motorists. They raise transport costs, food prices, agricultural costs and the cost of almost every commodity. The government has also continued to depend heavily on petroleum taxation. A 2026 proposal discussed cutting the petroleum levy from around Rs118 to Rs50 per litre, illustrating just how significant fuel taxation has become as a source of government revenue.

This is the central injustice of Pakistan's economic model: the state is asking the poor and middle classes to pay for the consequences of decades of policy failure. The roots of poverty, of course, extend beyond taxes and utility bills. Weak economic growth, low productivity, population growth, inadequate education, poor healthcare, unemployment, underemployment, corruption and governance failures have combined to keep millions trapped in low-income activities.

Meanwhile, Pakistan's elite continues to enjoy a strikingly different economic reality. Political leaders, senior officials and powerful institutional groups benefit from official residences, vehicles, subsidised utilities, generous allowances, pensions, privileges and access to state resources. At a time when an ordinary household struggles to pay an electricity bill, the existence of extensive official perks creates not merely an economic imbalance but a profound sense of injustice.

The problem is not that Pakistan lacks resources altogether. It is that resources are distributed badly and public policy frequently protects privilege better than it protects those living in poverty. The answer therefore cannot simply be another IMF programme, another tax hike or another electricity-price increase. Pakistan needs a progressive taxation system in which agriculture, large landed interests, real estate and wealthy professionals contribute according to their capacity. The tax base must expand rather than repeatedly squeezing the same documented taxpayers.

Energy reform must focus first on reducing the cost of generation, transmission losses, theft, inefficiency and capacity-payment distortions. Relief should be targeted at genuinely vulnerable consumers rather than delivered through indiscriminate subsidies. Social protection also needs to move beyond emergency cash transfers. Pakistan must invest heavily in schools, healthcare, nutrition, vocational training and job creation. The IMF itself has stressed stronger social protection and renewed health and education spending.

Most importantly, the ruling elite must accept that economic reform cannot mean asking citizens to live with less while those exercising power continue to live with more. Pakistan cannot build a stable society on widening inequality. A country in which millions worry about food, electricity and transport while a privileged minority enjoys extraordinary state-funded comforts is stoking social and political instability.

The cost-of-living shock

Muhammad Ali

Pakistan's inflation problem has returned with renewed intensity, raising fresh questions about the sustainability of the economic stabilisation achieved over the past year.

The Pakistan Bureau of Statistics (PBS) has placed Consumer Price Index (CPI) inflation at 11.1 percent for August, up sharply from 9.2 percent in July. The increase is particularly concerning because it comes at the beginning of the new fiscal year, when policymakers had hoped that easing inflation would provide some relief to households and create greater room for economic recovery. The August CPI reading is exactly the same as the rate recorded in June, while it is 0.6 percentage points lower than May's figure and 0.2 percentage points higher than the April reading. More importantly, the comparison with the corresponding period of last year highlights the magnitude of the deterioration. Average CPI inflation during July-August 2025 stood at just 3.56 percent, compared with 10.17 percent during the first two months of the current fiscal year.

The immediate explanation lies largely in the continuing turmoil in the Middle East, which has disrupted international supplies and pushed up the cost of petroleum products, including diesel and aviation fuel, as well as fertilisers and helium. The disruption has also affected transportation routes. With cargo being moved to Gulf countries by air rather than through cheaper maritime shipping, transportation costs have increased substantially, eventually feeding into the prices paid by consumers.

But blaming the entire inflationary surge on external developments would be too simplistic. The widening gap between consumer and wholesale inflation deserves much closer attention from the government's economic managers because it points to deeper weaknesses in Pakistan's pricing and distribution system.

PBS data shows that the Wholesale Price Index (WPI) was negative 0.74 percent during July-August 2025. A negative WPI essentially meant that prices of goods traded in bulk at the wholesale level were declining, or that the wholesale economy was experiencing deflation. The contrast with the current year is striking: while wholesale prices were falling during the corresponding period last year, consumer prices are now rising at double-digit rates.

There are several reasons why the two indicators can behave so differently, and each deserves serious consideration.

The first is that CPI captures a wider range of services that are not adequately represented in the WPI. Doctors' fees, hospital charges, education expenses and other services are included in consumer inflation and can rise periodically even when wholesale prices of goods remain relatively stable. These costs directly affect households but may not be reflected in wholesale price movements.

The second factor is Pakistan's extensive network of intermediaries and middlemen. The role of middlemen is particularly significant in agriculture, where aarthis often maintain long-standing relationships with farmers, purchase seasonal crops and subsequently sell them at substantially higher prices. The difference between what the farmer receives and what the consumer ultimately pays can therefore be considerable.

This disconnect between producer and consumer prices is not unique to agriculture, but the scale of intermediary activity across

Pakistan's economy makes it particularly important. A fall in the price received by a producer does not necessarily translate immediately into a lower retail price. Changes can take considerable time to move through the supply chain, while increases in regulated prices can be passed on to consumers almost instantly.

Petroleum provides a clear example. When the government increases the price of fuel, the impact is rapidly reflected in transportation and distribution costs throughout the economy. But when international prices fall, reductions do not necessarily travel through the supply chain with the same speed. Downward price adjustments are often resisted by businesses and intermediaries, creating an asymmetric pricing mechanism in which increases are transmitted faster than decreases.

The composition of the two indices also matters. WPI is heavily influenced by industrial inputs such as raw materials and fuel, while CPI measures the prices ultimately paid by consumers. The cost of industrial inputs has been under considerable pressure in recent years, partly because of higher energy and other costs associated with economic reforms and IMF-linked policy adjustments since 2019.

Yet Pakistan's inflation problem cannot be fully understood without considering the country's large informal economy. The informal sector is estimated to account for almost half the size of the formal economy. Prices in this segment are often determined less by transparent market mechanisms than by the seller's assessment of a customer's ability to pay.

A familiar example can be seen in everyday street commerce. A vendor may quote a considerably higher price to a customer arriving in an expensive vehicle while offering the same product at a much lower price to someone arriving on a bicycle. Such practices make price formation less transparent and make it difficult for official statistics to capture the full complexity of consumer behaviour.

Successive governments have attempted to bring informal businesses, including small traders, into the tax net. The effort, however, has repeatedly faced strong resistance. Traders and other informal-sector operators have generally opposed measures that could increase documentation and taxation, while the government has struggled to develop a system that can broaden the tax base without creating excessive compliance costs.

The fundamental problem is Pakistan's continued dependence on indirect taxation. Official budget documents put the share of indirect taxes at around 50 percent of total tax revenue, but the actual burden is arguably higher. A significant portion of what is classified as direct taxation consists of withholding taxes collected on transactions and sales. These are effectively indirect taxes in economic terms and are estimated to account for around 70 percent of total direct-tax collections.

This distinction matters enormously in a country where poverty remains widespread. Indirect taxes impose a proportionately heavier burden on low- and middle-income households because poorer families spend most of their income on consumption. A wealthy household can save a larger proportion of its income, whereas a low-income family has little choice but to spend on food, transport, energy and other necessities.

The government must therefore look beyond the headline inflation number and examine the components of its own revenue policies that are contributing to the cost-of-living crisis. The petroleum levy is particularly relevant. The levy has been budgeted to generate around Rs1.6 trillion during the current fiscal year, making it an important source of federal revenue. But every increase in fuel taxation has consequences that extend far beyond motorists.

Higher fuel prices raise transportation costs, increase the cost of moving agricultural produce and manufactured goods, and eventually affect prices throughout the economy. At a time when the World Bank estimates that 42.4 percent of Pakistan's population lives below the poverty line, policymakers need to consider whether the short-term revenue gained from such measures is worth the broader inflationary and social cost.

Pakistan certainly needs stronger revenue collection and fiscal discipline. But raising revenue should not simply mean extracting more money from consumption because it is easier to collect. The country requires a fundamental shift towards direct taxation based on the ability-to-pay principle, combined with serious efforts to document the informal economy and bring untaxed income and wealth into the tax system.

The August inflation figures should therefore be treated as more than another monthly statistic. They are a warning that external shocks are interacting with longstanding domestic weaknesses in taxation, distribution, energy pricing and market regulation. The Middle East crisis may have triggered much of the latest pressure, but it has exposed vulnerabilities that existed long before the current geopolitical turmoil.

Macroeconomic stabilisation cannot be considered complete while household purchasing power continues to erode and inflation disproportionately hurts those least able to absorb it. The government now faces the difficult task of protecting vulnerable households without undermining fiscal stability.

That requires more than monetary tightening or short-term relief measures. It requires structural tax reform, greater transparency in pricing, stronger competition across supply chains and a gradual reduction in reliance on taxes that fall most heavily on consumption.

For Pakistan, the real test is not simply whether inflation can be brought down again after the current shock. It is whether the country can build an economic system in which future shocks do not repeatedly translate into an unbearable burden for ordinary citizens.

Pakistan has stabilised, but the hard part is yet to come

Husnain Shahid

Pakistan's economy has entered the new fiscal year on a more stable footing, but the latest government assessment also reveals how fragile that stability remains. The finance ministry's August Economic Update and Outlook opens on an unusually optimistic note, declaring that Pakistan has entered fiscal year 2026-27 with stronger fiscal buffers, greater economic stability and improved growth prospects. The data does support the argument that the immediate threat of macroeconomic instability has receded. But it also shows that many of the structural weaknesses that have repeatedly pushed the country towards crisis remain unresolved.

One of the clearest signs of improvement is the current account. The deficit narrowed from $529 million in July 2025 to $328 million in July 2026. At first glance, this is encouraging. Yet the improvement did not come primarily from a healthier trade balance. Instead, it was largely supported by stronger workers' remittances, which increased from $3.2 billion in July last year to $3.6 billion this July. Total remittances reached an impressive $41.6 billion during fiscal year 2025-26.

Exports also increased from $3.2 billion to $3.6 billion over the same period. But imports rose much faster, climbing from $5.43 billion in July 2025 to $6.15 billion in July 2026. The trade deficit therefore remains a significant source of pressure on the external account. There are understandable reasons behind part of the increase in imports. The Ministry of Energy has pointed out that the cost of a single liquefied natural gas cargo has risen sharply amid the continuing turmoil in the Middle East, from around $30-35 million to approximately $75 million. Such an increase inevitably feeds into the import bill and places additional pressure on the external account.

But policymakers should also examine whether some of the increase reflects the easing of administrative restrictions on imports. Such restrictions had been imposed during the period of acute external financing pressure, and their relaxation may be supporting economic activity by enabling manufacturers to obtain imported raw materials and semi-finished goods. If that is the case, higher imports could partly be a sign of recovering industrial activity rather than simply excessive consumption.

Nevertheless, the distinction is important. Pakistan cannot sustain a recovery based on rapidly rising imports unless exports expand sufficiently to finance them. Otherwise, the same external imbalance that has repeatedly destabilised the economy will eventually reemerge.

The second major improvement is the accumulation of foreign exchange reserves. Reserves reached $17.1 billion in July 2026, compared with $14.3 billion a year earlier. This represents a considerable improvement and provides a much stronger buffer against external shocks.

However, the quality and sustainability of those reserves need to be considered alongside the headline figure. According to estimates, the reserves provide between 2.55 and 2.75 months of import cover, still below the three-month benchmark generally regarded by international lenders, including the International Monetary Fund, as a minimum level of comfort.

Moreover, more than $10 billion of the reserves are associated with annual rollovers from China and Saudi Arabia. These arrangements are crucial in supporting Pakistan's external position, but they remain linked to the continuation of international financial support and approval of subsequent IMF programme disbursements. They therefore cannot be treated entirely as equivalent to reserves generated through Pakistan's own export earnings and investment inflows.

Inflation is another area where the government's optimistic assessment requires qualification. The finance ministry expects inflation to remain between 10 and 11 percent as higher international commodity and energy prices work their way through the domestic economy. That projection is significantly above the 9.1 percent recorded in July 2026. Although July inflation was lower than the 11.1 percent recorded in June, the year-on-year comparison is much less reassuring. Consumer inflation stood at only 4.06 percent in July 2025, meaning that the July 2026 rate had more than doubled. The Wholesale Price Index provides an even more worrying signal. It moved from a negative 0.49 percent in July last year to 9.43 percent this July.

That sharp increase in wholesale prices matters because it indicates that businesses are facing considerably higher input costs. Eventually, those costs are likely to be reflected in consumer prices unless companies absorb them through lower margins. Either outcome is damaging: consumers lose purchasing power while businesses become less profitable and less competitive.

Perhaps the most worrying figure in the ministry's update concerns private-sector credit. Credit to the private sector fell from negative Rs232.1 million during July-August last year to negative Rs393.4 million during the same period this year. At a time when the government is seeking to accelerate private-sector-led growth, a contraction in private-sector financing is difficult to reconcile with the objective.

The contrast becomes even more striking when viewed against last year's large-scale manufacturing performance. LSM grew by 4.98 percent during the previous fiscal year, raising hopes that industrial activity was finally gaining traction. The deterioration in private-sector credit, however, raises questions about whether that momentum can be sustained. The forthcoming PBS data on LSM performance for the current fiscal year will be important in determining whether industrial growth is genuinely broadening or beginning to lose steam.

The government can rightly point to stronger tax collection as another achievement. Federal Board of Revenue collections increased by 8.4 percent in July 2026 compared with the same month a year earlier. But higher revenue collection should not be confused with tax reform.

Pakistan's fundamental tax problem remains unresolved. The system continues to depend heavily on indirect taxation, which places a disproportionately larger burden on poorer households because they spend a greater share of their incomes on consumption. With poverty estimated at around 42.2 percent, the social consequences of this approach cannot be ignored. A genuinely reformed tax system would rely much more heavily on the ability-to-pay principle, bringing higher-income individuals and economically stronger sectors into the tax net rather than repeatedly taxing consumption because it is easier to collect.

Foreign direct investment presents another major contradiction. The Finance Ministry has repeatedly identified FDI as an important source of investment, productivity and economic growth. Yet inflows continue to move in the opposite direction. FDI declined from $223.5 million in July 2025 to $178.6 million in July 2026.

This is perhaps the clearest indication that macroeconomic stabilisation has yet to translate into investor confidence. An economy cannot achieve sustained, private-sector-led growth without substantial domestic and foreign investment. If investors remain reluctant to commit capital, the government will continue to carry an excessive share of the burden through borrowing and public spending.

There is no denying that Pakistan has achieved something important. Stabilisation has been an elusive objective for successive administrations since 2019, and the fact that the country has moved away from the immediate edge of a balance-of-payments crisis is significant. Foreign exchange reserves are higher, the current account deficit is manageable and fiscal conditions have improved.

But stabilisation should be viewed as a foundation, not an economic destination. There is a growing debate among independent economists over whether continued adherence to IMF prescriptions, without sufficient adaptation to Pakistan's specific circumstances, can deliver the growth the country needs. The answer may lie not in abandoning reform but in developing a more comprehensive domestic reform agenda alongside the IMF programme.

That agenda should begin with a serious effort to contain the annual growth of current expenditure. Pakistan cannot repeatedly increase government spending while relying on domestic and external borrowing to finance fiscal deficits. Debt must ultimately be brought to a sustainable level.

At the same time, if the private sector is genuinely expected to drive economic growth, its financial resources must be mobilised more effectively. A greater share of national savings currently held in government-oriented savings instruments could potentially be channelled towards productive investment, particularly large-scale manufacturing and other export-oriented sectors.

Such measures would not contradict the objectives of international lenders. On the contrary, stronger domestic savings, lower borrowing dependence, a broader tax base, higher exports and greater private investment would ultimately make Pakistan less dependent on external assistance.

The latest Economic Update therefore presents two stories at once. The first is the government's story of stabilisation—and there is considerable evidence to support it. The second is the less comfortable story of an economy that still struggles to generate investment, exports and productivity without external support.

Pakistan has bought itself breathing space. The challenge now is to use that space wisely. Unless stabilisation is converted into structural reform, stronger private investment and sustained export-led growth, the country risks returning to the same cycle of external pressure that has defined much of its recent economic history.

The real measure of success will not be whether Pakistan can maintain stability for another year. It will be whether, by the end of that year, the economy is fundamentally stronger, more productive and less dependent on borrowing and rollovers to survive.

IMF policies hindering Pakistan's growth?

Shahid Hussain

Pakistan's economic stabilisation under the International Monetary Fund's ongoing Extended Fund Facility (EFF) programme has come at a significant cost, particularly for the private sector and export-oriented industries. While fiscal discipline, monetary tightening and the removal of subsidies may have helped restore macroeconomic stability, there is growing concern that the policy framework agreed with the Fund is constraining investment, weakening competitiveness and making it harder for the private sector to become the engine of sustainable economic growth.

The most immediate concern is the interest-rate environment. The State Bank of Pakistan's policy rate currently stands at 11.5 percent, a level that remains considerably higher than rates prevailing in major regional economies such as India and China. For businesses already dealing with high energy costs, elevated taxation and weak domestic demand, expensive credit makes new investment increasingly difficult. It discourages companies from expanding capacity, modernising machinery or undertaking the long-term investments necessary to improve productivity.

Monetary policy, however, is only one component of the problem. The fiscal framework agreed with the IMF places considerable emphasis on increasing government revenue. While stronger tax collection is essential for Pakistan's long-term fiscal health, the manner in which additional revenue is generated can have serious consequences for industry. Continued reliance on customs duties, for instance, raises the cost of imported raw materials and intermediate goods required by export-oriented manufacturers.

This creates an inherent contradiction. Pakistan wants to increase exports and diversify its foreign-exchange earnings, yet manufacturers producing goods for international markets can find themselves paying more for the inputs needed to make those products. If imported raw materials become more expensive because of tariffs and duties, Pakistani exporters become less competitive against producers in countries where industrial inputs are cheaper.

The same problem extends to energy. IMF-supported reforms have increasingly emphasised the principle of full cost recovery in utilities such as electricity and gas. From the perspective of fiscal management, the logic is understandable: the government cannot indefinitely subsidise inefficient energy systems and accumulate liabilities. But for exporters, particularly those competing with producers in regional markets, higher utility prices can significantly erode competitiveness.

Pakistan's manufacturing and export sectors had historically benefited from a range of incentives, including relatively inexpensive financing, zero-rating arrangements for major export sectors and preferential electricity tariffs. The IMF has challenged this model on the grounds that such concessions distort markets and protect inefficient businesses rather than creating genuinely competitive industries.

The Fund made this argument explicitly in documents supporting Pakistan's EFF programme in October 2024. It noted that subsidies had taken the form of low-cost financing and other concessions that, although varying between industries, had at times made financing and taxation more favourable than in competing economies and in sectors receiving fewer benefits.

The criticism does not stop with subsidies. The Fund has also pointed to Pakistan's extensive use of the tax system to provide non-transparent support through exemptions for sectors including real estate, agriculture, manufacturing and energy. The proliferation of Special Economic Zones has added another layer of preferential treatment.

Similarly, government intervention in the pricing of agricultural commodities, petroleum products, electricity and gas, combined with high tariff and non-tariff barriers, has historically tilted the playing field in favour of particular sectors and interest groups.

There is considerable merit in the IMF's criticism. Pakistan has spent decades providing incentives to selected industries without achieving the level of productivity, innovation or export competitiveness that such support was supposed to generate. If subsidies and protection merely allow inefficient firms to survive indefinitely, they ultimately impose a cost on the wider economy.

The Fund's broader argument—that repeated protection can weaken competition and trap capital and labour in chronically inefficient industries—cannot simply be dismissed. Pakistan has indeed struggled to turn its industrial base into a dynamic source of productivity and export growth despite years of preferential policies.

Yet recognising the failures of the old model does not necessarily mean that the current policy framework is optimal. There is a danger that the pendulum may have swung too far in the opposite direction. Eliminating inefficient subsidies and broadening the tax base may be necessary, but reforms that raise the cost of credit, energy and industrial inputs simultaneously can undermine even efficient businesses. A competitive economy cannot be created simply by withdrawing support; it requires an environment in which productive businesses can invest, innovate and compete.

Pakistan's exporters are particularly vulnerable to developments in the Gulf because the region is an important destination for Pakistani goods and a major source of remittances. A broader economic slowdown could reduce

demand for Pakistan's predominantly consumer-oriented exports. Higher shipping costs and logistical disruptions could further erode the competitiveness of exporters already operating under considerable cost pressures.

There is also uncertainty over the possibility of secondary US sanctions against countries continuing to trade with Iran. If such measures are introduced and enforced more aggressively, Pakistan's overland trade with Iran could also come under pressure, adding another complication for exporters and border economies.

These external risks make the timing of domestic policy decisions particularly important. Pakistan cannot afford to weaken its productive sectors just as international demand is becoming more uncertain. Nor can it return to the old model of indiscriminate subsidies, protection and politically motivated concessions.

The challenge is to find the middle ground: maintaining fiscal discipline and monetary credibility while ensuring that productive investment and exports are not squeezed out of the economy.

Pakistan needs a tax system that raises revenue without unnecessarily penalising production. It needs energy pricing that reflects economic realities while protecting internationally competitive industries from becoming structurally uncompetitive. It needs monetary policy that controls inflation without keeping borrowing costs prohibitively high for productive investment. Above all, it needs an export strategy based on productivity and competitiveness rather than temporary concessions.

The IMF programme has helped Pakistan avoid a deeper economic crisis and restore a degree of macroeconomic stability. That achievement should not be underestimated. But stabilisation is only the first step. If the ultimate objective is sustainable growth, rising exports and a stronger private sector, then the policy framework must evolve accordingly.

The forthcoming IMF review provides an opportunity to make that case. Pakistan should demonstrate that it is serious about fiscal reform, eliminating waste and improving competitiveness—but it should also make clear that economic stability cannot be treated as an end in itself.

A stable economy that cannot generate investment, exports and productive employment will eventually face the same problems again. The real test of the IMF programme is therefore not merely whether Pakistan meets the conditions of the next review, but whether the policies adopted today help create an economy capable of standing on its own feet tomorrow.

Why Pakistan needs more provinces

Raza Khan

Today, the country is witnessing a raging debate over the creation of new administrative units or provinces, as supporters of the idea seek to highlight the significance, and indeed the indispensability, of doing so because the existing governance and administrative system has collapsed.

On the contrary, detractors of the idea of system collapse, and more narrowly of the need to form new administrative units by dismantling the existing four provinces, complain and fear that doing so would inflict irreparable damage on the state, the union and the federation of Pakistan. While there is little substance in the arguments against forming new administrative units, and apart from certain ethno-linguistic political groups calling themselves "nationalist" parties in Sindh, Khyber Pakhtunkhwa (KP) and Balochistan, which have been completely rejecting the idea of forming new provinces, the million-dollar question remains: why could new administrative units not be formed? Has it been the influence of these small local parties that prevented the state from creating more administrative units, or are there other reasons for this failure?

A closer look reveals that, fundamentally, it has been the substandard quality of leadership in the country that has failed to understand the critical need to reshape the federation to make it viable and sustainable. All the major political parties, including the Pakistan Muslim League-Nawaz (PML-N), the Pakistan Peoples Party (PPP) and the Pakistan Tehreek-e-Insaf (PTI), which have been forming governments at the Centre and in most provinces, have at various times shown their readiness to create more provinces, but this has largely been mere lip service. In essence, they have not been in favour of creating more administrative units or, more significantly, dividing their political forts, which in the case of PML-N is Punjab and in the case of PPP is Sindh. As these political parties have effectively been, or have become, provincial parties, they see their political survival threatened by the creation of new provinces.

The PTI case in this regard has been particularly strange because, despite the party's phenomenal popularity and its unprecedented third government in a row in KP, the party has been broadly popular in all parts of Pakistan. However, its failure to cross the Rubicon on the issue of creating more federating units during its government at the Centre from August 2018 to April 2022 was surprising. This situation proves one point: the lack of political shrewdness or acumen and, more importantly, the absence of political will to take a decisive step towards creating more administrative units to make the federation workable and sustainable.

It may be mentioned that the debate over creating more provinces, which has been making the rounds in the country's power and policy circles for a long time, had slowly and gradually vanished into thin air, only to resurface last year with certain civil society organisations reigniting the debate. Obviously, the powers-that-be in the country may have encouraged or supported these civil society organisations to generate debate on the issue, but the fact remains that the governance and administrative system in the country has collapsed. Powerful figures such as Interior Minister Mohsin Naqvi may be admitting or realising it today, but we have been declaring it for more than ten years in these columns and, in this regard, suggesting the carving out of new administrative units purely on the basis of rationality rather than emotional considerations such as ethno-nationalist sentiments.

However, the perennial problem with our nation, media and leadership is that they are reactive rather than proactive regarding the different issues and problems faced by the state and society, whether terrorism, extremism, human rights, environmental degradation or foreign policy. Consequently, we have repeatedly found ourselves napping in the face of great challenges and national emergencies. The malfunctioning of Pakistan's political and administrative system has partly been due to the huge size of the administrative units or provinces, which were created on the basis of political expediency or ethnicity by our colonial rulers and their Pakistani successors. At that time, their formation along these lines might have been understandable or contingent upon the circumstances. However, with the ever-growing complexity of society and development, and the ever-increasing problems associated with them, profound new challenges have emerged over the decades, requiring efficient administrative management systems.

In order to make the state and its administrative machinery and apparatus responsive to the growing needs of an ever-increasing population, there ought to be changes in the administrative structures and units of the country. This has not taken place, as a result of which almost all aspects of our governance are suffering, with the ultimate victims being ordinary Pakistanis. In this context, the creation of more administrative units through the division and restructuring of the existing provinces has become a cry of the time. Yet this effort continues to be blocked by seemingly superficial reasons, such as fears that it would inflame the sentiments of certain ethnic communities, particularly those after whose identity the provinces are named.

Leaders are expected to think beyond what is merely popular with people and communities; rather, they must think in terms of the survivability of the state and the solidarity of society. Therefore, such petty issues should not prevent them from taking bold steps. This is precisely the case with the creation of more provinces and administrative units in the country. Indubitably, the creation of such units is extremely necessary for the functionality of the state system and the solidarity of society, as well as for putting an end to multidimensional conflicts and administrative grievances.

Observably, the debate and initial activity over the creation of more provinces virtually die down whenever the PML-N comes into power, and the present PML-N government is a case in point. The debate has been reignited by Interior Minister Mohsin Naqvi's statement about system collapse in early August, as the PML-N has become a politically spent force and is ready to adopt whatever line it may be asked to follow. The PPP, on the other hand, has declared that it is against the creation of new provinces, and its dominated Sindh Assembly has even passed a resolution against new provinces. Still, the debate over the formation of new administrative units has started to gain momentum, although it seems very difficult for it to reach a logical conclusion in the prevailing political situation and given the quality of the country's leadership.

The last time the debate over forming new provinces genuinely surged was during the PPP's stint in power from 2008 to 2013, when the discourse over having more provinces reached its peak. At that time, there were strong expectations that the debate might take a concrete shape, as the ruling PPP had indicated that the creation of a Seraiki province could be included in the party's election manifesto for the 2013 elections. However, nothing ultimately came out of the discussion or the promises.

Significantly, at that time, the main ruling party in Khyber Pakhtunkhwa, the long-time Pakhtun nationalist Awami National Party (ANP), through its chief Asfandyar Wali, had declared that his party would not oppose the formation of a Hazara province by separating the districts comprising Hazara Division from KP. On the other hand, the debate regarding new provinces had acquired a new but critical dimension when Punjab Chief Minister Shahbaz Sharif, around the same time, stated that there should be a national consensus on the creation of new federating units and that Karachi should also be made a new province.

Importantly, Sharif did not oppose the restoration of Bahawalpur State as a new province by separating it from Punjab. This was indeed a healthy political development, as the need for the formation of new provinces had been felt for a long time. The need has primarily been driven by the objective of improving administrative efficiency as well as equitably distributing national resources among various ethnic groups, communities and regions.

Today, what we need is the restarting of this healthy politics of give and take in order to reach a broad national consensus. However, the barometer for any decision-making must be the public interest, which can only be served through good governance. Good governance, in turn, is becoming increasingly difficult to achieve without viable and sustainable administrative units capable of responding effectively to the needs of their populations.

Pakistan's federation cannot remain frozen in an administrative structure designed for vastly different demographic, economic and political circumstances. The country has grown enormously in population and complexity, while many of its administrative units have become too large to govern effectively. The answer should not be the arbitrary division of provinces for political advantage, nor should it be driven exclusively by ethnic considerations. Instead, the process must be based on administrative viability, economic sustainability, geographical coherence, equitable representation and the welfare of citizens.

The creation of new provinces should therefore be viewed not as an attack on the federation but as an effort to strengthen it. Smaller and more manageable administrative units, if properly designed and adequately empowered, can bring government closer to citizens, improve service delivery, reduce regional grievances and create a more balanced distribution of political and economic power. What Pakistan needs is not another cycle of political promises followed by paralysis, but a serious national conversation on how its federation can be made more functional, responsive and sustainable.

The political leadership must ultimately decide whether it wants to preserve existing provincial boundaries for short-term political convenience or undertake difficult structural reforms in the broader national interest. The latter course would require courage, consensus and political imagination. But without such qualities, Pakistan will continue to debate the symptoms of administrative failure while avoiding the structural reforms needed to address its causes. The time has come to revive the debate on new provinces not as an exercise in political point-scoring, but as a serious effort to make the federation work better for all Pakistanis.

Medical tourism: Pakistan's untapped export opportunity

Dr. Fatima Khan

For decades, Pakistan has searched for the next big export opportunity, moving from information technology and minerals to agriculture and value-added manufacturing. Yet a potentially lucrative industry has been developing quietly in an area the country has largely overlooked: healthcare.

Industry experts advising the Special Investment Facilitation Council (SIFC) believe Pakistan has the ingredients to build a competitive medical tourism industry by combining a large pool of highly qualified doctors with treatment costs that remain substantially lower than those in developed countries. Given the extraordinary growth expected in the global medical tourism market, the opportunity deserves to move from policy discussions into a serious national strategy.

According to estimates presented by experts, the global medical tourism industry was worth around $144.5 billion in 2024 and could expand to nearly $705 billion by 2033. Aesthetic medicine represents one of its largest and fastest-growing segments. Pakistan, meanwhile, already possesses several of the basic advantages required to compete: internationally trained specialists, relatively inexpensive treatment, modern hospitals and diagnostic facilities in major urban centres, and strong cultural and geographical connections with the Gulf, Central Asia and the large overseas Pakistani community.

The experience of Turkey demonstrates what can happen when these advantages are supported by an effective policy framework. Turkey has emerged as one of the world's leading medical tourism destinations, attracting more than a million international patients each year, including large numbers seeking hair transplants and cosmetic procedures.

Its success, however, was not simply the result of low prices or medical expertise. Turkey invested heavily in international accreditation, healthcare standards, destination marketing, visa facilitation and the development of a recognisable global healthcare brand. In other words, the expertise already existed, but government policy helped convert that expertise into an internationally competitive export industry.

Pakistan has many of the same underlying ingredients. Thousands of medical graduates enter the profession every year, while a considerable number of Pakistani specialists have trained or worked in countries such as the United Kingdom, the United States and Gulf states. Pakistani doctors have established strong professional reputations in hospitals and healthcare systems around the world.

Despite this human capital, Pakistan has rarely treated medical expertise as an economic asset that can generate foreign exchange, attract investment and create highly skilled employment. Doctors are generally viewed within the traditional framework of healthcare provision, rather than as part of a potential services-export industry. This failure to recognise healthcare as an export opportunity represents a significant policy gap. The potential market is also much broader than cosmetic procedures. Dental treatment, fertility services, bariatric surgery, orthopaedic procedures and a range of specialised treatments could attract foreign patients if Pakistan develops a reputation for quality, safety and reliability.

The overseas Pakistani community provides an obvious starting point. Many expatriates already return to Pakistan for medical and dental treatment because they are familiar with the healthcare system, can communicate easily with doctors and relatives, and often find treatment considerably more affordable than in their countries of residence. This existing patient movement could provide a foundation for a much larger international market.

Patients from Gulf countries, Central Asia and other neighbouring markets could also become an important source of demand. But affordability alone will not be enough. International patients are not merely purchasing a medical procedure; they are purchasing confidence that the treatment will be safe, professionally delivered and supported by reliable aftercare.

This is where Pakistan faces its greatest challenge. A successful medical tourism industry requires internationally recognised accreditation, transparent regulation, rigorous quality control, effective malpractice and patient-protection mechanisms, modern hospital infrastructure and professional standards that can withstand international scrutiny. Visa procedures must be simple, while foreign patients need access to specialised assistance covering accommodation, transportation, interpretation and post-treatment care.

International marketing is equally important. A country cannot expect patients to travel thousands of miles simply because procedures are cheaper. They need to know which hospitals and doctors can be trusted and what standards they meet. Reputation therefore becomes one of the most valuable assets in medical tourism.

The government can play a decisive role in creating that reputation. The SIFC's engagement with industry experts is a useful beginning, but consultations must eventually translate into concrete policy. Medical tourism should be incorporated into Pakistan's broader services-export strategy, supported by measurable targets and a clear institutional framework.

The government could encourage internationally accredited hospitals to develop dedicated facilities for foreign patients, simplify medical visa procedures and launch targeted promotional campaigns in selected overseas markets. Partnerships among hospitals, airlines, hotels, travel companies and insurers could create integrated medical tourism packages and make Pakistan a more attractive destination.

Private-sector investment will also be essential. Rather than creating another heavily bureaucratic government programme, policymakers should focus on establishing credible standards, removing regulatory obstacles and creating an environment in which reputable healthcare providers can invest and compete.

Pakistan's economic history is full of examples of opportunities that remained unrealised because the country failed to build the institutions and policies necessary to convert natural or human advantages into commercial success. Medical tourism presents another such opportunity—but this time the country already has much of the required human capital.

It would be unrealistic to expect medical tourism to transform Pakistan's external account overnight or solve its broader economic problems. But the sector offers something particularly valuable: an opportunity to export skills and services without exporting physical commodities. Every international patient represents not only a healthcare transaction but also potential demand for hotels, airlines, transport, pharmaceuticals, diagnostics and other services.

Pakistan has spent years searching for new sources of foreign exchange while some of its strongest advantages have remained underutilised at home and highly valued abroad. Medical tourism could provide a way to turn that expertise into an organised export industry.

The opportunity is there. What Pakistan needs now is the policy vision, regulatory credibility and international marketing required to capture it before competing countries move even further ahead.

Reform UK says Britain is broken, but Birmingham tells another story

Salma Yaqoob

Last week, Reform UK gathered thousands of supporters at Birmingham's National Exhibition Centre to present itself as a government-in-waiting. This was not a sudden interest in Britain's second-biggest city: Reform has repeatedly used Birmingham for national campaign launches and conferences, committing considerable resources to making it a showcase for its advance.

Birmingham – young, working-class, multiracial and almost evenly divided between residents recorded as white and those from Black, Asian, mixed and other ethnic groups – is precisely the kind of city Reform leader Nigel Farage's politics portrays as a warning: a place where an older Britain has supposedly been displaced by an alien new one.

In May's local elections, Reform became the largest single group on the Birmingham City Council, winning 23 of 101 seats. The party's growing presence in Birmingham, however, is not proof that multiculturalism has failed. It is a warning about the feeling of abandonment spreading across Britain. Reform's gains in the city demand serious attention. They should neither be minimised by those repelled by its politics nor inflated into a popular mandate the party did not win.

Birmingham is not one electoral community. It is a mosaic of neighbourhoods with different histories, class compositions and political instincts. According to an analysis of the 2021 census, 48.6 percent of residents identified within the broad white category and 51.4 percent within Black, Asian, mixed or other ethnic categories. But citywide diversity does not mean every ward is equally diverse, or that ethnicity is the only lens through which people vote. Reform's strongest performances were concentrated in particular outer-city wards which are poor and less diverse. Meanwhile, the Green Party won the largest number of votes across the city, but due to Britain's first-past-the-post system, got only 19 seats. Labour collapsed to 17 seats (down from 65), the Conservative Party got 16, the Liberal Democrats 12, and 14 went to independent groups and candidates. The overall result of the election was fragmentation, not a far-right conversion.

Being the largest group in the council has not translated into power for Reform either. The party has found no partners. The city is now run by a collaborative minority administration of Liberal Democrats, Greens and the "Better Birmingham" Independents group, with a Liberal Democrat leader and Green deputy.

Reform has neither won Birmingham nor governs it. It has a foothold. This matters because too much national commentary treats disillusionment with Labour as if it can travel in only one direction. It is benefitting Reform, but it is also creating space for a progressive challenge. Under their leader Zack Polanski, the Greens have offered a clearer language of economic justice, public investment and opposition to racism. Nationally, they won the Gorton and Denton by-election in February, cementing their position as a credible progressive electoral option, leading to unprecedented council gains, took control of councils, won mayorships, and broke new ground in the Scottish and Welsh parliaments

The result has exposed Labour's twin vulnerability: voters are moving to the right, but also to a left that has rejected the premise that Farage speaks for everyone left behind. What Reform and other parties are doing is occupying a political vacuum left by failed centrist politics. In Birmingham, it is hardly surprising that Labour is being abandoned. For years, residents were told to absorb decline as though it were unavoidable weather. The Labour-controlled council effectively declared bankruptcy in 2023 after historic equal-pay liabilities, a disastrous IT programme and the long erosion of local government funding.

Services were cut, council tax rose, youth provision disappeared and a prolonged refuse strike left rubbish in the streets. The cost-of-living crisis struck communities already weakened by low pay, insecure work and threadbare services. The social conditions behind the anger are stark. Recent local data show that more than half of Birmingham's neighbourhoods fall within England's most deprived fifth. Official estimates put 44.4 percent of the city's children in poverty.

Until recently, I served as associate director of health inequalities across Birmingham and Solihull's NHS system. I saw how those pressures enter the body and the mind. Poverty becomes ill health long before a patient reaches a clinic: through cold or overcrowded housing, insecure work, unaffordable food, chronic stress, poor air quality and the practical barriers that make prevention and treatment harder to access. A city cannot remove the conditions for a healthy life and then be surprised when both illness and anger deepen.

That pain is real. Reform's explanation for it is a fraud. Reform offers false nostalgia: the promise of return to a secure, culturally uniform Britain that never existed for millions of working-class people. It replaces history with a comforting myth, then names migrants and minorities as the thieves of an imagined inheritance.

But simply denouncing Reform voters as racists is morally lazy and politically useless. Racism exists, and some voters are attracted precisely because Reform licenses prejudice. Others vote from fury, alienation or the desire to punish every party that has governed them. The task is to distinguish between the legitimate wound and the poisonous diagnosis offered for it.

Scapegoating is not an accidental excess of Reform's politics. It is the mechanism that allows anger to be directed sideways and downwards rather than upwards at the people and institutions that hold economic power. It deflects from Reform's own sources of financial support. The party poses as an insurgency against the establishment while drawing extraordinary support from the super-rich. An analysis of Electoral Commission records found that Reform received almost 15 million pounds ($20m) in large donations in the first half of 2026, overwhelmingly from a small group of high-value donors in cryptocurrency and finance.

A party funded by millionaires and billionaires, while proposing sweeping cuts that would fall hardest on poorer households, does not threaten oligarchic power. It protects it by turning its own economic victims against one another. What Reform's strategy misses is that ethnic-minority communities are not adjacent to the working class; they are part of it. The Pakistani care worker, Black graduate, white pensioner and former Longbridge factory worker have more in common than their differences: they share an interest in decent wages, homes, services and democratic power.

As a former Birmingham councillor, I have seen abstract differences recede when people organise around a threatened school, poor housing or a missing bus route. Solidarity does not erase racism or difference. It refuses the lie that security for one community requires insecurity for another.

Reform chose Birmingham to claim that even this city has turned against the Britain it represents. The result says something more urgent: a minority embraced Reform, while many more abandoned parties that had abandoned them.

In the end, Birmingham is Britain: diverse, unequal, wounded, creative and capable of solidarity. Its history and its present both point to the same answers – individual rights, community and public power, economic justice and common purpose – not division and scapegoating.

Justice by means, not merit

After practising law for five years as an advocate, one observation has become increasingly difficult for me to ignore; access to justice in Pakistan is based on the social status of the clients and their lawyer's reputation and influence. While the Constitution says there should be equality before the law, the reality inside many a courtroom often tells quite a different story. This story is tragic and unfortunate.

Those who can afford 'prominent' and 'influential' lawyers often appear to have a significant advantage over those who cannot do that. They secure bail more swiftly, obtain stay orders with relative ease, and even receive timely relief. In contrast, litigants with limited financial means struggle to face a system that seems far less forgiving. They face prolonged trials, repeated adjournments and stricter procedural consequences.

For daily-wage earners, the burden of litigation actually extends far beyond the courtroom. Attending regular hearings often requires them to spend the entire day waiting in court, from morning till evening, causing them to lose their daily income. Each missed day's wage means a missed meal, unpaid bills and growing financial insecurity. Coupled with the stress, uncertainty, and emotional strain of prolonged legal proceedings, the trial itself becomes a punishment.

This disparity becomes particularly visible in most property disputes. Land- grabbers and influential individuals, backed by substantial financial resources, often engage high-profile counsels with strong 'professional reputation' and 'institutional influence'. Interim stay orders are obtained, proceedings are delayed, and cases remain pending for years, while the rightful owners continue to wait for justice. The same imbalance is evident in criminal litigation. Those with financial resources are quite often able to secure 'effective' legal representation that maximises every available legal remedy. Meanwhile, an accused person of limited means struggles even to furnish the surety required for bail. Unable to arrange the necessary amount, many remain behind bars, not because they have been found guilty, but because poverty stands between them and their liberty.

This is not really a criticism of the legal profession at large. Indeed, there are lawyers who diligently represent their clients, but the number of black sheep has been on the rise. Besides, every lawyer, when hired, has a duty to defend those who seek legal representation. The fault lies with the justice system which acknowledges the 'influential' status of such lawyers and plays into their hands.

A society cannot truly claim to uphold the rule of law if justice is effectively determined by one's financial capacity. Justice should be blind to wealth, status and influence. Until every citizen — rich or poor — can stand before the courts with an equal opportunity to be heard and protected, the promise of equal justice will remain more of an aspiration than a reality.

Sarfraz Ali Soomro
Karachi

Unsafe healthcare practices

The recent outbreak of HIV linked to Kulsoom Bai Valika Hospital has been attributed to unsafe healthcare practices. It is a sobering reminder of how quickly failures in basic infection-control standards can devastate a community, especially its children. One route that also deserves greater public attention is blood transfusion. Unlike sexual transmission, transfusion of infected blood is one of the most common means of transmitting HIV, with the risk of infection exceeding 90 per cent if contaminated blood is transfused. Fortunately, this risk is almost eliminated when every donated unit is properly screened using the relevant laboratory methods.

The World Health Organisation (WHO) reports that although most high-income countries have universal blood screening and advanced testing systems, many low- and middle-income countries (LMICs) still face gaps in testing quality, laboratory standards and external quality assessment. Pakistan must ensure that every blood bank, in both the public and private sectors, meets the designated standards.

Patients and their families have the right to know that the blood they receive has been screened in accordance with national and international guidelines. This is especially important for children with thalassemia, women with obstetric emergencies, trauma victims and cancer patients who depend on repeated blood transfusions.

The question is not whether blood transfusions can be safe; they certainly can be. The question is whether every blood transfusion in Pakistan is screened to the same standard of quality and oversight. Although published data from a handful of blood banks indicates a low prevalence of HIV among blood donors, Pakistan lacks comprehensive national reporting from its network of more than 600 blood banks, making transparent surveillance essential to ensure safe blood for every patient.

A national review of blood transfusion services is needed, with greater transparency in screening, laboratory standards and regulatory oversight. Safe blood is a fundamental right, not a privilege.

Dr Uzma Shamsi
Karachi

Gridlock at KPPSC

The Khyber Pakhtunkhwa Public Service Commission (KPPSC) is entrusted with one of the most important responsibilities in the province: ensuring that recruitment to the civil services is conducted on the basis of merit, transparency and equal opportunity. However, prolonged delays in completing recruitment processes have become a matter of serious public concern. Such delays are difficult to justify in an era when modern technology has significantly improved administrative efficiency.

The consequences are really far-reaching. Government departments continue to function with critical vacancies lying vacant, placing additional burden on the existing staff and affecting the quality of public service delivery. At the same time, thousands of qualified candidates are left waiting for years, unable to plan their careers or explore other opportunities. For many, the delay means crossing age limits or losing valuable professional time.

The need for comprehensive administrative reforms is evident. The KPPSC should establish clear timelines for every stage of recruitment. Greater use of digital systems, better coordination with relevant departments and periodic public updates on recruitment progress would enhance transparency and improve the level of public confidence. Another matter that deserves serious attention is the recurring concern over reports related to question paper leaks and examination irregularities. Even isolated incidents can damage the credibility of a recruitment system. Every such case should be investigated promptly, impartially and transparently by the relevant authorities. Those found responsible, regardless of their position or influence, must be held accountable under the law.

Strengthening examination security through modern technological safeguards and stricter oversight is equally essential. The provincial government and the KPPSC should treat reforms within the recruitment process as an urgent governance priority.

Fazli Rahman
Mardan

Turbat's absent teachers

Government school teachers in Turbat either remain absent or fail to conduct classes regularly even when they are present. This problem is especially common once schools reopen after summer vacations. This attitude leaves a negative impact on students. Many parents cannot afford to send their children to private schools. Therefore, they rely on government schools for quality education. Teacher absenteeism and irregular classes create frustration among students and parents. The provincial government should strictly monitor teacher attend- ance. Unannounced inspections and appropriate disciplinary action may help improve the situation and restore parents' confidence in government schools.

Ayesha Munir Ahmed
Turbat

Beets and cacti share a red pigment that may have made desert life possible

Luis Arrais

Look at a cactus and the desert adaptation seems obvious. Thick and swollen with water, that stem is what carries the plant through months with no rain. On top of that, it costs the plant carbon and some photosynthesis. On a new reconstruction of the family tree, something far less visible came first. The red pigment that colors beets and cactus fruit evolved earlier, and it may be what made the costly stem worth having. That puts the trait everyone points to second in line. Tom Carruthers ran the work as a post-doctoral researcher in Ecology and Evolutionary Biology at the University of Michigan, and he's now at University College Dublin. The team ran no experiments. They built an evolutionary tree of more than 4,400 species, scored each one for pigment, water storage and drought, and worked out the order the traits arrived in. Almost every flowering plant on Earth builds its reds and purples out of the same family of compounds, and one group doesn't. Across roughly 12,000 species that include beets, bougainvillea, amaranth, and cacti – those compounds are gone, and a different set of red and yellow pigments does the job. Botanists call them betalains. Nothing else in the plant kingdom makes them. Plants under stress make more: salt, drought and strong ultraviolet light all push production up, and lab work has shown the pigment protects cells under salt stress. The same group is also full of desert specialists, and researchers had long noticed the overlap. Nobody had worked out which came first.

Popular sugar substitute linked to increased heart attack and stroke risk

Melissa Rudy

People who consume greater amounts of a popular artificial sweetener could face a greater risk of heart attack and stroke, a new study suggests. The research, which was presented at the ESC Cardiology Congress in Germany, showed that higher levels of xylitol in the blood were associated with an increased risk of major adverse cardiovascular events (MACE). Xylitol is a sugar alcohol that is commonly used as a low-calorie sweetener and sugar substitute, according to the National Institutes of Health. It is often used in higher amounts to sweeten foods, drinks, chewing gum and dental care products. The researchers followed two large study cohorts of more than 17,700 Canadian and British participants. Over a six-year follow-up, people in the Canadian Longitudinal Study on Aging with the highest xylitol levels had a 57% higher risk of death, myocardial infarction or stroke related to cardiovascular events compared to those with the lowest levels. Over 30 years, participants in the European Prospective Investigation into Cancer (EPIC)-Norfolk group with the highest xylitol levels had an 18% greater risk of MACE. Both cohorts showed evidence of a dose-dependent association, in which higher blood xylitol concentrations corresponded to higher rates of cardiovascular events. These higher risks persisted even after the researchers adjusted for other factors like age, gender, body mass index, hypertension, diabetes and lipid levels. The study follows previous research that showed xylitol can enhance the ability of platelets to form clots, according to Dr. Marco Witkowski, the study presenter from Charité University Hospital in Berlin, Germany. "Artificial sweeteners are consumed by people who think they are healthier than sugar, and they are generally regarded as safe by regulatory agencies," the doctor said in a statement.

What Ozempic could do for human lifespan — after mice taking it lived 100 days longer

Allie Yang

Could a weight loss shot be a fountain of youth? A new study could point to major longevity benefits for humans who take GLP-1s.

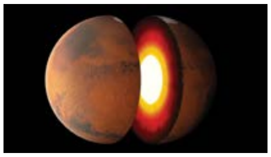
Researchers compared mice who took the drug in Ozempic and Wegovy to mice who didn't — and found improvement across their blood, appearance and behavior. Most importantly? The skinny jab mice lived months longer. The new study found that mice that took semaglutide lived around 100 days longer than mice who didn't take it. That's a 12% increase in lifespan.

If you take the average US lifespan of 79 years, that would look like 9.5 extra years of life in humans. But authors emphasize: More research is needed to confirm how this effect might extend to us. "We are very excited by this new study, because it could potentially broaden the application of GLP-1 medicines to healthy aging individuals to extend lifespan and healthspan," said author Danica Chen, a professor of metabolic biology and nutrition at UC Berkeley.

Experts have known that simply cutting back on calories extends your life — but this new research suggests the weight loss drug might actually do more for keeping your body young than just eating less. You may have heard about the "hallmarks of aging."

One half of Mars is hundreds of degrees hotter than the other

Eric Ralls



Mars isn't just lopsided on the surface. New research shows the asymmetry runs deep into the planet's interior.

The southern half sits hundreds of degrees hotter than the north and may still hold pockets of molten rock today. The study was led by Caltech alumnus Alexander Berne, who is now a postdoctoral associate at the University of Arizona.

Using gravitational data, the researchers found Mars's southern interior runs roughly 200 to 400 degrees Celsius warmer than its northern counterpart. Such a temperature gap is large enough to add new context to when, and where, the planet might once have supported conditions favorable to life. The technique behind this discovery started as Berne's graduate work at Caltech, where he built a model that translates tiny variations in gravitational data into a picture of what's happening deep inside a planetary body. Once the model existed, the obvious next step was pointing it at Mars. The team pulled together decades of tracking data from three separate missions: Mars Global Surveyor, Mars Odyssey, and Mars Reconnaissance Orbiter. Each spacecraft's velocity shifts, ever so slightly, in response to the gravitational field it's flying through, and those shifts can be measured with remarkable precision. Because Mars has a slightly elliptical orbit and a tilted rotation axis, the Sun's gravitational pull on the planet actually varies with the seasons. Tracking how Mars's own gravitational signature responds to that seasonal tug, a method called tidal tomography, lets researchers reconstruct a three-dimensional model of what's happening far below the surface.